

STRUCTURAL ADJUSTMENT AND PEASANT PRODUCERS:

The Political Economy
of a Turkish Export Crop

Hacer Deniz Akşin

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STRUCTURAL ADJUSTMENT AND PEASANT PRODUCERS:

**The Political Economy of
a Turkish Export Crop**

**STRUCTURELE AANPASSING EN BOEREN
DIE HAZELNOTEN PRODUCEREN:**

de politieke economie van een Turks exportgewas

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Dedicated to my mother, sister and father




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Acronyms

AKP	Adalet ve Kalkınma Partisi/Justice and Development Party
ANAP	Anavatan Partisi/Motherland Party
ARIP	Agricultural Reform Implementation Programme
ASCU	Agricultural Sales Cooperatives Union
CHP	Cumhuriyet Halk Partisi/Republican People's Party
CPI	Consumer Price Index
DFIF	Destekleme ve Fiyat İstikrar Fonu/Support and Price Stability Fund
DIS	Direct Income Support
DP	Demokrat Parti/Democrat Party
DSP	Demokratik Sol Parti/Democratic Left Party
Fiskobirlik	Hazelnut Agricultural Sale Cooperatives' Union
IFO	International Financial Organization
IMF	International Monetary Fund
MARA	Ministry of Agriculture and Rural Affairs
MHP	Milliyetçi Hareket Partisi/Nationalist Movement Party
PROCAMPO	Programa de Apoyos Directos al Campo/Direct Aid to the Farmer Program, Mexico
SAP	Structural Adjustment Programme
TMO	Toprak Mahsulleri Ofisi/Turkish Grain Office
TNCs	Transnational Corporations
TOT	Terms of Trade
TÜSİAD	Türk Sanayicileri ve İşadamları Derneği/Turkish Association for Businessmen and Industrialists

TMMOB	Türk Mühendis ve Mimar Odaları Birliği/Union of the Chambers of Turkish Engineers and Architects
TZDK	Türkiye Ziraî Donatım Kurumu/ Turkish Agricultural Supply Organization
TZOB	Türkiye Ziraat Odaları Birliği/Union of Turkish Chambers of Agriculture
WB	World Bank
ZMO	Ziraat Mühendisleri Odası/Chamber of Agricultural Engineers



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Abstract

The Agricultural Reform Implementation Programme (ARIP), which was adopted under the aegis of a World Bank-financed Structural Adjustment Programme between 2001-2008, aimed to ‘lock in’ the neoliberal hegemony that had been developing in Turkey since the early 1980s by transforming the nation’s agrarian political economy. For hazelnut-producing petty peasant groups of the Black Sea Region, this meant an overall restructuring of their relationship with both the state and (global) capitalist markets. This transformation is evident in the privatization of the parastatal sales cooperative Fiskobirlik and in the price pressures exerted by transnational corporations that purchase Turkey’s vast hazelnut output. Faced with these changes, peasants launched a resistance movement against the implementation of ARIP.

The study investigates why the resistance of Black Sea peasants to the agricultural reform programme, and its eventual impact, remained limited. Contrary to studies focusing either on the state, the role of its agencies or on society, I adopt an approach that examines the interaction between state and society. In this framework, an agency-centred historical approach that uses quantitative and qualitative data shows that neither institutions nor individuals are determinants of the outcome of struggle. Both struggle and outcome are influenced by the wider structural logic of power relations inherent to the capitalist mode of production and the specificities of state-society relations – in this case of Turkey.

Peasant producers made extensive use of political coalitions with various social groups in their attempts to resist ARIP, forming a ‘nationalist bloc’ that demanded state intervention in the market mechanisms that determine the price of hazelnut. The coalition did achieve occasional successes, for instance by forcing the state to create an agency that set a subsidized purchasing price, and it was instrumental in confronting the neoliberal state project in Turkey. Nevertheless, the state’s attempts to dominate the sales cooperatives continued even after its so-called retreat from the market. For

instance, Fiskobirlik administration that strived to set a higher price on behalf of hazelnut producers during the reform, remains excluded from the hazelnut production process. Furthermore, the rise of the share of hazelnut producers in the unit export price proved to be temporary and peasant producers continue to be impoverished.

While farmer groups were adept at forming coalitions with various groups that opposed the neoliberal transformation of agriculture in Turkey in particular and Structural Adjustment Programmes in general, the analysis of social relations in villages shows that peasant producers are caught within dominant forms of political associations and remain far from becoming independent socio-economic and political actors.

Keywords: Peasant struggle, populism, Structural Adjustment Programmes, agricultural reform, state-society relations, Turkey.

*Structurele aanpassing en boeren die hazelnoten produceren:
de politieke economie van een Turks exportgewas*



Samenvatting

Het Agricultural Reform Implementation Programme (landbouwhervormings-implementatieprogramma) of ARIP dat tussen 2001 en 2008 is ingevoerd in het kader van een door de Wereldbank gefinancierd structureel aanpassingsprogramma, was bedoeld om de neoliberale hegemonie die zich sinds begin jaren 80 in Turkije had ontwikkeld ‘vast te zetten’ door de agrarische politieke economie te transformeren. Voor kleine hazelnoot-producenten aan de Zwarte Zee betekende dit een algemene herziening van hun relatie met de staat en met (wereldwijde) kapitalistische markten. Deze transformatie is te zien aan de privatisering van het staatsbedrijf Fiskobirlik en aan de prijsdruk die wordt uitgeoefend door transnationale afnemers van Turkijes enorme hazelnootproductie. Als reactie op deze veranderingen zijn Turkse boeren in verzet gekomen tegen de invoering van het ARIP.

In dit onderzoek wordt nagegaan waarom het verzet van boeren in de Zwarte Zee-regio tegen het landouwhervormingsprogramma en de uiteindelijke gevolgen ervan beperkt is gebleven. In tegenstelling tot onderzoek dat zich richt op de staat, op de rol van staatsinstellingen of op de samenleving, is hier een benadering gekozen waarbij de interactie tussen de staat en de samenleving wordt onderzocht. Uit een historische benadering waarin agency centraal staat en op basis van kwantitatieve en kwalitatieve data blijkt dat noch instellingen noch individuen het resultaat van de strijd bepalen. Zowel de strijd als het resultaat ervan wordt beïnvloed door de bredere structurele logica van machtsrelaties die inherent zijn aan de kapitalistische productiewijze en de specifieke kenmerken van de relaties tussen staat en samenleving – in dit geval in Turkije.

Boeren die hazelnoten produceren zijn op uitgebreide schaal politieke coalities aangegaan met diverse sociale groepen bij hun pogingen om zich te verzetten tegen het ARIP, waarbij ze een ‘nationalistisch blok’ vormden dat eiste dat de staat ingreep in de marktmechanismen die de hazelnootprijs

bepalen. Deze coalitie heeft enkele successen geboekt, bijvoorbeeld door de staat te dwingen om een instelling in het leven te roepen die een gesubsidieerde inkoopprijs vaststelde, en de coalitie heeft een cruciale rol gespeeld in de strijd tegen het neoliberale staatsproject in Turkije. Desondanks bleef de staat proberen om de handelscoöperaties te domineren, zelfs nadat de overheid zich zogenaamd had teruggetrokken uit de markt. Zo is het bedrijf Fiskobirlik dat tijdens de hervorming een hogere prijs voor de hazelnootproducenten wilde bedingen bijvoorbeeld nog steeds uitgesloten van het hazelnootproductieproces. Daarnaast bleken hazelnootproducenten slechts tijdelijk een groter deel van de exportprijs per eenheid te krijgen en zijn deze hazelnootboeren nog steeds arm.

Hoewel groepen boeren er goed in geslaagd zijn om coalities te vormen met verschillende groeperingen die tegen de neoliberale transformatie van de Turkse landbouw in het bijzonder en structurele aanpassingsprogramma's in het algemeen waren, blijkt uit de analyse van sociale relaties in dorpen dat hazelnootproducenten gevangen zitten in dominante vormen van politieke verbanden en dat ze nog lang geen onafhankelijke sociaal-economische en politieke actoren zijn.

Trefwoorden: Boerenstrijd, populisme, structurele aanpassingsprogramma's, landbouwhervorming, relaties tussen staat en samenleving, Turkije.

1

Agricultural Reforms, Export Crops and Peasant Politics: A Framework

1.1 Background: What Infuriated the Black Sea Producers?

On the morning of 30 July 2006, thousands of people from villages all over the Black Sea region gathered in the square of a small coastal town. In just a couple of hours the square filled with 80,000 people. An additional 20,000, unable to reach the square, joined the protest in the streets leading to the square. This was a protest meeting that made headlines in Turkish newspapers and received much attention from the government.

The hazelnut harvest season was approaching but the subsidized price of hazelnut had still not been announced, mainly due to the financial crisis of the parastatal sales cooperative Fiskobirlik. In fact, the main player in the hazelnut market and the biggest sales cooperative of the country that encompassed nearly half of the actual hazelnut producers (about 230,000 out of 500,000) was unable to pay the farmers for the subsidized purchases from the previous year (that year Fiskobirlik purchased 51,000 tonnes of hazelnuts, which is approximately 10 per cent of the market). This meant more debt for both producers who sold their hazelnuts and other producers who expected to benefit from Fiskobirlik's role in determining the market price. The bankruptcy of Fiskobirlik affected about five million people (according to the findings of Samsun Directorate of Agriculture in 2006) who directly or indirectly relied on the economy created by hazelnut production in the Black Sea region. A short while before the protest, Fiskobirlik declared bankruptcy following tumultuous negotiations between different interested parties involved in hazelnut production. This took place during the restructuring process designed by the comprehensive World Bank-initiated reform programme called ARIP (Agricultural Reform Implementation Program, 2001-2008). As a result, the price of the hazelnut crop in the free market had dropped dramatically.

That day, some two thousand people marched to the highway linking Ordu to another Black Sea town Samsun and blocked the traffic for hours. For Ankara, this was not just any disruption of the public order. It carried the potential of leading to protest and demonstrations on a much wider scale, or even leading to an anti-government social outcry. This was a development which was most unwelcome just months before the general elections. As the crowds refused to leave the protest meeting and unblock the highway, the government in Ankara had to get involved more directly to end the protest. This is why, instead of contacting the Minister of Internal Affairs, which would be the normal procedure, the Prime Minister directly called the Governor of Ordu and ordered that the crowd be dispersed right away. The atmosphere was no doubt overwhelming and emotional. Cries of solidarity apparently prevented the chief of police from carrying out Ankara's orders to be harsh on the protesters. The chief of police did not use force to disperse the protesting mass but chose to persuade the crowds through dialogue. He was later removed from office.

Both from a theoretical and practical perspective, this study strives to shed light on another just as important question: Why did the political impact of resistance movements remained limited and did not take a more radical form – during the movement as well as during the years that followed the initial protest? Perhaps more importantly, what does this suggest in terms of peasant politics and its relation to institutions?

For instance, the protest of hazelnut producers ushered in a new phase in the relations between the state and peasant producers in the years to follow. The studies that examine this relation usually concentrate on two dimensions of peasant life. Several studies focus on the organization of the resistance movements and how they conducted themselves, and they analyse the arguments of protesters as well as the social composition of these groups. Other studies tend to focus on the state level in order to understand the dynamics that change peasant life and the role of politics in the transformation of agrarian policies.

An equally important number of studies focus on the villages and not on resistance movements in order to better understand the political struggle of peasant groups. This approach concentrates on the less apparent aspects of peasant politics which are in fact of primary importance. They focus on aspects of the peasant struggle which do not always find expression in collective action. Focusing solely on state policies

and/or protest movements, may lead to a neglect of the real political dimension of village life and peasant producers (Scott, 1985). As Scott (1985) rightly observes, examining peasant politics in the villages has power to explain what precisely drives resistance.

In order to analyse the socio-political dynamics that shaped the protest movement and its aftermath, it is important to examine the social motives for transforming the state, the market and the village. The discussion of how different interests translate into collective action becomes even more meaningful when it is placed within the framework of the interests at stake, their correlation with the different social groups involved in hazelnut production, and how these interests were expressed *vis-à-vis* the state and other dominant actors in the market. As such, exploring peasant politics calls for a study of the state on the one hand, and society and village life on the other. The debate as a whole provides significant insight into state–society relations, peasant producers as agents and, most importantly, the nature of resistance and domination which is intrinsic to the functioning of the market, village and state/society.

The protest meeting of hazelnut farmers in the Black Sea was a momentous event in the experiment of agricultural reform (ARIP, Agricultural Reform Implementation Programme, 2001-2008) in Turkey. The protest not only led to a change in the policies of the ARIP programme, it was also the first time that the interests of farmers made headlines in the media. The protest drew farmers from all hazelnut-producing provinces of the Black Sea region, all the way from Trabzon, Giresun and Ordu in the east towards Samsun and other provinces in the west, even reaching Istanbul. This demonstration was organized by the Union of Chambers of Agriculture in Turkey. In fact, a prominent columnist from *Radikal* Newspaper, Yetkin (2006), described the Union of the Chambers of Agriculture as the government's most effective opposition in Turkey.

The protest occurred at a critical juncture. Fiskobirlik was struggling with financial problems and the subsidy system was undergoing restructuring. As such, the protest succeeded in shaping the course of the ARIP process, or at least to some extent. The liberalization of hazelnut production which was at the core of this protest, was not the first of its kind. Since the early years of the Republic, despite many attempts at reform, hazelnut production had been one of the most protected sectors. Changes therein had always had important social, economic and political consequences. Through the sales cooperatives such as Fiskobirlik, the

Turkish state had been ‘intervening’ in the hazelnut market and setting a purchasing price as early as 1938. In addition to price subsidies, it had also been providing agricultural credits with low interest rates from the Agricultural Bank.

By the end of the 1990s and especially after the financial crisis of 1999, to be more precise, the Turkish state embarked on a new era in agricultural policy making. The ARIP intended to liberalize the entire agricultural production system, including the hazelnut sector. To this end, the government initiated a reform programme with World Bank loans in accordance with the series of letters of intent submitted to the International Monetary Fund. Regarding the hazelnut sector, the liberalization programme consisted of restructuring Fiskobirlik so that it could start operating as an autonomous private institution without financial support from the state. Direct Income Support (DIS) was designed to replace existing subsidies (i.e. input, output and price supports) so as to provide farmers with compensation for losses in the period of transition without disturbing market prices.

1.1.1 What is the problem?

From the perspective of thousands of small producers in the Black Sea region, this new wave of liberalization of the price determination system meant having to deal with a small number of multinational corporations in Europe with great purchasing and bargaining power. The discontent of farmers peaked in the years following the reform, when market prices dropped considerably, as a result of a continuous tug-of-war between the parties involved in the hazelnut price determination process. In this process Fiskobirlik, as the sales cooperative and price setter, lost its credibility. The situation became unsustainable in 2006, when, as indicated above, thousands of farmers protested against the state’s policies and the government’s reluctance to support the bankrupt sales cooperative.

Because of the particular discourse they adopted, this protest could be considered effective in making the voices of hazelnut producers heard, and, at the same time, raising national awareness of the challenges faced by producers in agriculture. The discourse embraced all Turkish farmers regardless of what they produced. The government and the World Bank were well aware that the liberalization measures, taken as a result of the structural adjustment programme, would diminish the standard of living

of direct producers (farmers). In the beginning, however, the rest of society was unaware of the impact of the programme.

The protest forced the government and policymakers to make some changes in some of the components linked to hazelnut production. For instance, following the protest, the government appointed a new agency, TMO (Turkish Soil Agency), for the subsidized purchases of hazelnuts. One of the reform components was to restructure the sales cooperatives so as to privatize their parastatal characteristics and eliminate the price support system. The appointment of the TMO following the protest was unforeseen by all parties involved. Secondly, policy makers abandoned the unpopular alternative product policy component of the reform agenda, through which the production of alternative products was promoted to prevent the overproduction of hazelnuts.

In light of the scale of this demonstration and developments that took place in its aftermath, one could have predicted a more radical peasant politics to ensue. This well-organized protest meeting had altered the course of the reform process during the period 2001-2008. However, in assessing its overall impact, it is hard to conclude that a radical peasant politics flourished as a result. Furthermore, considering the fact that previous liberalization efforts in the history of hazelnut production had been unsuccessful in the absence of any protest, this large-scale demonstration of thousands could have been more influential. Several times, especially in the 1980s, during the first wave of liberalization, successive governments had tried to limit the subsidized purchase of hazelnuts. Each time, however, government acceded to a new populist wave in acknowledgement of the political power of hazelnut producers.

The resistance of hazelnut producers in 2006 did not bring a new alternative solution to the expressed problems, nor did it put a definitive end to the concerns of hazelnut growers. Secondly, TMO, which replaced Fiskobirlik for price support, was only a temporary solution created by the government to ease the plight of smallholders for a short period of time and restrain the growing resistance of farmers who demanded price support. Elsewhere, in western Anatolia, the Bergama peasants' protest led the government to change the law on gold mining (Arsel, 2005). Nowadays, there is no lender of last resort in hazelnut production which the farmers had been expecting, and the sales cooperative Fiskobirlik has become a private actor.

Furthermore, the sales cooperative is still experiencing financial difficulties and seems to have lost the political support of the majority of Black Sea farmers. In such circumstances, it is reasonable to expect that farmers would form their own organization to act in the hazelnut market. However, the licenced warehouses that are in the process of formation following a new regulation, give the authority to private investors instead of farmers' cooperatives.

The agricultural organization that assumed leadership during the protest neither strengthened its position as a pressure group, nor did it gain more voice in the formulation of post-reform policies. Furthermore, the National Hazelnut Council established following the protest, is perceived by many farmers not as a platform where they can express their concerns but rather as an institution for powerful trade companies to advance their interests.

When a reform measure or a policy experiment is met with strong resistance from those affected by it, it can be said that no government can remain unconcerned. However, each case is different and even unique in the sense that it leads to different solutions and institutions depending on the state–society relations of the country concerned. It has been noted that most rural classes shun open, organized political action, and if they do participate, they rarely fundamentally challenge the existing political system (Scott, 1985: 15). Nevertheless, some political action by peasant groups has been studied to illustrate how class issues can be raised in an effective manner (e.g. McMichael, 2007; Petras and Veltmeyer, 2001; Scott, 1977). There are different views about the efficacy of peasant groups in effecting change in the political systems they are subject to.

This study does not assume that a single demonstration can necessarily completely transform a political system. It does argue, however, that it is reasonable to expect some change and/or reaction nonetheless.

Therefore, it is worth studying the particularities of the new relations and the peasant politics brought into being during and in the aftermath of policy transformation. The question at hand is what new relations it brought about and why it did not result in a more radical peasant politics, for example. Firstly, such an analysis could contribute to understanding the relationship between resistance and domination, and their different forms. Furthermore, questions about the potential agency of agricultural producers *vis-à-vis* wider political economies and how they

press for more autonomy in instances of policy transformation could be illustrated best through studying specific cases. In this regard, a study of the structural social landscape and of different processes at work between state and society provides the researcher with material for studying the special characteristics of each case.

1.1.2 The objectives of this study

There are several important factors related to the particular characteristics of peasant politics in Turkey that are studied in depth in this research. For instance, it is interesting that Fiskobirlik lost its importance for farmers during the political struggle. As a result, farmers did not insist on taking over the control of the institution. In the meantime, some other new institutions gained in importance in which farmers and more particularly small farmers are not represented. The Hazelnut Council founded during the post-protest period was designed as a platform to represent all social groups involved in hazelnut production, including tradesmen. Farmers' organizations on the other hand, complained that despite its appearance, the council is in the hands of capital and small farmers are not represented. Similarly, the law envisaging licensed warehouses for hazelnut storage by individuals instead of farmers' cooperatives gained in importance and have significant implications for peasant politics.

This study discusses the particular shape peasant politics has taken in this time and space. Put differently, it questions why the influence of hazelnut growers was so limited in a geographical area such as the Black Sea region where peasants could easily get organized.

The search for answers leads us into two directions, or spheres. One is the state and the other is the society in general, the Black Sea villages and farmer groups in particular. The relationship between these two spheres, that constitute state–society relations, provides the framework in which we are operating. In addition, in order to illustrate the capacity of peasant groups to act as political agents, a special focus is needed on agency. These are the basic considerations framing the specific research objectives of this study, which are explained below.

Firstly, an agency-centred approach refers to a focus on one social group which is actually quite diverse in a context (of hazelnut production) where many other social groups are also present. The focus on a

single group does not imply that the main objective is solely to study the technical organization of peasant groups. The objective is to study peasant groups, their relation to the social context and its implications in relation to the state, institutions and market. In order to do that, one needs to understand how collective actors were formed around interests during the reform. Equally important is to be able to define the relationship between different groups. Forms of domination and resistance in institutions, market and villages also need to be researched at this point.

In a wider context, the state has to be studied. How were reforms formulated at government level; what was the relationship between reform measures and different organizations such as the ministries, the World Bank, the International Monetary Fund and the global political economy? As the agricultural policies were formed, what was the relationship between the responsible organizations and different social actors such as exporters, differentiated farmers and their representative organizations? Above all, how can the Turkish economic, political, ideological and social context be described at the turn of the millennium when structural adjustments were being implemented in agricultural production? This has to be defined to contextualize and understand the factors at play in the forms of domination and resistance prevalent in the Turkish social context at the time.

More specifically, it needs to be established what the state did to restrain protest groups and which groups were in alliance against the resistance of Black Sea farmers. Simultaneously, it has to be explained why peasant groups did not form a more radical political bloc against those they defined as the opposition (i.e. the state and other social groups involved in production) during the ARIP process.

This study argues that without contextualizing the reform in these stated fields, some questions that come to mind cannot be totally understood: such as why some social actors such as the small peasants of the Black Sea did not assume control of, or embrace, *Fiskobirlik*; or how well-to-do farmers defined their objectives in a certain way but not another; or why and how the state adopted a position that was neither in favour of farmers nor against them; and/or what forms of domination were used over and within differentiated farmers in order to restrain their resistance. A related research interest in this framework concerns how groups in hazelnut production perceived the role of the state, the ARIP reforms and the role of different social groups involved in produc-

tion. The question of whether these perceptions are translated into political action or how it was restrained is the subject of this study. The term political action (in this study) covers not only overt political action like participating in protests, but also engaging in close contacts with representative bodies and/or publicly supporting the resistance (in places recognized as political platforms in the villages or elsewhere).

Lastly, what is understood by politics is also important. In this study, politics concerns the question of who gets what. The reform process is considered as a political one where different social groups with different interests struggle to influence agricultural policies. Politics is observed and analysed as it pertains to the agricultural reform formulation process, and with reference to the institutions involved in hazelnut production such as in Fiskobirlik, the market and villages. In all these fields where struggle takes place, different forms of domination and resistance can be observed. It is closely related to the matter of peasants as political actors. Domination is about control and coercion but also involves the ability to obtain the consent of others through psychological, symbolic, ideological or material means. The dominating power is in the market, society and the state. Therefore it is necessary to have a look at all these fields. Resistance by different social groups is one response to reform and can take different forms as well. In this regard, it is important to note that protest is only one way of expressing it.

1.1.3 Why this study?

The significance of this study is that it attempts to capture, from the perspective of peasant agency, an ongoing political struggle regarding agricultural policy making at a critical time when a radical change in agricultural production was being introduced in a region whose agrarian structure is characterized by small-scale family production. Through the lens of this political struggle between 2001-2008, the interaction between different institutions – the state, other market actors and hazelnut farmers - can be observed and analysed in order to reveal the nature of peasant politics. The study aims to contribute to the field of state–peasant relations by providing an analysis of forms of domination and resistance during agricultural reform.

The strength of this approach lies not only in its use of a framework that necessitates the study of state–peasant relations in an interactive manner but also in its attempt to fill a gap in a field whose importance

has thus far been neglected. The Black Sea farmer groups and their villages have been studied from the perspective of peasant differentiation and agrarian transformation (see Sönmez, 2001), but thus far, the aspect of political agency has not been studied.

The political agency of peasants is nevertheless important. The political potential of these groups is also being acknowledged by government agencies. This was demonstrated by the attitude politicians adopted *vis-à-vis* Black Sea people during the elections. The government always strove to gain the support of Black Sea voters, illustrated by the rise in the subsidized price of hazelnuts right before the elections, or the politicians who promised higher prices during their campaign. Similarly, during my research in 2008 interviewees in the Ministry of Agriculture confirmed that the reform agencies were aware of this political power that hazelnut producers hold. It follows that the nature of this political power has to be studied. Also, because such a large and organized protest does not often occur in the Turkish political landscape.¹

The research is also important considering the significant share of the Black Sea in the world's hazelnut production, which provides Turkey with a significant export income.

1.2 Theoretical Framework: Peasants, Politics, Domination and Resistance

In this section I discuss peasants as agents, their relation to wider political economies and state–society relations from a theoretical perspective with the objective to develop a framework for this study. I shall argue that a framework based on the interdependence of state and society, within which power relations intrinsic to social relations of production and characteristics of social relations are discussed, reveals best the political position of peasant groups. I also argue that peasant politics can best be understood by adopting an agency-centred historical approach in exploring power relations and the nature of resistance and domination. The discussion concludes with the observation that the entire reform process can be considered political, one which encompasses and reflects the interests of different social groups.

1.2.1 Peasants as a social category, questions on agency and structure

Using the term peasant or peasantry requires great care, especially since its meaning is much contested nowadays. The term 'peasants' in its most common use refers to 'household farming organized for simple reproduction, notably to supply its own food (subsistence)' (Bernstein, 2010: 3). Some other qualities of social organization are often also alluded to, such as: 'solidarity, reciprocity and egalitarianism of the village and commitment to the values of a way of life based on household, community, kin and locale' (Bernstein, 2010: 3). Shanin (1976) defines four main criteria in the definition of peasants or peasantry: Farm, family, class and community. The farm criterion refers to agricultural production that is a combination of subsistence production with commodity production; the family criterion refers to the fact that the 'family serves as the unit of production, consumption, reproduction, socialisation, welfare and risk-spreading' (Bryceson, 2000: 2), the class criterion refers to the fact that peasants are always subordinated to 'wider social and economic forces because of the need to obtain items they do not themselves produce' (Akram-Lodhi and Kay, 2009: 3).² Finally the criterion of community refers to 'village settlement and traditional conformist attitudes and outlook' (Bryceson, 2000: 2). The first three criteria are used in almost all definitions of peasants, whereas the last one is more controversial. Often, peasantry is used in a normative sense; some romanticize it whilst others use it pejoratively, to indicate that this group is conservative and technologically backward.

Peasants are not to be found in fixed forms (Bryceson, 2000: 3). They have a dynamic character, relations among social groups can be complex, to the extent that lines between urban and rural blur. Furthermore, when peasants are defined as a group whose main occupation is agriculture, it is hard to find such groups in the modern rural contexts of many developing countries. They/most are simultaneously engaged in seasonal agriculture and/or permanent occupations in urban centres.

Thus the question of when peasants cease to be peasants or when they become peasants is an important one. It seems easy to draw boundaries according to location. However, there is always the problem of identifying those who live in villages but do not own any land but are working on the land or in non-agricultural activities. In other words, 'peasant livelihood involves a changing agrarian labour process that can-

not be equated with an agricultural livelihood and rural residence *per se*' (Bryceson, 2000: 3).

During my research, I observed that the Black Sea context was not much different from what is observed in other geographies, in the sense that the occupations of village inhabitants were diverse. One official in the province of Giresun said, 'if you are to ask in tea houses for someone who solely earns his income from agricultural production, you won't find a single person raising his hand.'³

At first glance, the characteristics of Black Sea farmers can be summarized as follows. They are increasingly driven to off-farm activities, so that the number of young farmers is relatively low. They spend most of their time in urban centres and they either work in temporary (seasonal) or permanent jobs. Many hazelnut producers actually live in big cities. Older family members remain in the villages and the hazelnut producers return at harvest time.

The emergence of new types of farmers in the countryside led some to announce the 'death of the peasantry': 'The most dramatic and far-reaching social change of the second half of this (last) century, and the one which cuts us off for ever from the world of the past, is the death of the peasantry' (Hobsbawn, 1994: 289). In analytical terms, Bernstein (2010: 4) says peasants refer to two historical moments. One is the pre-capitalist societies populated by small-scale family farmers and the other is the transition to capitalism (Bernstein, 2010: 4). How this transition takes place, what social, economic and political processes are at work – that is the agrarian question. The questions Veltmeyer raised in this regard are whether capital still needs agriculture for accumulation, and 'does it even make sense to speak or write of peasants today?' (Veltmeyer, 2006: 445).

In the framework of the research objectives of this study it is necessary to ask: do the features of the Black Sea rural population mentioned above suggest that it is no longer appropriate to consider peasants as a class, or as agents in the contemporary landscape of the Black Sea? How do we study the agency of these social groups?

Regarding the question of class, according to Marxists like Lenin and Trotsky, the peasantry cannot be considered 'as a class but as an internally differentiated stratum divided into antagonistic capitalist/proletarian class positions' (Brass, 1994: 9). These positions are de-

pendent on social relations of production at a given historical moment in time.

Lenin (1992: 131) defined the depeasantization process as the eventual transformation of well-to-do farmers into capitalist farmers, with middle and small peasants evolving towards independent rural labour; thus the dissolution of pre-capitalist peasant production relations and its replacement by capitalist production relations. Departing from the definition of Lenin, several observations have been made to suggest that peasants are still a relevant category. Firstly, it is suggested that the foreseen transformation in peasant production relations paving the way for capitalist relations of production did not occur as predicted. For instance, several studies (e.g. Bernstein, 2000; Morton, 2007b) reveal that even if the tendency is towards forced commercialization, hence depeasantization, a diversity of petty commodity production relations can be observed in different rural geographies in the world.⁴ Some studies show that as much as depeasantization is taking place, there is also a re-peasantization process at work, involving renewed alternatives to capitalist production relations.⁵

In Turkey, studies reveal that the Turkish agrarian landscape is dominated by independent small-scale producers (Keyder, 1983; Boratav, 1981). By the mid-1980s, scholars reached a general consensus that petty commodity production was becoming the dominant form of production (Keyder, 1995; Sönmez, 2001; Boratav, 1981). In the 1980s, the dominance of petty commodity production was interpreted in two ways (Sönmez, 2001: 76). While Boratav (1981) viewed it as a semi-developed structure furthering the development of industrial production in the country, Aydın (1986) and Keyder (1983; 1995) viewed it in terms of centre-periphery relations. As long as Turkey remained in the periphery these relations would persist (Sönmez, 2001: 76). The social relations of production were assessed with reference to structural criteria. These included size of land, ratio of wage labour to household labour and/or which portion of production is marketed, or whether it is marketed regularly, in other words the degree of marketization (Sönmez, 2001: 76). For instance, Boratav (1981) suggested that an enterprise should be considered capitalist when it is large enough and wage labour exceeds household labour, otherwise it should be considered as petty commodity production. Others who adopted the world-system view (Aydın, 1986; Keyder, 1993), suggested that any holding could be considered capitalist

regardless of wage labour and the nature of social relations of production, as long as it is situated in capitalist society and incorporated in the systems through the market (Sönmez, 2001: 76).

Secondly, depeasantization depends on the establishment of capitalist relations of production whereby power is concentrated in the hands of well-to-do farmers compared to a larger number of wage labour. These relations in turn secure the flow of surplus from agriculture to industry so that the latter grows. However, the existence of the conditions for the development of industry does not necessarily mean that capitalist relations are dominant in the countryside. For instance, Lenin (1992) draws attention to the merchant classes and explains that their existence does not necessarily imply the establishment of a capitalist mode of production. Similarly, Byres (1992: 89) stressed that the existence of well-to-do farmers does not necessarily indicate that this powerful group is capitalist, for it still bows to urban/industrial interests (Byres, 1992: 83): ‘the urban bourgeoisie had undisputed hegemony in the social formation’.

Thirdly, others (e.g. Corbridge, 1992; Harrod, 1987; Morton, 2007a) point out the dangers of economism and stress the need to work within the framework of political economy. Corbridge (1992) criticizes the approach adopted by Byres for simply focusing on the flow of surplus from agriculture to industry which arguably determines the modes of production rather than the class nature of production. Morton (2007a) and Harrod (1987) suggest that there are different forms of social relations of production⁶ which are not taken into consideration in the death of the peasantry thesis (that capitalist relations would lead to complete proletarianization and the disintegration of the peasantry’s class identity). According to Morton, the Mexican EZLN movement offers a good example of the reproduction of the peasantry within the context of capitalist accumulation. The EZLN movement shows how ‘subaltern class formation’ takes place through different processes which also reveal different forms of purposeful agency (Morton, 2007a: 176). Indeed, Harrod (1987: 56) notes that specific cases should be studied in order to establish whether there is a ‘consciousness of an opposing class or group power or some organizational manifestations of class and whether such potential classes of subordinate producers can come together into one class’. Thus, for Harrod (1987: 49) the concept of the peasantry can still be considered a meaningful category⁷ of producers.

Another question concerns the nature and content of the struggle of these groups (peasants). Where, how and between whom does this struggle take place? Also of note in this regard is whether the social relations and their identities are subject to constant negotiation or whether they are constrained by the structure.

O'Donnell and Schmitter (1986: 4) argue: 'it is almost impossible to specify *ex ante* which classes, sectors, institutions, and other groups will take what role, opt for what issues or support what alternative'. Hansen (1991: 60) explains that collective action encompasses many social relations, ideas about the world and identities, all of which are subject to continuous bargaining (see Lindberg, 1994: 100).

By contrast, structural approaches present identities and interests as defined by the social structure and interpret the actions of these groups as determined by these structures (Mahoney and Snyder, 1999: 5). Marx said in *The Eighteenth Brumaire of Louis Bonaparte* that every individual makes their own history but that it cannot be considered independently from the socio-economic and historical context. 'Men make their own history, but not of their free will; not under circumstances they themselves have chosen but under the given and inherited circumstances with which they are directly confronted' (Marx, 2008: 29). Gramsci (1971, 2008) suggests that no peasant history can be studied in isolation from state-society relations. 'The subaltern classes by definition are not unified and cannot unite until they are able to become a "state": Their history therefore, is intertwined with that of civil society, and thereby with the history of States and groups of States' (Gramsci, 2008: 55).

These two approaches contrast with each other, the one emphasizing social structure and the other stressing social interaction. A third approach integrates the two approaches, taking into account both social interaction and structure in the analysis of farmers' movements (Lindberg, 1994: 100). Adopting an agency- and structure-oriented approach (as in this study) involves an analysis of the manner in which claims are made and autonomy is manifested within an existing economic and political context. This is how the 'terrain dialectically occupied by both structure and agency' can be captured (Morton, 2007a: 174).

Regarding the content of the struggle (how and between whom) that takes place in the village, different views are expressed depending on whether these studies prioritize structure or agency. Starting with a struc-

ture-oriented analysis, the struggle according to the classical Marxist argument takes place between capital and the proletariat. 'The lower middle class, the manufacturer, the shopkeeper, the artisan, the peasant, all these fight against the bourgeoisie, to save from extinction their existence as fractions of the middle class. They are therefore not revolutionary, but conservative. (...) If by chance they are revolutionary, they are so only in view of their impending transfer to the proletariat, they thus defend not their present, but their future interests, they desert their own standpoint to place themselves at that of the proletariat' (Marx, 2008: 15).

From these lines, it can be said that the revolutionary character of the peasant classes are determined by the social relations of production and landownership. Furthermore, the revolutionary potential of a class diminishes the higher it can be placed in the scale of relations. Thus poor peasants have more revolutionary potential than well-to-do peasants. The middle peasants on the other hand, can also be an ally provided that they have an 'ideological preparation and that they are organized and led along correct political lines' (Pouchepadass, 1980: 136). In this framework, the driving force of the revolution is expected to be the rural proletariat which is situated at the lowest level in the relations of production.

Some, however, suggest that well-to-do and middle peasants could also be the driving force of a movement. For instance, Wolf (1969: 290-2) says that middle peasants are the only class that is independent enough and has the power to rebel. This class of peasant holds enough land to feed its family and is not dependent on anyone for labour as the family is used. Coinciding with this view, Alavi (1973) observes that even if the rural proletariat and poor peasants have a revolutionary character, their economic dependence prevents them from starting a movement.

However, studies of the new farmers' movements in India have challenged the middle peasant thesis (e.g. Gill, 1994; Lindberg, 1994). These authors, studying contemporary social movements in India from a more social interaction perspective, point out intersecting interests which lead to class alliances between well-to-do and poor peasants. For instance, the Green Revolution and the establishment of cooperatives have been interpreted by some (e.g. Byres, 2004) as advantageous to well-to-do farmers. According to Dhanagare (1994 as cited in Brass, 1994), Shetkari Sanghatana in Maharashtra is a movement mainly led by rich farmers⁸ which reflects the interests of these farmers (with holdings of ten acres

and more). The high prices of agricultural products are viewed as largely in the interest of well-to-do farmers. From a different analytical point of view, Kuhnen (1990: 7) claims, it would be appropriate to presume that farmers in industrialised countries with insufficient land (not large enough to provide a living for the family) do not support agricultural institutions nor are interested in agricultural policy because they do not benefit directly from most instruments of agricultural policy (i.e. cooperatives, credit facilities etc.).

Other research on contemporary movements in India suggests that these movements cannot simply be considered as a rich farmers' movement. Omvedt (1994), for instance suggests that the interests of rich farmers are also shared by poor peasants.⁹ The study shows that high prices are as much in the interest of small peasant groups as they are in the interest of well-to-do farmers. He points out that there was a coalition between rich and poor farmers. In contrast, Dhanagare (1994) suggested that the farmers' movement is an expression of hegemony; a class of rich farmers dominating middle and small farmers.

The fact that there may be intersecting interests among different farmers suggests that there may be alliances as much as struggle in the villages. This needs to be taken into account in the study of struggle/conflicts. For instance, as this study will show, there are overlapping interests and ideological positions among different groups of the Black Sea region which found expression in the protest. One important example is the relations between well-to-do producers and merchants, as some of the latter group are active producers of hazelnut. At the same time, even if the boundaries between these groups are not always distinct, the struggle between merchants, small producers or between well-to-do farmers and small producers has not ceased to exist.

Another related question that has engaged scholars concerns the political alliances that could be established between peasants and other groups in society, such as workers. In the case of Mexico, this exhibited itself in the form of the Labour, Peasant Social and Popular Front (FSCSP), which was founded in 2002 in order to oppose the neoliberal agenda in the country. The FSCSP is known for organizing demonstrations and strikes against the privatization of the social security system and the energy sector, and Federal Labour Law reform towards increased flexibilization. Morton (2007b) observes that there are few examples similar to the kind of alliance experienced in the Mexican case. He

stresses however that other peasant movements could very well contribute to broader systemic mobilizations, at both the national and international level. Protests on a small scale (fighting for concessions from the state in the form of material benefits or local democracy) could evolve into broader mobilizations in future as they create a tradition. Others like Petras and Veltmeyer (2007) are more sceptical of the potential successes of peasant resistance if not accompanied by alliances with workers and protests against the state, along with a demand for change at the national level. Furthermore, Brass (2007) notes that small farmers' alliances with other rural groups risk being populist in nature. The outcomes of these multi-layered alliances tend to reflect the interests of the rural agrarian bourgeoisie or petty bourgeoisie, and they do not bring about changes in the regime.

According to Harrod (1987: 102), the diversity of opinions regarding the revolutionary character of farmers can be attributed to the fact that no distinction is made between different types of social relations of production in agriculture. While the term (social relations of production) is used to stress the social dimension of relations that people engage into during production or delivery of goods or services; Harrod (1987) specifically underlines the fact that these relations encompass power relations. For instance, it would be a mistake to assume that the motives of rebellious self-employed farmers are the same as those of poor peasants or landless labourers in the face of landlords because they imply different power relations.¹⁰ Furthermore, it is not possible to automatically conclude which group is more progressive in resisting neoliberal restructuring without studying their ideologies and their political organizational forms (Morton, 2007a: 175).

It also has to be noted that peasants may not always resist through overt action. The resistance of peasants in the political field can take different forms. It can be organized and confrontational as in the case of demonstrations and rebellions, but it can also be direct and confrontational whilst unorganized as well as indirect and non-confrontational. The latter refers to the notion of everyday politics. As it is indirect and not organized, the targets of discontent and resistance usually are unaware that the jokes and discussions among peasant groups are directed at them. A study by Adas (1986) describes this type of resistance in colonial Burma and Java; peasants showing discontent without directly opposing their oppressors. The 'everyday resistance' that Scott theorizes in

Weapons of the Weak (1985) focuses on this aspect of resistance as well. In a multi-layered study of a village in Malaysia he shows that class struggle is the central element of daily life that occasionally translates into open conflict. The term 'rightful resistance' coined by O'Brien and Li in *Rightful Resistance in Rural China* (2006) falls between everyday resistance and rebellion that seeks to change the political regime (Wilson, 2008). Contrary to what is referred to by 'everyday resistance' which is quiet, disguised and anonymous, rightful resistance is open, public and noisy (O'Brien, 1996: 34). The resisting groups do not assume that political authorities are inaccessible, on the contrary. They use legal means to achieve their goals; therefore it is based on a consciousness of political rights of expression, the rule of law, etc. The targets of resistance are not the state itself but local agents and specific state agents (Wilson, 2008). O'Brien and Li (2006), however, do not analyse the different positions of state agencies in regard to policy issues, neither do they provide a thorough analysis of the interactions between social groups (i.e. how villagers lobby bureaucrats at higher levels to oppose local cadres) (Dai, 2008). Through struggle, these groups develop a consciousness of their interests and their cause, and become collective actors. Rightful resistance may be more effective than everyday resistance. It is also not as risky as uninstitutionalized resistance. According to O'Brien (1996), the success of this type of resistance stems from the fact that resisting groups engage actively with the structure of domination and break it at its weakest point.¹¹

The study of everyday resistance may contribute to studies of state-society relations in various ways. The first is to illuminate the basis of hegemony. Studies that focus either on the state or associations of groups have a limited capacity to reveal the basis of domination. Furthermore, the absence of resistance movements does not necessarily imply that the policies of dominant groups have received the consent of peasant groups (i.e. may not mean hegemony is established). In such cases of discontent, peasants develop alternative ideas and opinions regarding the production, distribution and use of resources. Secondly, by looking at everyday forms of resistance, the manner in which peasant organizations, movements and rebellions have emerged can be better understood. Indeed, the way in which peasants conceive of politics may translate into confrontational form of advocacy politics. Thirdly, although everyday politics is not expressed directly to political authorities or local bureaucrats, it may eventually alter the way policies are imple-

mented locally, as in the case of Vietnam in the 1960s and mid-1980s (Kerkvliet, 2009: 239). As such, peasants' everyday politics may supplement public statements, petitions and other forms of confrontational politics and may pave the way for changes in policy processes (Kerkvliet, 2009: 239). Last but not least, looking at everyday politics simply throws light on the main question regarding the nature of politics, namely, who gets what.

Conflicting interests and collective action

How do conflicting interests turn into collective action in some contexts but not in others? How is collective action formed around interests?

It is necessary to note that interests do not necessarily imply the existence of class (Corbridge, 1992). 'Class emerges from the consciousness and power within the social relations of production' (Harrod, 1987: 25). One implication of this definition is that not all groups that possess power can be considered a class. A powerful group, however, may become a class through increased awareness, outside developments, and by forming an alliance with other groups (Harrod, 1987: 35). For instance, in peasant–landlord relations landlords can be considered a class, as they view themselves in opposition to peasants and in alliance with industrialists. Another implication of this definition is the development of a consciousness which transcends mere consciousness of material benefit arising from social relations of production.¹²

At the same time, as the Marxist literature stresses, conflicting interests arise from a differentiation process in social relations of production between different farmers' groups – one group's interest need not be shared by others. For instance, Byres (1979: 237–41) points out that the urban bias thesis of Lipton (1982) is neo-populist, as it denies differentiation and conflicting interests amongst rural populations.¹³ According to Bernstein (2009: 68), agrarian populism concerns the advocacy and defence of the intrinsic values and interests of small farmers against pressures from agents of capitalism (i.e. merchants, banks, larger scale capitalist producers). In this line of reasoning, state-led nationalist development projects are also an example of agrarian populism.¹⁴ Populism, Bernstein (2009) notes, entails an anti-urban, anti-industrialist stand without differentiating the interests of different peasant groups. For instance, rich farmers (kulak) movements also adopted a similar stand and claimed to represent all farmers' interests.

Contrary to Marx and Engels who view social movements as a natural consequence of class struggle, resource mobilization theories focus on understanding how self-interested behaviour translates into group action (Ruggiero and Montagna, 2008: 87). Whilst these approaches have been criticized for ‘starting with the individual and ending with the individual’ (Tarrow, 1998: 15) – as opposed to theorizing what is collective – Marx and Engels have been reproached for failing to explain the political conditions that triggered the action they described. For example, alliances have been formed between workers and the capitalist dominant classes (under ideologies of nationalism and protectionism), which calls for an explanation as to how alliances and class struggle can coexist. Marx, emphasized the importance of class consciousness for political action but did not elaborate on the role of leadership or the political conditions for collective action (Tarrow, 1998). These questions were subsequently addressed by Lenin (1929) who focused on the problem of leadership and Gramsci (1971) who approached the workers’ movement as a collective intellectual endeavour. Lenin concentrated in resolving the workers’ collective action problem by emphasizing the role of an organization that would be composed of elite of revolutionaries. Gramsci (1971) stressed the importance of building culture (Tarrow, 1998: 13) through his suggestion to first create consensus within the party in order to subsequently form an historic bloc under the leadership of ‘organic intellectuals’ (in the party) and in close relation with the bourgeoisie.

Under the influence of economic theories (Tarrow, 1998: 15), the opponents of resource mobilization theories focused on rational self-interested behaviour and presented mobilization in terms of a cost-benefit analysis of resources (e.g. Butler and Savage, 1995; Jenkins, 2008; Olson, 1965). For instance, Olson (1965) suggested that in order for self-interested individuals to partake in collective action, they either have to be coerced or offered incentives (Tarrow, 1998: 15). According to Olson (1965), organized groups that are based on compulsory membership have more lobbying power compared to unorganized ones because they practice legitimate coercion and in return, these organizations deliver services or goods to members. Accordingly, ‘collective action is not just the result of frustration and discontent but predominantly of strength and capacity to mobilize’ (Ruggiero and Montagna, 2008: 88). This reductionist understanding of collective action was rightly criticized for ne-

glecting the role of ideology, ideas and values such as solidarity in explaining the motivations of groups to act (Leach and Scoones, 2007: 10).

In Olson's theory, all action is triggered by conflicts of interest. The latter does not necessary translate into action because it depends on resources, organization and opportunities. Jenkins (2008) also adds identity formation of individuals, such as the internalization of values in defining interests. At some point, these resources were classified as non-material (e.g. authority, moral commitment, trust, skills) (Oberschall, 1973).

The work of Olson could also be criticized for failing to explain unorganized types of action. He limits the motivations for action to grievances and is consequently also unable to explain protest on behalf of other people's interests (Tarrow, 1998: 16). Furthermore, his theory was criticized for being limited to individual motivations for action (Tarrow, 1998: 16). Olson's free-rider theory could be criticized on the ground that it is based on the assumption that individuals in an interest group act in complete isolation (Marwell and Oliver, 1993).

Instead, Marwell and Oliver (1993) suggest the study of the interdependence of individual behaviour; where decisions of individuals are affected by the participation of others in collective action. The political process approach also relies on the rational choice model where actors calculate possible outcomes. The main difference between the two approaches seems to be that resource mobilization theories focus on the internal dynamics of mobilization, whereas political process theories deal with external variables such as the political and institutional environment – the degree of openness or closure of a political system either encourages or discourages the rise of social movements (Neveu, 2001). Political opportunities and institutional arrangements enable and shape protest (Cloward and Piven, 1977). Others (e.g. Eisinger, 1973; Tilly, 1978) suggested that it is not just the political openness of a system, but also the history, or tradition, of collective action that favours new collective actions.

Perhaps what was missing in these approaches is that power relations in society are not taken into consideration. McAdam (1982) combines his analysis with a Marxist understanding of power. He suggests that the elite holds wealth and power and the marginalized rationally attempt to reverse it through collective action (social movements). He argues that the existence of the conditions for collective action in a political system is not enough for social movements to emerge – groups need to develop

a political consciousness. Whereas Tilly (1984) notes that, contrary to uprisings and street rebellions, social movements happen within a context where political action is facilitated by changes in the political system, such as national electoral politics and the proliferation of associations and groups as vehicles of action. Social movements form specific repertoires of action depending on the historical context – which are in turn shaped by changes in the structure of power.

Tarrow (1989) introduces the notion ‘political opportunity’ in order to explain what triggers and advances collective action. He argues that there are both political constraints and opportunities (i.e. external resources) that play a role in encouraging or discouraging people in taking part in contentious politics. Tilly (2008: 5) defines contentious politics as a political action that bears others’ interests and targets the government policies, aiming to change them; such as demonstrations, strikes, revolutions and social movements. Contentious politics may trigger interaction with authorities; it may create social networks, collective action frames and supportive identities and may result with a social movement (Tarrow, 1998). However, riots, strikes or protests are not social movements (they are collective actions) unless they are sustained and based on ‘dense social networks and connected structures’ (Tarrow, 1998: 10). Forms of action are dependent on the institutional context and goals pursued, as well as the established tradition of contentious politics. Furthermore, collective action is determined by a ‘framing process’ whereby the collective identity is defined and grievances are turned into broader claims. (Ruggiero and Montagna, 2008: 143). In response, the state is also framing issues in order to contest the meanings put forward by movements. In other words, the state engages in struggle not only by force but also over ‘meanings’ (Tarrow, 2008: 147).

In the ‘new social movements literature’, collective action is studied in isolation from contentious politics. ‘Social movements appear to be less concerned with the distribution of wealth and resources than with the grammar of forms of life’ (Habermas, 1981). The literature tends to focus on post-materialist values; the spiritual and symbolic dimensions of life. What is unique and ‘new’ in the new social movements is that they are characterized by efforts to politicize civil society institutions and establish their autonomy in relation to the state (Touraine, 1989). In other words, the literature is based on a particular understanding that conceives of civil society and the state as two distinct spheres.

1.2.2 State, society and peasants

The question of what peasants can achieve *vis-à-vis* state policies is closely related to discussions on power and state–society relations. More specifically, it raises questions about resistance and dominance.

Two sets of opposing approaches can be found in the literature on state–society relations to explain the nature of the relationship between groups and the state. The state–centric approach departs from the assumption that the state, especially in developing countries, is an almost autonomous entity (Migdal, 2001: 250). The society–centric approach assumes that the state is a reflection of social forces and that it has no autonomy. In their classical form, both approaches are inadequate due to their limited focus, either on the state or society, to explain policy processes.

According to the society–centric approach politico-administrative actors and institutions play an insignificant role in shaping the outcomes of state action (Fox, 1993: 13). In both liberal pluralism and Marxism, state action is explained in terms of the interests, relations and structures of civil society (Fox, 1993: 14). The discussion of power in society is informed by pluralism according to which all citizens have the capacity to influence the state but also Marxism, which emphasizes the structural inequalities in society (Hill, 1997: 41).¹⁵ The pluralists are criticized for not being able to explain why some social groups are not able to transmit their demands to the state, even if organized. On the other hand, the classical Marxist assumption that state action is a reflection of ‘dominant capitalist classes’ does not explain the occasional victories of ‘subaltern classes’ such as farmers. Last but not least, because both pluralist and Marxist theories disregard the state as a source of power and consider it a neutral realm to be captured (Hill, 1997: 47), they seem to fail to explain why some forms of actions are reflected in policies rather than others.

Following Kautsky’s observation that the capitalist class rules but does not govern, the theory of government was later elaborated by modern instrumentalists.¹⁶ Some, such as Poulantzas,¹⁷ were able to explain why the state is capable of refraining from acting in line with the demands of the capitalists because it can formulate and implement policies favouring subordinated classes, even within a capitalist system.¹⁸ According to Poulantzas the state holds sufficient autonomy to act in the inter-

ests of subaltern classes in order to maintain the capitalist order. To what degree the state may exercise this autonomy depends on the societal relations; for example if state institutions are staffed by individuals belonging to non-capitalist classes or if there is conflict among different business factions (Dunleavy and O'Leary, 1997: 65).¹⁹ Nevertheless, Poulantzas was criticized for not offering a coherent theoretical approach on how to study the interests and ideas at stake within the state apparatus so that 'how this autonomy is exercised' is made clear (Fox, 1993: 15). This point of criticism in turn suggests that we cannot leave aside the study of the state as a social arena when determining how this autonomy is exercised. It is necessary not only to see how it relates to society, but to study the state as an actor composed of different actors as well.

This also brings us to the criticism of the state-centric approach that it does not take into account that state actors can have their own economic and political interests. It is suggested that these individuals or groups may have their own views about policy alternatives and that at times they are able to implement these ideas. It is argued that 'social and political conflict helps explain why states can gain autonomy, but without an analysis of the interests and initiatives of state actors, it is difficult to explain how states exercise their autonomy' (Fox, 1993: 16).

Some questions remain unanswered in the instrumentalist Marxist and pluralist approach. Why do states decide to reform at all? Why do they respond with one kind of reform rather than another? Why do some state actors at times initiate reform without direct pressure from social forces? Why do some less powerful social groups succeed in having their demands met whilst others fail? Why do states follow some measures/policies in response to resistance but not others?

The state-centric approach, on the other hand, goes back to the Weberian analysis that focuses on the state's organizational power and interests (Migdal, 2001: 250). This approach focuses on interests and actions of the state as an organization, highlighting institutional goals, the role of personnel and structures (Fox, 1993: 13). As mentioned above, in this view, social forces do not affect state action (Migdal, 2001: 250; Skocpol, 1985: 4).

The state is assumed to be capable of authoritarian action when it chooses not to act in accordance with the demands of dominant classes or groups in society (Borras, 2001: 546). As long as the administrative design of policies is well executed by policy makers, it is assumed that

the state cannot fail. From this perspective, policy adjustments during the reform processes, which were met by protest and resistance from society, are explained in purely technical terms, regardless of the social dynamics surrounding them. Indeed, peasant organizations and NGOs are viewed as complementary to the reform process. Roles are assigned to them in the implementation of reforms, whilst criticism and political discussions by these groups are discouraged (Borras, 2001: 547).

Secondly, it is assumed that 'there is an overarching logic of state action' that transcends government agencies, and that there is a state interest. This approach is criticized on the grounds that it does not always differentiate between the state as actor and the state as an ensemble of actors. The state-as-actor approach is criticized for not being able to see the state's capacities and degrees of autonomy (Fox, 1993: 15). Skocpol and Evans (1985), for instance, seem to distinguish between these two (autonomy and capacity of states) (Fox, 1993: 15) and focus on how state-led development could be achieved (Migdal, 2001: 253). Another criticism of the state-centric approach to state-society relations, is that social forces are viewed as irrelevant variables in state action. As Fox remarks: 'A full explanation of state action requires determining not only its proximate cause in the context of intrastate conflict, but also how the external environment may have made it possible for some state actors to exercise more power than others and how the responses of non-state actors shape their eventual impact' (Fox, 1993:19).

1.2.3 On the dialectics of state-peasant relations

A common point that these two poles on state-society relations share in their classical form is that neither take into account that social actors try to affect state actors and in this process, both social groups and state actors are transformed (Fox, 1993; Migdal et al., 1994). A state-centric approach cannot account for the failure of well-designed projects, whilst a society-centric approach cannot account for the state acting in manner that is not in line with the demands of dominant groups in society.

Adopting the view that state and society are interdependent may help to overcome the criticism levelled at the respective approaches. The main problem of this study may best be grasped if the conflicting interests and ideas of state agencies, together with the possible influence of social groups on policy formulation processes are recognized. In this approach the state is viewed as a source of power in society which exercises

domination and builds coalitions with different social forces and may shape power relations between different social groups. State agencies are subject to pulls and pushes from social groups and are not always the central actors in society. From this perspective, it is not possible to view the state as an autonomous entity as state-centric theorists suggest, nor as a direct reflection of the socio-economic structure as society-centric theorists suggest. Indeed, these power relations in society are not solely determined by property relations; they also have an ideological dimension. Accordingly, as Gramsci argued, politics is characterized by a certain independence from the economic structure.

As Harrod (1987: 26) explains ‘the view of the state as an interaction between civil society and the state or that between the structure and the superstructure avoids the tendency to try to reduce one to another and to seek which is preponderant’. The interaction between state and society indeed takes several forms. One of these forms is that the state appears as a power in the social relations of production and assists either dominant or subaltern groups or mediates between them (Harrod, 1987: 27). For instance, as Bernstein (1981: 174) points out, the state is a ‘vital institution in defining and enforcing the “vertical integration” of peasants into broader circuits of exchange’ (Harrison, 2001a: 190). State actions influence the peasant production process, such as the amount of land they hold and labour relations that govern it (Harrison, 2001a). By producing rural development projects, the state deepens commodity relations within peasant agriculture (Bernstein, 1981).

In those terms, the state, as a source of power, plays an important role in the social relations of production, as well as in the power relations of society. According to Gramsci (1971: 257-64), the state is the ensemble of political society and civil society, or ‘hegemony protected by the armour of coercion’. For Gramsci, this means that the state uses different means – moral, political, cultural and ideological leadership of the ruling class, maintained specifically by a national, popular project – to secure ‘the continued reproduction of capitalist social relations’ (Kelly, 1999: 110).²⁰ He describes the relations among social groups during the formation of the Italian state. Gramsci notes that the state was actively engaged in dissolving the traditional forms of relations experienced in the family and institutions in order to establish capitalist relations. The personalized political and military power of appropriating groups (i.e. capital) was re-established in the impersonal form of Italian state. During

this process where capitalism dissolves traditional relations in the family; the state asserts itself by shaping the political consciousness (i.e. class feeling) and ‘common sense’ (i.e. beliefs, superstitions, opinions and ways of seeing and acting) of social groups. Contrary to those that describe the state formation process as based solely on property relations, Gramsci views these relations as ‘revolving around shaping state and subaltern class subjectivities internally related to the emergence of capitalism’ (Morton, 2007a: 61; Gramsci, 1971: 365). In this picture, inter-class subjectivities are in fact taking shape and antagonism towards the bourgeoisie deepens.

Can the state manage to remain autonomous during this process? Grindle (1986: 3-4) argues: the state ‘does not merely reflect and reproduce class relationships in society, assuming relative autonomy only when economic and legitimacy crises threaten the basis of capital accumulation. State elites have a variable capacity for autonomous decision-making and often have specific interests in national development that cause the state to become active in shaping economic and social relationships with dominant-class interests in a society’. Nevertheless, as the state-in-society perspective (Migdal, 1994) emphasizes, it is almost impossible to consider state actions as independent from social forces, which has been the mistake of state-centric research (Petras et al., 2007). Whilst the history of subaltern classes such as peasants is ‘intertwined with state-society relations’, as Gramsci writes, they experience occasional victories in influencing policy processes. Hegemony as exercised through the state is based on both force and consent. In order to overcome the resistance of peasant groups, the state tries to obtain the consent of the peasants and/or makes adjustments depending on its relations with them.²¹ One of the implications of the dialectics of state-society relations regarding the peasants is that while some state policies undermine petty commodity production and cause depeasantization, other policies reproduce the peasant economy and even repeasantize them (Das, 2007: 358; Morton, 2007b).

The second important feature of state power is that it is both relational and selective (cf. Jessop, 1990; Poulantzas, 1978). For Jessop (Kelly, 1999) the state is relational in the sense that its power is the result of particular political structures and strategies. For Poulantzas (1978, cf. Jessop, 1985), the state lies at the intersection of power networks where different social forces engage in a struggle over strategies. At the same

time, it is 'selective' in that it favours 'the dominant class of the particular moment in society', depending on the actual regime of accumulation (Kelly, 1999: 110). In this framework, state policy is a reflection of the particular hegemonic project verbalized by dominant parties as representatives of the dominant regime of accumulation. However, as Jessop (1990) argues, it is not possible to make a general claim about the nature of state power, especially regarding its direct links with the interests of a particular class or group (Kelly, 1999). Jessop (1990) says that it is however possible to say that the state favours certain strategies over others, depending on its form. Put differently, the state is biased towards certain strategies rather than others.²² Nevertheless, Jessop (1990) seems to be wary of his claim as he views state power as determined by a combination of state form, accumulation strategies and hegemonic projects. For this reason it is not possible to make *a priori* generalizations about the autonomy of the state (Kelly, 1999).

Viewing the relation between state and society as dialectical requires studying both state and society in order to identify the junctures between the two. Firstly, it is necessary to disaggregate the state, in order to understand the actual 'junctures between its diffuse parts and other social organisations' (Migdal et al., 1994: 3). Secondly, the task to undertake in this framework is to study the power relations among social forces within the market and the village in order to understand how these junctures function. Thirdly, a simultaneous task is to observe forms of domination and resistance.

1.2.4 Disaggregating the state and discovering the junctures

In this study, the concept of the state is employed in the broadest sense of the term in order to capture both the active and passive affiliations of peasant organizations to dominant political associations. Political society, a term borrowed from Gramsci (1971: 268) is an essential part of the state that is introduced in order to explain the different institutions that exercise domination via coercion. Such coercion or force could be also understood as 'symbolic' in nature, where some are marginalized (and others feel confident) without necessarily being subjected to physical violence (Jones, 2006: 51).

The state apparatus is composed of ministries (in addition to the army, the police and the judiciary) and the government. Parastatal organizations such as sales cooperatives can also be considered part of po-

litical society. In this conceptualization of the state, the institutionalization process also plays an ideological role (besides its repressive role) and constitutes the state system that overlaps with society. Examples of institutions with a principally ideological role include the media, political parties, schools, trade unions and, to some extent, the family (Poulantzas, 1969: 12). Thus, the term refers to state–peasant relations that are economic, political and ideological in nature. Forms of domination spread to civil society through different institutions (such as schools and organizations). In other words, as Poulantzas (1969) says (after Gramsci), ideology can be observed not only in ideas, customs and morals but also in institutions because they belong to the system of the state. The state remains the centre where relations of political, ideological and economic nature are produced and reproduced in political society. Furthermore, dominant social groups strive to gain hegemonic power over society through various institutions. Therefore they can never be considered neutral because they have already been exposed to a political struggle of this kind *per se* (cf. Mouffe, 2005: 10).

The term civil society does not fully correspond to the research needs of this study, as it strives to uncover the dialectical relation between state and society, departing from the assumption that the state and society have the potential to shape each other's actions. In the first instance, civil society literally implies an arena isolated from the state (Fox, 1993: 15). Civil society is also considered the realm of the particular interests of individuals. Traditionally, it was understood as market place, where individuals pursue their individual interests (Harrod, 1987: 26). The notion of civil society may also entail an assumption that it is composed of equal individuals which is in conflict with any study that attempts to focus upon power relations in society. The view of equal individuals ready to get involved in political action is open to criticism (see the next section in this Introduction). As such, it does not sit well with the research interests of this study given that it disregards the power structures within the society and their relation to state organizations.

The strong state tradition literature views the Turkish state as independent from society. It argued that the Turkish bureaucracy pursued its own interests as independent from and sometimes in opposition to social groups in Turkey. This was criticized from a Marxist perspective on the grounds that dominant social groups had been effective in shaping state action in Turkey. Yalman (2002) further elaborates by pointing out

that 'etatism' in Turkey and business interests are not opposed but supportive of each other.

One meaning of 'etatism' upheld by the strong state tradition refers to the duty of the state to participate in the economic life of the nation to guide it towards prosperity; as mostly argued by the founding fathers of the Republic. The second one denotes the preservation of certain traditions, motivated by the interests of the bureaucracy (Birttek, 1985; Heper, 1985: 67; Keyder, 1979: 14). Yalman (2002) notes that these two meanings are in fact blurred in this understanding and lead to a misunderstanding of economic development.

In this blurred conceptualization of etatism, economic development is not an end, but rather a means to an end – which is to protect state power and the bureaucracy's interests. Also, the bureaucracy in this understanding is a class 'whose location in the social system allowed it to attempt the transformation of that system while maintaining its location' (Keyder, 1987: 48). Along the same lines, the strong state tradition criticized etatism for failing to promote investment in the private sector (liberal individualists). However, according to others, Turkish state policies were in favour of private sector interests as they facilitated capital accumulation in this sector (Buğra, 2003; Yalman, 2002).

The different positions within the bureaucracy *vis-à-vis* the agricultural reform process and the differentiation of ideas related to the implementation process could be analysed within this framework that permits to test the connections of bureaucrats, not only in regard to their institutional basis, but also in regard to societal forces, either in the form of class linkages or social connections (i.e. education) and political alliances. Furthermore, the position of the bureaucratic group may depend on certain variables, such as the primary goals of the institution in general, the importance that these goals hold within the society and the extent to which the bureaucracy turns to prominent societal groups such as clients and people with political power (Eisenstadt, 1959), which will be discussed extensively in this study.

Some concepts and the related literature that describes forms of socio-political interaction between the state and social groups, such as populism, clientelism and coalitions need to be illuminated here. Agrarian populism is often discussed in reference to the works of Chayanov (1966) and Lenin (1929) and associated with the denial of structural inequalities in agricultural production caused by capitalist transformation.

State–society relations literature in general focuses rather on how the state handles its relations with different classes at different stages of its development, including the systematic relation between political regimes, social classes and distribution in national-developmental state–society relations. Boratav (1983: 7) defines populism as the system where it is made possible for the working classes, even though they are unable to get organized, to affect the economic policies related to their interests. For instance, the literature on Latin American populism uses this concept and explains the integration of the middle and urban working classes into the political system (for building cross-class alliances) during the import substitution industrialization period (Roberts, 1995: 85). The literature also sometimes focuses on economic, ideological and political dimensions individually, thus wrongly dismissing the multi-dimensional nature of populist relations (Roberts, 1995: 86). For instance, political perspectives on populism tend to focus solely on de-institutionalization and personalization of authority, adopting a paternalistic attitude towards a heterogeneous mass characterized by inequalities. In the 1990s, studies of populism through a focus on the Menem government in Argentina and the Fujimori government in Peru, limit their discussion to the political sphere, excluding the neoliberal economic sphere (Yıldırım, 2009). In subsequent studies on neo-populism, it is argued that both spheres need to be included.

Can populism exist during times of structural adjustment? Some argued (e.g. Kaufman and Stallings, 1991) that the debt crisis and neoliberal adjustment programmes would diminish populism in Latin America. Indeed, structural adjustment programmes claim to diminish rent-seeking behaviours and economic privileges of the state through the redistribution of resources in society. Proponents of SAPs criticize populism because it suggests that the state is unable to resist demands from organized social forces. During SAPs, the technocratic leanings of governments are encouraged, which is not facilitated by acceding to social demands. Others however have argued that neoliberal policies do not necessarily contradict populist and clientelist relations. For instance, Roberts (1995) shows in the Peruvian case that neoliberal programmes provide a suitable environment for populist leadership and clientelism²³ to thrive. The World Bank understanding of politics which fails to acknowledge social inequalities confirms this. In this perspective, citizens are regarded as free to join unions and associations to voice their inter-

ests and claim their rights (Harrison, 2001b: 540). Some further characteristics of neo-populism can be contrasted to what some call classical populism. There has always been an emphasis on people rather than a particular class or faction in the discourse of the political elite in classical populism (see Laclau, 1977: 164). In neoliberal populism, the emphasis on people is replaced by a combined rhetoric against politics and the personalized support of the masses (Barr, 2003). It is important to note this, as the new features of populism tend to comprise a particular political process that aims to separate political issues from economic issues – presenting most issues related to economic transformation as mere technical ones. This is why scholars focusing on features of neo-populism in Turkey focus on both the economic and political sphere, and study it as an overall political process (e.g. Güveloğlu, 2004; Yıldırım, 2009).

Another question that arises is whether class relations can co-exist with clientelism. Some argue that clientelist relations may end if a strong class structure is developed in society (e.g. Alamdari, 2005). Others (e.g. Mouzelis, 1978) in the case of Greece; Özbudun (2005) in the case of a Turkish village study in Datça; Khan (2000) in the case of Bangladesh; Taylor (2004) in the case of Latin America) show that class and clientelistic politics may very well co-exist. Furthermore, Shefner (2001) demonstrates, in the case of Mexico, that the fact that poor people consent to clientelistic relations with the state does not imply false consciousness – rather it is a matter of political choice. Nevertheless, as Fox points out (1994: 153), it has to be noted that poor people are most vulnerable to ‘state-sanctioned coercion’ should they express discontent. Their ‘survival needs’ render them open to clientelist intrusions and their choices are thus shaped (Fox, 1994: 153; see also Powell, 1970). Furthermore, depending on the political-economic context, people may choose to build coalitions or accept clientelist relations, or engage in hybrid forms²⁴ comprising both (e.g. Fox, 1994; Omobowale and Olutayo, 2010; Schneider and Zuniga-Hamlin, 2005). In this regard, Shefner (2001) notes that material interests are sometimes more important than political representation.

Some authors have associated clientelism with underdevelopment, lack of social organization and assumed that the liberalization process in the developing world would put an end to clientelistic networks and corruption. Özbudun (2005) showed that IMF politics reinforced clientelism and caused impoverishment in rural areas (triggered by decreasing

solidarity in rural areas due to migration, distrust of sales cooperatives, impoverishment of families and the adoption of new patterns of consumption). Mouzelis (1978: 489) notes that however strong clientelist networks in a society are, 'they can never on their own provide a full account of the political process'. In his view, clientelism is dependent on broader economic and political processes taking place in society. Redistribution through political clientelism takes on different forms in different periods, through which political leaders effect class mobility, form new social groups, whilst consolidating the class positions of some other groups. Conversely the leadership structure is also influenced which creates new forms of urban government and points to the dialectical nature of clientelist relations (Mattina, 2007).

1.2.5 Uncovering the political affiliations of farmers and their potential for agency

In his study of 'quiescence and rebellion in an Appalachian Valley', Gaventa (1982) employs his understanding of power as three dimensional to explain why some deprived groups chose political action and others chose not to. In this framework, 'potential issues are kept out of politics' either through the operation of social forces and institutional practices or through individuals' decisions (Bachrach and Baratz, 1970: 49-50). In other words, he studies, 'how political systems prevent demands from becoming political issues or even from being made' (Lukes, 1974: 38 as cited in Gaventa, 1982: 12). This understanding of power, which is not restricted to individual action, proposes to study the historical patterns and structural context of social forces, as well as consciousness and subjective effects of power in order to understand why some social groups choose not to be politically active. This approach has several advantages from the perspective of the research interests of this study. It not only sheds light on why some groups did not join the protest even though they were deprived, but it also shows how these issues were not even brought forth as a demand by some groups during the post-protest period.

In this framework, the dominant groups in society do not have a direct influence on the state apparatus as suggested by instrumentalist and pluralist approaches. However, hegemony necessitates that power is accepted by all social groups through force and consent. Miliband (1969) proposes to study the ideological predominance of dominant groups for

the purpose of manipulating consent amongst various social groups. As a result, on the one hand, state action does not always appear to be in line with dominant groups such as the exporters of hazelnut, but that it can support or become attuned to the demands of farmers. To study this further, it is necessary to observe the different institutions and ministries involved in the reform process. On the other hand, some groups choose not to resist, as some issues are depoliticized as a result of their political affiliations to different societal organizations. Therefore, as Gramsci (1971) suggests, the political agency of subaltern groups cannot be understood in isolation from state–society relations (Morton, 2007a: 174).

For this reason, any study focusing on the political position of peasant groups should adopt a framework that considers different social dynamics surrounding the formation of subaltern groups. This framework involves, in the first instance, the study of the objective formation of these social groups. Their objective formation can be observed in the sphere of production and in relation to social groups from which they originate, but they also preserve, for some time, part of their former ideology and objectives. The relations of these groups with political institutions are also important. More specifically, it is essential to see how these groups attempt to influence the programmes of these institutions with the objective of pressing their demands and how they consequently play a (partial) role in affecting changes in these institutions. Furthermore, the relationship between dominant groups and subaltern groups need to be taken into consideration. The study of this relationship involves newly emerging parties within dominant social groups that aim to contain subaltern groups; the social responses of these subaltern groups for preserving their limited autonomy as well as new formations (e.g. trade unions, worker's cooperatives, peasant associations, social movements etc.) belonging to subaltern groups that are formed in order to assert their autonomy in the old framework (Gramsci, 1971 in Ruggiero and Montagna, 2008: 55).

The research objective of this study requires that forms of domination, resistance and populism are examined simultaneously. According to Gramsci (1971), the superiority of a group exhibits itself through 'domination' and 'intellectual and moral leadership'. Domination is achieved through antagonistic groups using force and/or moral and political leadership. In other words, moral/political leadership is a form or function of domination. However, a group can exercise domination or hegemony

without taking control of the government or seizing power, which is not necessarily accompanied by force or coercion (concept of passive revolution). This has two important consequences which I shall pay attention to in the framework of this study. Firstly, the dominating power is in the market, society and the state. Secondly, not only force and coercion should be studied but also the dominant ideas and psychological, symbolic means that are used to restrain resistance. Thirdly, as Dhanagare (1994) notes in his observations in Shetkari Sanghatana of the Maharashtra movement, rich farmers also used their dominant position and moral and political leadership *vis-à-vis* other small and middle peasants. This last point reminds us to look at the ideas put forward during the protest meeting in the case of hazelnut producers. It is also important to study these ideas in relation to existing and emerging dominant ideas among different state agencies, the World Bank and the International Monetary Fund.

1.3 Research Questions

The main research question guiding this study is: why did the resistance of Black Sea farmers to agricultural reforms remain limited?

Answering this question requires an examination of the forms of domination and resistance that could be found in institutions, villages and the market between 2001 and 2008. This period spans the entire reform period and provides insight into the social and political climate that prevailed in Turkey preceding and following the protest.

Firstly, we need to establish how collective actors were formed around interests during the reform process. The types of collective action in politics will be discussed in terms of *class interests* and *pressure groups*. However, whether this can be best understood through class analysis or any other group analysis is also a matter of discussion. Another important point regarding the nature of political resistance is that in the context of rural differentiation, it requires a thorough discussion of the issues, ideas and interests at stake during the reform process. The views of different social groups (e.g. producers and bureaucrats) about how reform should be shaped will be elaborated through this question.

Secondly, we need to identify the various forms of resistance, domination and their targets. Here, resistance as action or non-action (alternative or complementary to voting behaviour) will be discussed. Marching

in the streets is a political act but as the literature of social movements shows, it may take passive forms as well (e.g. as Gramsci's notion of 'war of position' suggests). Again, although resistance was against a certain policy component, political opposition was directed at the state apparatus in charge of implementation and/or market forces.

A related part of this question concerns the forms of resistance which were expressed by different social groups within the state apparatus and related institutions in the state system such as the sales cooperative *Fiskobirlik*. In this regard, the discussion centres on these groups' consciousness-raising efforts, ideas and interests in the context of the dominant ideology.

Furthermore, we need to understand the nature of *hegemony*; that is, how particular interests (in the framework of agricultural production) are articulated and justified as general interests in Turkish society. To this end, three dimensions are focused on. Firstly, the hegemonic project in agriculture will be discussed with reference to the policy choices of developing countries. For instance, structural adjustment programmes are a reality of developing countries, as it was in Turkey. Secondly, in the context of Turkey, I will discuss the ideological and political context within which agricultural reforms emerged. Thirdly, the forms of domination have to be discussed in relation to various processes of interest formation and political resistance. The forms of domination can be observed and hence will be discussed in the sphere of villages, institutions and the market.

Finally, we need to know what the main political alliances between and against other interest groups/organizations were. The forms of resistance may also encompass more than one group sharing a common interest, whilst at the same time exhibiting different dimensions of power relations (as Gaventa (1982) suggests, there are three dimensions of power). Indeed, as the class analysis literature on the agrarian question shows, coalitions between different producer groups may well be formed. For example, rich and poor peasant producers may share some common interests. Dhanagare (1994: 72) indicates that this was the case in contemporary social movements studied in India. Furthermore, different social groups may form alliances, such as the local bureaucracy in support of the causes that farmers are defending (Fox, 1993); or factory workers' coalition with farmers as observed in the case of resistance coming from the tobacco sector in Turkey; or the coalition between ha-

zelnut producers and the sales cooperative. All these relations that also provide bridges between state and society will be discussed with reference to concepts such as populism, clientelism and political alliances.

The study concludes that the dialectical relationship between state and peasant groups, and between resistance and domination in society, is reflected in the question of peasants as agents. The collective action of farmers was organized under the leadership of well-to-do farmers but supported by poorer farmers. From this, several conclusions can be drawn regarding the nature of resistance and domination. Well-to-do and poorer farmers shared some material interests. The arguments put forward by leaders of the protest prompted other groups of farmers to embrace the protest movement. However, although the protest provided a space for farmers to get some concessions from the state in terms of price and support purchases, in the long run, the protest was met by a counteraction from the state aiming to break the alliance between well-to-do and poorer farmers. This was achieved through establishing clientelist relations with small farmers, taking over the administration of subsidized purchase institutions and exerting coercion over the associations of farmers in order to limit their activities.

1.4 The Contours of the Case and Method

The study is based on analysis of both quantitative data (on agrarian structure, production rates, etc.) and qualitative data (semi-structured interviews with different social groups). The main aim is to contextualize the political struggle in this particular time and social context. The quantitative data used, such as distribution of land and terms of trade, reflect the material conditions of producers. This is complemented with semi-structured interviews concentrating on finding out how these different groups positioned themselves in the political struggle and defined their interests in relation to different groups.

In order to contextualize the formulation of the ARIP project, I interviewed officials (from the Treasury) and the ARIP office (programme coordinators), officials related to the ARIP process in the Ministry of Agriculture and Rural Affairs in Ankara, officials of different provinces in the Black Sea and the World Bank staff in Ankara, and collected policy documents of the government and the World Bank. In addition, I conducted interviews in the Ankara headquarters of the Union of the

Turkish Chambers of Agriculture, the Union of Chambers of Agricultural Engineers and the Turkish Soil Office.

For the bottom-up research, I selected five provinces in the Black Sea Region. From the east towards the west, the hazelnut growing area has been expanding since the 1980s, despite all efforts to curb it. I defined the western part of the region as the periphery of hazelnut production which was characterized by a passive form of resistance (as they refused to turn to other products during ARIP too) to ongoing liberalization in the country. Thus, I visited Samsun and Düzce. Samsun and Düzce are situated on the western coast of the Black Sea region. Düzce is the closest province of the region to Istanbul and can be considered as the western borderline of hazelnut agriculture. Samsun, on the other hand, is situated at the eastern borderline of the region. On the eastern coast of the Black Sea, mountains are situated near the coast whereas, starting from Samsun, mountains are replaced by fertile plains watered by rivers. Before turning to hazelnut production, the plain in Samsun was considered the ‘fruit and vegetable basket’ of Turkey.

Despite the spread of hazelnut farming to the Western coast, the political and economic centre of hazelnut production has remained in the places where hazelnut was initially grown. These provinces are Giresun and Ordu. In these provinces, everything, including the love songs, refers to hazelnuts.

I won't eat this hazelnut
Without my love beside me,
For it is her that I saw last night,
That when I die, I'll leave nothing behind me²⁵
(Anonymous from Eastern Black Sea. Duman, 2009:116)

Or lullabies:

The mouse ate the hazelnut
Brought by the crow
What shall we do with the mouse?
I know, from the minaret that I shall throw²⁶
(Lullaby by Peker. Duman, 2009:119).

Giresun and Ordu are located very close to each other. The headquarters of the Union of Sales Cooperative that functioned as the ‘visible

hand' of the hazelnut market until ARIP, together with its factories, are situated in Giresun.

I conducted semi-structured interviews with groups comprising different social groups from the villages. My aim was to observe the nature of politics, how people position themselves vis-à-vis different groups within the village and the world outside the village. The latter category includes interest groups such as transnational corporations, the big exporting companies and the state. To this end, I visited tea houses in different villages I had chosen according to the data at hand. Tea houses can be considered as 'local platforms for daily politics' where men of the village gather. In addition, I visited the offices of local Chambers of Agriculture which villagers also frequent, the Black Sea Exporters' Union, and small tradesmen. I also had random talks on the streets with people.

The term 'direct producers' refers to farmers in general. However, in light of the extensive peasant studies literature I have discussed in this chapter, I have established the framework of this study on the Black Sea region's farmers as a differentiated group in terms of land size and the amount of hazelnuts they produce. Thus categories I used were; large, medium and small-scale farmers or rich, well-to-do and poor farmers. In Chapter 6, for analytical purposes, I elaborated this classification to farmers with sufficient land and farmers with insufficient land; to be able to discuss thoroughly the different attitudes of farmers in the socio-political context related to hazelnut production.

The quantitative data presented in the chapters are mostly collected from the Turkish Statistical Institution, Ministry of Agriculture, Fiskobirlik and local offices of the Directories of Agriculture. Usually, I used dekar (da) as a measuring unit to present land size in the Black Sea region. One dekar is a thousand square meters or 247 acres. Often, I also used hectare (ha) as a measuring unit for land size which corresponds to 10 thousand square meters or 2.471 acres.

1.5 Structure

The organization of the chapters follows the historical sequence of the policy-making process of ARIP. Each chapter explores a different level of state-peasant relations. Starting from the state level, I move to the institutional level, then to level of the street protest. The final chapter focuses on the village level. It has to be noted that this separation is

made for analytical purposes; in reality, as the study strives to show, these spheres are inseparable and organically interlinked.

Chapter 2 discusses the history of state–peasant relations in Turkey and proposes a research framework for studying these relations during the implementation of ARIP, in light of an introduction to the ‘hazelnut question’. The hazelnut question refers to the socio-economic significance that the production of this crop poses for small-scale farmers from an historical perspective of state policies. The discussion concludes that hazelnut production has been a means of survival, which has evolved into a form of social security for producers who diversified their means of income.

In Chapter 3, I introduce ARIP as a socio-political project, the main actors and the dominant understanding of politics in the context of the subsidy reform. This chapter discusses the views of policy makers regarding the rural landscape and state–society relations. In this regard, the discussion adopts a top-down (from the state to society) approach to ARIP as political processes, a reflection of power struggle in the larger global context. I argue that the ARIP was formulated in a socio-political context that was exclusionary at the level of both the state apparatus and political society.

Chapter 4 concentrates on the Fiskobirlik crisis that lasted about two years, following the implementation of the reforms. The crisis is analysed as the reflection of struggle at the institutional level among the different groups involved in production. Furthermore, I present the perspective of the peasantry as an important dimension to the ongoing struggle between Fiskobirlik and the state. In this chapter, I argue that the crisis peaked as a result of the government’s insistence on taking over the control of the institution’s administration and making use of the reforms to pressurize the administration to resign. More specifically, I discuss the position of the government and the Fiskobirlik administration (i.e. the political struggle) in light of arguments and ideas put forward by different parties during the crisis period. I argue that the ideas and values that the government used in order to gain the support of peasants against the Fiskobirlik administration were mostly inspired by ideas related to the socio-political context established around the reform project of ARIP (discussed in Chapter 2). The striking feature of the Fiskobirlik crisis was that it provoked a protest meeting of farmers in the city of Ordu (2006).

Chapter 5 concentrates on the protest, with its participants, leaders, objectives and the discourse employed by the participants during the protest. I argue that the organic intellectuals and leaders of the peasantry were the big landowners who were also active in the Chambers of Agriculture as representatives of the farmers. Their nationalist discourse calling for the state to assume the role of benign actor in the market expanded the political alliance to include even tradesmen whose interests generally diverged from those of the farmers. The protest is important as it represents not only the form and the ideological basis of resistance but also the forms of domination which aim to control the peasant struggle. At the same time, it is observed that the discourse adopted by the protesting group is connected to the dominant discourse of politicians. Following the protests, the government appointed an agency for the purchasing of hazelnuts to replace the bankrupt sales cooperative. This could be considered a compromise on the part of the government, in order to reconcile the opposition of farmers' group. However, it was also a step taken to break class agency, as the new agency did not have any representative function and the compromise did not serve the long-term interests of farmers.

Chapter 6 discusses political dynamics after the protests. It is based on data obtained in 2008 during fieldwork in the Black Sea region consisting largely of semi-structured interviews. The chapter aims to describe the socio-economic and political context at the village level with the objective of discussing the social basis for reforms during and following the protest meeting (i.e. resistance and domination). The chapter shows that the protest was supported by different subgroups of farmers with different interests and that the alliance was formed under the leadership of well-to-do farmers. Although alliances could be formed on the basis of some common interests, as well as a shared overarching ideological framework, some contradictions remain that are related to the fundamental struggle that exists between classes. The chapter also discusses the counteraction of the government, which consisted of breaking this alliance on the basis of the contradictions that existed between the different groups (e.g. merchant–peasant, rich (kulak)–poor farmers, etc.). The counteraction of the government involved punishing the representatives of farmers at the institutional level and establishing new institutions to (appear to) address the ongoing problem of representation and gain the consent of different groups. This strategy of carrot and stick seems

to have worked at the village level where politics is perceived in its narrowest sense that is confrontations between the government and political parties in the opposition, a sphere best avoided.

Notes

¹ During the financial crisis of 2001, labour unions organized protests, marching to Ankara but farmers were not that active until the Ordu protest in 2006. More recently, in the 2013 Gezi Park protests, mainly supported by people in İstanbul (but also spread to other cities in Anatolia) could be considered as one of the largest and most radical protests in Turkish political history. Nevertheless, these protests were not related to agricultural policies.

² For instance, in that sense 'they are subordinated to state authorities, regional or international markets', implying surplus extraction and class differentiation (Bryceson, 2000: 2).

³ Translated from Turkish: 'kim sadece çiftçilikten kazanıyor diye sorsanız bir tane el kalkmaz'.

⁴ Bernstein defines (2000: 29) petty commodity production as small-scale production either of a family, household or individual engaged in commodity production. It is both in the form of capital and labour. The producers in this type of production are considered both capitalist and labour because they employ both their own means of production and employ their own labour. What is important to note is that 'peasants' become petty commodity producers when they can no longer reproduce outside capitalist relations and when these relations become consistent and are internalized (Bernstein, 2000: 29). This turning point is also called 'forced commercialization'. 'The theory of petty commodity production suggests that its spaces in the social division of labour are continuously recreated as well as destroyed in processes of capitalist development (...)' (Bernstein, 2009: 4). This in turn points to the ongoing class differentiation within petty commodity production, creating a diversity of rural inhabitants. According to Lenin's definition, in the ideal type of differentiation as a result of the reproduction squeeze of the poor peasants, some poor peasants struggle not to lose their means of production (capital). Some that are not successful end up in proletarianization. Lenin (1992) stresses that this is an empirical observation but that it is a more complex process. Indeed, most petty commodity producers combine agricultural activity with other non-agricultural activities in rural and urban fields. Within the contours of class relations, they have tendency to engage in wage labour or marginal commodity production (Bernstein, 2000: 31). Furthermore, middle and rich peasants are also subject to differentiation, adding to the existing diversity of rural inhabitants. In the theoretical description of Lenin (1992), middle peasants can meet the demands of simple reproduction, whereas those that cannot also are

transformed. Rich peasants are those who can reproduce, expand and hire wage labour. In contemporary social contexts, just like petty commodity producers, the structure is much more diverse: both middle and rich peasants diversify their income by various non-agricultural production means. Middle peasants can also combine it with wage labour in order to reproduce their capital whereas rich peasants can combine it with investments in crop trading, money lending, rural transport, tractor renting, village shops and bars (Bernstein, 2000: 31).

⁵ As an example of this kind of study, Deere (2000) shows there are processes of peasantization, depeasantization and repeasantization at work in Cuban agrarian transformation.

⁶ Harrod (1987: 56) states there are seven different forms of social relations of production in agriculture in the developing world. These are, from the standpoint of subaltern classes, when income and production are controlled within a household or collectivity, as in household or community subsistence farming (subsistence); dominated by a landlord, money lender or merchant who extracts from the cultivator rent, interest and profit (peasant-lord); governed by those who control a market that is the source of return for production, as in the case of self-employed farming family (self-employment); controlled directly by an employer to whom the agricultural worker is subordinated in a wage relationship (enterprise labour market); determined by an employer whose power is counterbalanced by a trade union and/or constrained by government regulation (bipartite or tripartite); determined by group decision based upon acceptance of society-wide goals, as in agricultural communes (communalist); and controlled by a state-wide planning structure (central planning).

⁷ Provided that this category is used in consideration to different forms of social relations.

⁸ For further discussion on the role of rich farmers in social movements in India, see Assadi (1994), Banaji (1994) and Hasan (1994).

⁹ Also compare Gill (1994).

¹⁰ Besides, Harrod (1987) explains there are different types of collective action. They can be in the form of revolt suppressed on a local basis, rebellion that occurs on a regional scale, national uprisings with limited objectives or revolution that has longer-term and broader objectives. The latter takes place on a national scale.

¹¹ The success and means of resistance also are dependent upon the structure of domination. The rightful resistance of O'Brien is based on a particular understanding of state–society relations.

¹² In general, broader ideologies such as ethnicity, gender, nationality and nationalism may support this process of consciousness. Therefore, it is possible that

a peasant movement may appeal to different groups of farmers for different reasons.

¹³ The contradiction caused by the agrarian transition came with the law of value that dominated the commodity economy which destroyed the 'harmony of peasant society, inducing a schizophrenic coexistence within the peasant personality of the bourgeois and the proletarian "in one person"' (Harrison, 1992: 248). A variant of classical Russian populism, mainly known through Chayanov's writings, suggests that this contradiction was overcome 'through mechanisms intrinsic to the specific peasant culture and consciousness'. Others criticized the very notion of the law of value and its application to peasant economy (Harrison, 1992: 248). In contrast to Lenin, Chayanov (1966) did not focus on class differentiation within Russian peasantry. He said that simple reproduction excludes the imperative of accumulation in capitalist development and did not observe a class differentiation (even though he acknowledged its presence). Put differently, he did not develop a theory of peasant differentiation (Bernstein, 2009: 61). Furthermore, in contrast to materialist Marxists, his model of development was based on the combination of peasants/small farmers, cooperatives and a supportive state (Bernstein, 2009: 63).

¹⁴ The variants of agrarian populism that Bernstein defines are political populism and neo-populism. Neo-populism is based on the assumption that small-scale production can be more effective than large-scale agricultural production. Political populism shares the ideas, values of neo-populism such as preserving small-scale farming, redistributive land reform and removal of urban bias which are adopted by rural movements and radical intellectuals (Bernstein, 2009: 70).

¹⁵ The latter is mainly derived from Karl Marx's analysis of capitalism but there are others who propose to study the dominance of power elites and concentration of power in society but do not agree that this can be done solely by the study of capitalism.

¹⁶ For instance, in response to the instrumentalist view of the state as the executive of the ruling class it was suggested that once institutions are formed, individuals formed a power elite that would not necessarily remain loyal to the interests and demands of the groups which brought them to power (Hill, 1997: 42).

¹⁷ In this reinterpretation of the most prominent understanding of state autonomy, usually associated with Poulantzas (1973: 336), the bureaucracy constitutes not a class but a social category, defined as a 'social ensemble whose distinguishing feature is based on its specific over-determining relations to structures other than economic ones'. Also, an argument advanced by some (e.g. Boratav, 1991; Yalman, 2009) in their criticism of the state tradition discussion in Turkey asserts that bureaucracy as a specific social category owes its position to the concrete functioning of the state apparatus, and not to its state power.

¹⁸ In opposition to instrumentalists, Poulantzas asserts that ‘the constitutional and organisational arrangements filter the interests of state personnel towards the long-run interests of the capitalists’ (Poulantzas, 1978: 239; cited in Dunleavy and O’Leary, 1997: 66).

¹⁹ According to analyses focused on state autonomy, some level of autonomy from business interests may be reached as a result of the conflict among various fractions of business together with the existence of the bureaucracy staffed by individuals drawn from non-capitalist classes. This autonomy, in return allows the state to adopt measures favourable to the subaltern classes if that is found to be politically unavoidable or necessary for promoting the long-term interests of capital in social stability. The state is not the foundation of political power but the centre of political power belonging to determinate classes, to whose interests the state corresponds (Alavi, 1972; Westergaard, 1985).

²⁰ Cox (1987: 135–8) further elaborates on Gramsci’s analysis that hegemony is created in three spheres of activity, namely social relations of production that comprise discursive, material and institutional dimensions; forms of state that comprise state–society complexes, and world order. In these spheres of activity three main elements – ideas, institutions and material capabilities – are observed. Between these three there is a dialectical relationship. As Gramsci underlines, the struggle between social forces is of a political, cultural and economic nature (Morton, 2007a: 116).

²¹ Das (2007) explains that the state cannot totally dismiss the interests of small-holder peasants as it has to establish the legitimacy of private property through petty producers who own land. Also, ‘given their numbers, peasants can constitute a political threat to any regime overlooking their interests, either through elections or through a non-electoral agency’ (2007: 358).

²² Thus Jessop bypasses the problem I have discussed regarding society-centric literature in its classical form – that is, the primacy of either class or capital (Kelly, 1999). Also, state policies are not necessarily capitalist depending on its choices of strategies (Jessop, 1990).

²³ Clientelism during elections can be identified, according to Hopkin (2006), by studying party budgets, and as regards personal relations, through anthropological studies (e.g. Gellner and Waternbury, 1977; Eisenstadt and Lemerchand, 1981; Eisenstadt and Roniger, 1984; Piattoni, 2001). Clientelism can be in the form of specific material benefits, such as gifts offered to a village. In that case, patrons receive the votes and they trade them through the leadership of political parties (Hopkin, 2006). In newer types of clientelist relations, clientelism is bureaucratized, although the relation still remains of a personal nature between local party representatives and voters, and it develops with the social and economic expansion of the state in society. For instance, in Spain, the party has assigned a

rural subsidy (the PER Plan for Rural Development) for its voters in the south, which is more discrete than distributing gifts (Hopkin, 2006: 10).

²⁴ Fox (1994) distinguishes degrees of clientelism, ranging from authoritarian clientelist relations to the other extreme, namely populist associational life. Between these two extreme/ideal types of political interaction, he says there is a more common type of relation, namely semi-clientelist relations where both associations and clientelism can co-exist between state and society. In Mexico, to the extent that the social movements (1970s and 1980s) inserted autonomy in relation to the state, these relations varied between cycles of continued clientelism, modernized semi-clientelism and pluralistic bargaining, depending on geography and social conditions (Fox, 1994: 161). According to Fox, 'autonomy is relational' and it is always 'a matter of degree' (Ibid.).

²⁵ Translated from Turkish: 'Bir fıncığın içini, Yar senden ayrı yemem; Dün akşam yarı gördüm, Öldüğüme gam yemem.'

²⁶ Translated from Turkish: 'Karga fındık getirmiş, Fare yemiş bitirmiş; O fareyi ne yapmalı? Minareden atmalı; Ninni yavrum ninni.'

2

The Turkish State and Peasants in Historical Perspective: Introduction to the Case Study

The chapter is organized as follows. The first part presents the history of state–peasant relations in Turkey. In this part of the chapter, the class character of the Turkish state, and what the state has been doing in relation to the peasantry and in support of capital, are examined. We also look at what the peasants have been doing in response to state policies in order to subvert government action/activities. In this way, I try to clarify the nature of peasant resistance to state and the ideological underpinnings of political action undertaken by the state. The second part of this chapter presents a research framework for studying state–peasant relations in Turkey during the ARIP period (2001–2008). The Turkish state and political society is a class-oriented one and can be analysed from a society-centric perspective. Furthermore, I suggest that the peasant struggle should be studied in relation to power relations in political society also defined by social relations of production. In that context, depending on the conditions defined by political society and how they perceive the state’s role, peasants resist while at the same time their opposition is reconciled.

2.1 Social Groups and the Turkish State

This section will discuss the nature of state–peasant relations since the establishment of the Republic (the 1920s) in Turkey. Yalman (2009) notes that a ‘particular theoretical reconstruction’ of the historical development of the Ottoman–Turkish social formation has been dominant in the Turkish academia which denies social classes any explanatory primacy. This dominant understanding also stresses the historical uniqueness of the Turkish state (Yalman, 2009: 115). In brief, according to this understanding, the dominant classes developed their autonomy in rela-

tion to the state, or in spite of the state, and the modernizing state elite was detached from rural social groups. In other words, the Turkish state was only indirectly reflecting the class structure of society.

Whilst contradictions in this approach will be presented in this section on the history of state–peasant relations, two immediate implications of this understanding in contemporary Turkish state–peasant relations come to mind. One is about the politics of structural adjustment programmes and the other about the grassroots resistance strategies of the peasantry. The dualist dominant understanding of state and society in Turkey, detached from each other was also reflected in the structural adjustment programmes which resulted in a failure to grasp social change (Yalman, 2009). The denial of an organic linkage between the economic and political, coupled with the understanding of the state as a benign apparatus (as in the case of etatist ideology), served as an instrument for dominant groups in Turkey to contain grassroots movements such as peasant resistance. The overarching methodological outcome is that studies adopting this paradigm (e.g. Heper, 1985) present the state as an object of inquiry to understand the nature of politics in Turkey. The state is believed to be generally detached from the struggle of societal interests (Güngen and Erten, 2005: 4).

I shall outline the history of state–peasant relations in Turkey in three periods: from the 1930s until the 1980 *coup d'état*, from 1980 to 1990, and from the 1990s to 2000 when the Agricultural Reform Implementation Programme was introduced. The current periodization is different from the classical periodization.¹ The main reason for choosing a different periodization is that the classical periodization follows the milestones in Turkish political life. The periodization I utilize concentrates on the so-called neo-liberal period starting with the *coup d'état* of 1980 and I discuss changes that occurred in societal, economic and political fields as they differ from the nationalist-developmental era in Turkey.

The 1980 coup signifies the start of the liberalization programmes in Turkey and it is arguably a period during which the class character of the state (from an instrumentalist point of view), as well as the influence of international financial institutions, becomes apparent. During this period (1980–1990), the agricultural institutions established during the populist-etatist period remained, but the terms of trade reflecting the income of peasants declined considerably. The 1990s until 2000 is the period during which, together with the switch to a competitive environment in party

politics and labour protests, the terms of trade increased and government policies switched back to populism (the exception is the financial crisis of 1994).

2.1.1 Rural social groups and alliances: dialectics of state peasant relations

When Turkey became a Republic following the collapse of the Ottoman Empire, it also inherited a large population of independent small peasants (Keyder, 1995). State authorities always promoted the ‘free peasantry’ during both the Byzantine and Ottoman eras as a means to counter-balance the feudalisation efforts of biglandlords in the provinces (Güven, 2009: 170). ‘The centre always strived to preserve its power in the “periphery” at the expense of precluding the development of capitalist agriculture even at a time when agricultural production was opened up to European commercial interest in the 19th century’ (Güven, 2009: 170). However, as of 1908, the Ottoman Empire opened up to capitalism and promoted its development. This trend continued during the Republic (established in 1923) (Akşin, 2007: 99-101, 222-225; Boratav, 2003). Until 1980 (24 January), the state followed a national developmentalist policy which sometimes prevented the ‘full development’ of capitalism in Turkey.

The opponents of the centre–periphery approach² interpreted this relation of the Turkish state to market and society (from the 1930s onwards) as a result of the ‘strong state tradition’ dating back to Ottoman times, and a reflection of the etatist ruling elite’s drive to preserve its power at the expense of flourishing capitalist class power (Aydın, 2005; Yalman, 2002). However, Keyder (1995), who developed an approach to the social history of Turkey that combines elements of dependency and world system theory with a theory of class (Sönmez, 2001: 76), argues that the class struggle intrinsic to capitalist production relations was of secondary importance (until the 1960s) in Turkey, and that the main clash in civil society was within the bourgeoisie – not between dominant and subordinated groups. The main clash was between the petty bourgeoisie in provinces and villages on the one hand, and industrial capital on the other. Still, the ruling state elite established some (malleable) alliances with social groups (including peasant groups), as much as this conflict within bourgeoisie permitted. Margulies and Yıldızoğlu (1987) address this relation from a different (society-centric) perspective. In their

view, the relationship between well-to-do farmers and the Turkish state should not be understood as an alliance between state and class, it should rather be read as state policies reflecting the interests of particular class alliances.

During the first years of the Republic, the nature of the Turkish economy and its position in the world economy remained the same as it had been throughout late Ottoman times. It was fundamentally an agrarian economy with an insignificant industrial sector, exporting agricultural commodities and raw materials to pay for its imports of manufactured goods. The balance of class forces that prevailed in this context was based on the political importance of large landownership. However, the Depression caused a drastic contraction in the domestic market. 'The falling prices of agrarian products reduced aggregate demand in the economy and this, coupled with the decline in national import capacity, led to contraction in business activity' (Margulies and Yıldızoğlu, 1987: 273).

This crisis severely harmed the existing balance of class forces which prevailed during the 1920s (Jacoby, 2006; Keyder, 1995: 141; Margulies and Yıldızoğlu, 1987: 273). The large commercial landowning classes suffered a serious setback in economic power as agricultural exports declined drastically. As a result, and coupled with the prerogatives of crisis management, the state bureaucracy was able to assume a relatively more autonomous role in the statist 1930s. The second important outcome is that state started to provide support to wheat farmers, in addition to other strategic crops (Jacoby, 2006; Keyder, 1995) mostly produced by small holders.

Looking at the 1937 village surveys, large landownership was not an important feature of Turkish agriculture. However, Margulies and Yıldızoğlu observe,

(...) due to its function within the overall national economy, a class of commercial landowners wielded greater economic and political power than appears to be warranted by their numbers. Export revenues generated by this class were crucial for the economy as a whole, and constituted the material basis for the ruling alliance of landowners and merchant capital. (Margulies and Yıldızoğlu, 1987: 275)

The political implications of the predominant position of petty producers are twofold. In the first instance, the state had taken the side of

petty and middle peasants in the conflict with big landlords. Especially during the single-party era (1923-1946), they sought political alliances first with the middle peasants and then with petty peasants. In the context of economic conditions of war and depression the political elites shifted from a liberal to an interventionist (Keynesian style) economic regime (Birttek and Keyder, 1975). The alliance in question was established during the conflict between the big landlords and middle/petty peasants at the expense of the former. However, this project evolved to take on another form and gained further political meaning following the establishment of the multi-party system. The Democrat Party (DP) built a new type of populism against the ideas promoted during the etatist period by gaining the support of petty tradesmen in the small urban/rural areas and market-oriented peasants (Keyder, 1995: 171). During this period, small land ownership expanded further whilst the countryside was rapidly commercializing, with the advent of active policies of credit support and mechanisation (Keyder 1983 as cited in Güven, 2009; Margulies and Yıldızoğlu, 1987: 284).

Secondly, the fact that independent peasant ownership constituted a crushing majority meant that economic subsidies provided to this group would eventually find their way to different social groups (such as the urban petty bourgeoisie).

The intense democratic competition between political parties, especially on the right but also the left, compelled politicians to adopt constituency-level clientelism³ by building up relations with groups that are likely to support them; in the Turkish context, peasant masses (Özbudun, 2005; Waldner, 1999: 39, 63-65). During all those years during which the DP was in power (1950-1960), populist redistribution became the only game in the village. In the case of Datça, Özbudun (2005) found that at the village level, landlords (*aghas*) acted as link between villagers and the state. With the establishment of the multi-party system in Turkey in 1946, coupled with social change occurring in Turkish villages during the DP regime, the concentration of power and resources passed from agha families towards the new landowning merchant investor (*eşraf*). Thus, the clientelistic networks of the DP that relied on personal ties, extended from aghas to eşraf during the 1950s. Compared to the DP, the Republican People's Party (CHP), as Özbudun (2005: 254) says, was 'more inclined towards a "participatory type of clientelism" such as co-operativism and trade-unionism and the politicization of peasant youth'.

The DP era ended with the 1960 *coup d'état*. The following new constitution is considered the most progressive one by constitutional analysts (e.g. Eroğul, 2004) in terms of rights given to labour and peasants. During the 1961-1980 period support in the form of price subsidization was increased. The social basis of the new regime relied on a coalition of social forces which received the consent of the workers. In the 1960s, Turkey embarked on planned development: 'sheer demographics in an open polity made it unimaginable for political projects to ignore agrarian interests – rural population hovered around 70 per cent in 1960 and 60 per cent in 1970' (Güven, 2009: 171). Thus the sector-wide support for the regime served to perpetuate a political alliance with the rural classes. Over time, subsidization reached very high levels. Input subsidies such as pesticides, fertilizers, seedbeds, tractors and fuel oil were also high (Keyder, 1995: 216). For instance, the total amount of subsidization in 1977 was equivalent to 22 per cent of agricultural production (Keyder, 2005: 216). As a result, during the 1960s and 1970s the terms of trade kept improving (see Varlier, 1978).

Besides its political role, agriculture also kept a crucial part in the economy. By 1970, the share that agriculture held in the GDP doubled that of the industry (Güven, 2009). This era marked the Turkish version of Keynesian economic policies pursued in different parts of the world (Keyder, 1995: 206). At the end of 1977, the economy went into crisis which led to a decrease in wages and agricultural prices. According to Keyder (1995: 215), from then on the model of accumulation based on Keynesian intervention founded on the relative autonomy of the state in relation to social forces was replaced by the instrumental Turkish state in direct relation to dominant social groups.

Thirdly, according to Keyder (1995), the dominant position of petty peasants and the prevailing political alliance prevented the political authorities and dominant social groups from pursuing a development policy of industrial accumulation and direct exploitation (based on continuous surplus flow from agriculture to industry). Moreover, this agrarian structure composed of independent producers made an indirect contribution to the economy. For instance, the villages provided a market for the development of the manufacturing sector. Villages opened up to industrial goods during the 1950s. Agricultural mechanization stimulated a new industrial sector, for example, through the demand for tractors. Agricultural machinery was manufactured in small cities (Keyder, 1995:

218). This motivated villagers who were in search of jobs to migrate to urban areas in the 1950s. Migrants did not sell their land and never broke their social, economic ties with the village; they went back to their villages for holidays and they obtained part of their income from the village. This contributed in turn to the development of the economy in the cities and because migrants were not fully dependent on the urban economy, thus having a stronger bargaining power to negotiate wage increases (Keyder, 1995). Keyder compares the Turkish situation to Mexico, Thailand and Brazil and concludes that Turkish labour enjoyed better rights and wages than labour in other developing countries.

The dialectics between the political elite and rural social groups which consisted of large commercial landlords, middle peasants and independent petty peasants evolved into an alliance between the middle and petty independent peasants and the political elite (in the beginning it was the bureaucracy) in power. According to Keyder (1995), especially in the 1950s, this alliance was formed at the expense of industrial capital. However, Keyder (1995) explains, the fact that the political state elite had chosen to take the side of middle/petty peasants in their struggle with the big landlords helped the bourgeoisie to flourish in Turkey. During these years, merchants gradually transformed into industrialists—a class that grew stronger in the following decades (Eralp, 1994).

The populist regime had evolved in the meantime to a peasant-state relation that rendered the majority of independent direct producers highly dependent upon the political elites whilst also obliging these political authorities to be sensitive towards the redistributive demands of these rural groups. The populist regime was established upon a 'stupendous web of state and parastatal organizations and political arrangements' that required extensive state intervention (Güven, 2009: 170).

2.1.2 State policies and the accommodation of social groups

State policies were a reflection of three factors at play; the social context as described above, the economic conditions of the 1930s following the great depression and the geopolitics of that time (Eralp, 1994). Turkish agriculture was governed by a populist-corporatist support regime (Güven, 2009: 169). The support regime and the institutions serving this regime also meant the accommodation of different peasant groups, especially the independent petty peasant groups whose votes were needed by the state. Furthermore, following the establishment of the multiparty sys-

tem, various institutions established during the 1930s later became domains where political parties competed. The support provided by politicians to the subsidization regime in agriculture signified that the fragile position of petty peasant producers during this phase of rapid industrialisation was recognized. In addition, the regime allowed the policy makers to regulate the agricultural market while gaining the support of the masses. Even if the state was situated at the core of this political system, the populist stand of these institutions signified that there was 'an appeal to 'the people' against ... the established structure of power and the dominant ideas and values of society' representing the interests of the urban elite (Canovan, 1999: 3 as cited in Güven, 2009: 169; see also Laclau, 1977 as Mouzelis, 1985: 330 suggests).

Just like any other economic regulation, the support regime was politically organized. The populist promise was grounded in a corporatist framework (e.g. Güven, 2009; Köse, 2009) in the sense that the support system was established upon 'a system of interest and/or attitude representation, a particular modal or ideal/typical institutional arrangement for linking the associationally organized interests of civil society with the decisional structures of the state. As such it is one of several possible *modern* configurations of interest representation (...)' (Schmitter, 1974: 86).

Rural interests were functionally organised into compulsory, non-competitive, state-funded and state-supervised regional/national associations that aided, in varying capacities, government agencies in executing support policies. (Güven, 2009:169)

The agriculture sector was large enough and was comprised of a diversity of products, therefore, as Güven (2009: 170) claims, the support system eventually had to develop its own 'massive network of state and parastatal organisations' over the years. As such, the reformers of the neo-liberal era (starting from 1980) inherited a complex policy framework. Initially, the system had envisaged the procurement of the wheat produced in the country following the 1932 economic depression. Later on, price support system also included other types of cereals, as well as cash crops (e.g. cotton, hazelnuts and tobacco) and livestock products. In the meantime, diverse types of input and output supports were developed in order to respond to the needs of the sector (Şahinöz et al., 2005).

The institutions that support these policies were also diverse. A number of state-owned enterprises were established for cereals and pulses (TMO), and other state corporations for sugar beets, tobacco and tea and a number of corporations for livestock products. Furthermore, sales cooperatives were also established for products such as cotton, hazelnuts, sunflowers, olives, etc. The Turkish Supply Organization (T'ZDK) was in charge of the sale and distribution of inputs but it was also contracted to sales cooperatives (Güven, 2009).

This institutional framework was also comprised of a number of interest associations that were established with the initiative of the state. These associations such as Turkish Chambers of Agriculture (TZOB), Turkish Union of Chambers of Agricultural Engineers and (TZMOB), and Turkish Federation of Farmers fulfilled several important roles within this system including lobbying for better prices, educating farmers and drawing annual product reports. The state-owned Agriculture Bank (Ziraat Bankası) was in charge of providing credits with low interest rates to farmers. This bank was also at the service of 2,000 sales cooperatives with the objective of supporting small farmers (Egüder, 1980; Kasnaklıoğlu, 1986; Kip, 1988 as cited in Güven, 2009; see also Temel, 2005).

As mentioned above, this interventionism and the resulting support regime (during the period 1960-1976/1977) had two important implications for the accommodation of peasant groups in the political system of Turkey. In the first instance, as Boratav (n.d.:1) describes:

Populism, under Turkish conditions, refers to a situation in which, due to the existence of a parliamentary regime based on two major parties, the popular classes were able to influence political decision-making in areas related to their short-term economic interests; but the same classes were not organized at a level at which they could play roles as alternatives to or junior partners in the political power structure. Their influence was reflected in relatively liberal labour legislation (as one precondition for the emergence and flourishing of a dynamic trade union movement), government wage and employment policies, social welfare schemes, and an expanding agricultural support system.

Therefore, populism created 'intense and unanticipated linkages between the centre and the periphery that could not be reduced to everyday functions of either' (Güven, 2009: 172). For instance, these same structures gave rural social groups a voice in the polity (Alexander, 2002

as cited in Güven, 2009: 172; cf. Boratav, n.d.). Waldner (1999 as cited in Güven, 2009: 172) argues that instead of provoking mass mobilization this in fact led to mass incorporation (cf. Mardin, 1973; cf. Mouzelis, 1985: 344).

Another important point is that this relation also transformed the political elite in the state. Localism was gaining importance in national politics and the agro bureaucracy (i.e. Ministry of Agriculture and its local offices). The localism in national politics was observed in the number of deputies representing their place of birth in parliament (after 1935, they constituted 34 per cent of the parliament; by 1969 this rate had climbed to 70 per cent) (Güven, 2009: 172). Furthermore, the increasing importance of the agro bureaucracy is a noteworthy example of the accommodation of peasant groups in the state apparatus. The vocational high schools established on a regional basis educated children from rural areas to serve as experts in agriculture later on. These state enterprises and farmers' organizations which were staffed by urban modernizers, were henceforth accommodated by this new 'administrative elite' (Güven, 2009: 172).

From a certain point-of-view, the rise of the new administrative elite might signify the rise of a new political alliance on the part of workers. Nevertheless, Petras and Veltmeyer show (2007), (through several cases in the Latin America) when peasant groups are involved in national-level politics they also lose their independent leadership positions at the local level. In turn, this trend does not prove to be much of a success in terms of class struggle. Accordingly, when leaders or prominent members of these groups become ministers in the government one possible outcome is that they are less radical, or so to speak, in terms of their leadership, they lose their popularity at the grassroots movement level (usually at the local level). This is partly because they start being financially dependent on the state budget (Das, 2007). Such outcomes are not inevitable; structure and power relations in the state and society have an important role to play.

Poulantzas (1978) suggested that given that 'a fundamental political objective of the capitalist state is to demobilize/disorganize the opponents of accumulation, to expect that being part of the state is a source of power is fundamentally to misunderstand the nature of the state' (as cited in Das, 2007: 365). Regarding the dominated classes such as peasants, Poulantzas (1978: 127) stresses that the state actively engages in

undermining the political mobilization of these social groups. Accordingly, it interprets one important function of the principle of equality before law as to legitimize such activities of the state. Furthermore the state may resort to some concessions, or as in the case of the 1980 *coup d'état*, it may exert force over the society.

State strategies to prevent 'political organization' seem to vary according to social context too. As mentioned, in the pre-1980s context, the state followed a populist network in order to accommodate peasant interests. In the section below, I discuss the historical context of state-peasant relations in Turkish society after the 1980 *coup d'état*. I show that the 1980s were characterized by an oppressive regime in terms of workers' rights and radical politics. Furthermore, the declining terms of trade suggest that the resource allocation that accommodated peasants during the developmentalist period started to change. This was followed by workers' protests which forced the government to adopt populist policies during the 1990s, until the 2001 financial crisis struck.

2.1.3 Emergence of the neo-liberal regime in the 1980s

Until 1980, Turkey maintained a trend of fast growth through what I refer to as the 'accommodation of social groups' by means of policy tools such as high wages to labour, relatively good conditions provided to rural migrant groups and a complex subsidy network created for peasant groups. The global context also supported the socio-economic dynamics of Turkey (Eralp, 1994). By the 1980s, neither the local nor global political-economic context supported this populist system. At the global level, countries were forced to switch to a different model of capital accumulation with the internationalization of business. The Industrialists' and Businessmen's Association in Turkey was established in 1971 in reaction to the closed economy and interventionist economic system led by the state (see website of TÜSİAD) and it openly started to advocate the liberalization of state economic policies.

The *coup d'état* in 1980 and its aftermath have shown that Turkey's political economy followed a different path to that of East European countries. The cycle of populism, crisis and *coup d'état* (experienced first at the end of the 1950s and the following *coup* in 1960) shows that Turkey followed a path similar to Southern American countries (Keyder, 1995: 298). Furthermore, the authoritarian-bureaucratic style adopted following the 1980 *coup* which lingered on even though Turkey turned back to a

multi-party system after 1983, also resembles that of some South American countries.

The agenda of the new regime established after the 1980 *coup* was aimed at the abolition of redistributive tools and institutions and their constitutional framework. However, one domain would remain untouched until the late 1990s, namely the agricultural institutional network created to provide subsidies to the small peasantry. Still, the benefits provided through these redistributive policies were reduced. In the process, the terms of trade eventually declined, causing further semi-proletarianization of peasant groups, forcing them to migrate to urban centres. However, unlike the 1950s, when peasants migrating to urban centres enjoyed relatively higher wages and better living conditions due to their connection with their villages, this time wages were not that high (Boratav, 1981).

Morvaridi (1993: 82) describes the conditions of the agricultural subsidy system in the 1980s when the government shifted away from import substitution to a policy of structural adjustment and liberalization as follows:

Through the establishment of higher producer price margins under structural adjustment, many farmers were encouraged to increase cultivation of cash crops as the most profitable farming activity. However, many of the same farmers have suffered serious set-backs with reductions in subsidies on inputs that have come under structural adjustment.

The situation was not any better for farmers producing cash crops:

Government agencies have been affected by tighter monetary controls and they often encounter cash-flow problems. The result can be inefficiency in payment to farmers for their crops. For example, the Sugar Corporation delays payment for the sugar-beet crop by six months most years. This along with rises in the price of agricultural inputs, such as fertiliser, has resulted in higher costs of production for cash crops reducing income per hectare. The increased cost of production together with late payment for crops can place small farmers in a permanent state of debt. (Morvaridi, 1993: 82)

After the coup of 12 September 1980, it was no longer possible to maintain the clientelistic networks that were built between the villages and the state during the previous governments. Instead, as Özbudun observes:

(...) the funds economy of the Motherland Party (...) based on the distribution of off-budget funds among its supporters would instigate a new type of clientelism stripped of the historico-political associations through commercialising the politics. (Özbudun, 2005: 255)

Despite perceptions of an 'end of clientelism' due to liberalization during the 1980s, clientelism in fact became just one of the means for the state to enter into relations (in the 1980s as well as the 1990s) with different social groups (Özbudun, 2005: 241).

Carrying out personal favours for the constituents is still seen as the primary job of elected officials, whether local or central (...) - So much so that a new extension has been added to the legislature where each member of parliament has an office and a secretariat to deal with clientelistic networks. Clientelism has not only expanded but has even been systematized; parliamentarians routinely spend every morning responding to demands from 'voters'. Most of them keep files for each of their clients, registering all favours rendered so they can claim favours in return. Some of these records are even computerized. (Güneş-Ayata, 1994: 58)

What is striking about this period of political life in Turkey is that liberalization policies could be brought into being only in the politically oppressive, undemocratic atmosphere of the *coup d'état* (Keyder, 1995: 299; Yalman, 2009). The most conspicuous repressive action of the military regime directed at groups expressed itself through the decision to shut down the three main trade unions right after the *coup*, under the pretext that these institutions were the nests of 'perverse ideologies'. Generally, the new regime imposed a very restrictive framework over politics in daily life. In line with these moves, most rights (such as the right to strike, lockout and to express political views within associations) that were enumerated in the 1960 constitution were restricted, or taken out. The distributional policies of the golden years (between 1984-1988; a year after the election in 1983 until its political demise beginning in 1988) of ANAP (the Motherland Party of Turgut Özal) reflected a harsh stance towards class-based demands, particularly wage demands from trade unions and price support demands from peasants. ANAP adopted a political stand favouring these groups in their 'slum resident, poor and consumer' qualities rather than their class agency as such (Boratav, 2003; 2008).

These new policies announced the emergence of the new populist regime in the 1980s which gradually transformed the old corporatist populist regime from the 1960s to 1977. The new populism (or neo-populism) is characterized by the gradual abolition of the old system whose objective was to contain different working classes via corporatist networks and institutions (i.e. trade unions, workers' organisations and wage system). The previous populist regime entailed an indirect involvement of social groups (such as agricultural sales cooperatives and farmers' associations) more closely linked to class, whereas the new regime eventually avoided any relations based on the category of class.

The major backlash against these new distributional policies occurred in 1989 when labour protests reached their peak following the local elections in the same year in March during which ANAP suffered a significant defeat. ANAP's precarious position was further undermined by protests (called 'spring protests') mainly led by public workers and later on taken up by the trade unions of SEKA (the paper industry's state enterprise) and workers in the coal, iron and steel industry. The media reported extensively on these events. Two more defeats in referendums made ANAP reconsider its distribution policies. As a result, from 1989 until 1993, the government started to give concessions to workers through higher wages and to peasants through price supports. The major determinants of the period after 1989 were, on the one hand, bold steps towards liberalization and, on the other, an obligatory return to old populist policies. These two steps together prepared the conditions for the 1994 financial crisis. The liberalisation was not affordable politically. The government was forced to make recourse to the old type of populism which in turn was not affordable financially (Boratav, 2003; 2008).

Following a stand-by agreement in 1994, for some years Turkish economic policies were determined independently of the IMF. This period ended in 1998 when Turkey signed a monitoring agreement with the IMF. This agreement called for 'structural reform' in different sectors including agriculture. This was followed by another stand-by agreement signed with the IMF at the end of 1999. The years after 1998 saw a series of stand-by agreements and regulations designed by the IMF, letters of intent submitted to the IMF and further agreements signed with the World Bank and the IMF/WB regime in Turkey. A great part of these regulations consisted of the adoption of 'market-friendly' neo-liberal agricultural policies (Boratav, 2007: 3).

Among these, the Agricultural Reform Implementation Programme ARIP (2001–2008) abolished the existing subsidy system and replaced it with direct income support, liberalizing parastatal sales cooperatives and introducing alternative product incentives to ‘overproduced’ crops such as tobacco and hazelnuts.

As Boratav (2007: 3) observes, during this transformation between 1998–2006, the terms of trade (TOT) declined by an annual average of 1.8 per cent and overall (from the year it started to the year it ended), it declined by 39 per cent. In this period, the economic crisis of 2001 caused a crash of about 23 per cent in the terms of trade. Unlike the 1994 crisis, the detrimental effect of the 2001 financial crisis was not a temporary one. Indeed, this time, the temporary effect of the financial crisis was combined with the detrimental effect of agricultural reforms (Boratav, 2007: 3).

The new phase in Turkish state–peasant relations, starting with the 2001 financial crisis, marked an important turn in populist policies adopted so far in Turkey. The dominant social groups, represented mainly by financial capital, were no longer in support of the populist waves that followed working class protests. Also, the multinationals supported the process of liberalization in Turkey as in other developing countries. Together with the multinationals, the capital operating in Turkey demanded an end to state support to agriculture and the abolishment of the organizations established during the developmentalist period.

2.1.4 Ideological underpinnings of the emerging regime

The exclusionary nature of politics, which started with the structural adjustment programme of 1980, was justified through the adoption of a particular discourse. It seems to have successfully transformed the dominant understanding of the state, bringing about a new dichotomy between politics and economics in Turkey. Furthermore, the discourse was built on the assumption that ‘civil society’ is a sphere free of domination where individual liberties could be achieved.

Yalman (2002) shows that this discourse displayed both oppositional and hegemonic characteristics. It appeared to be opposed to a view of the Turkish state held by proponents of strong state tradition in Turkish academia, as dominant and detached from society, and insensitive to the demands of social interest groups. This discourse exhibited hegemonic

characteristics as it successfully showed what it was opposed to as the mere social reality and successfully shaped public opinion. As Laclau (1985) asserts, a class becomes hegemonic not only by means of sanctifying the conceptualization of the entire world to the rest of the society but also by means of successfully articulating this conceptualization of the world in order to counteract other world views and their possible antagonisms.

In this discourse, the state was defined as an independent ontological being (as opposed to a socially defined reality) where the (political) contribution of social classes to social development and change is denied. From this perspective, social classes are neither politically active nor have explanatory power and the state is a source of financial crises. In such a framework, because the state and society are not viewed as interdependent (one defining the other), the state–society relationship *per se* is not capable of solving problems. Thus, the only recourse, in the case of Turkey, was structural adjustment programmes (Yalman, 2002: 8).

This shift in the discourse of the regime stands in contrast to the classical populist period in Turkey where working classes (peasants and labour) are integrated into the regime through a corporatist network through institutions such as sales cooperatives and trade unions. The new era brought the exclusion of social classes from the political scene by democratic means. In other words, during this new period, one observes a gradual exclusion of working classes from the policy networks that influenced policy outcomes (Yıldırım, 2009: 82).

Mouffe (2005) explains this understanding of politics which views the policy-making process as an external variable of society, as a reflection of liberal thinking in political science. The liberal pluralist thinking not only fails to understand the collective and antagonistic nature of politics; but also considers what is in fact political (here for example how to solve the problem of financial crisis of the state) a technical matter that could be solved by anyone who is an ‘expert’. On the contrary, in reality, ‘properly political questions always involve decisions which require us to make a choice between conflicting alternatives’ in the society (2005: 10).

Furthermore, because the above described discourse in the Turkish context was presented as the natural outcome of a universal rationality, it could not be subjected to critical questioning; the discourse itself made it impossible to discuss the problems Turkey was experiencing, let alone advance solutions deviating from the dominant discourse. In other

words, the discourse became both the expression of social reality and what reality should be. In that sense, the state and the market as separate entities, and the state at the service of economic rationality, became a reality for the political authorities but gradually also for the person in the street.

Yalman (2002) argues that the dominant paradigm in the socio-economic studies of Turkey is a state-centric one which views the state as the main subject for research in politics. The defining feature of this paradigm assumes that the Turkish state is based in a strong state tradition (from Ottoman times) that is resistant to changes initiated by society. This view was useful in that it provided an ideological foundation for the neo-liberal administration. It served the objectives of a neo-liberal administration that aimed to limit the activities of the state in society on the basis that state and society exclude each other. Put differently, if the state shrinks, it means civil society will get larger. Furthermore, the markets were considered effective whereas the state was wasteful and a source of systematic problems such as rent-seeking activities, wrong allocation of resources etc.

2.2 Hazelnut Politics: Background, Justification and Methodology

There is a good number of studies on the history of social forces in Turkey from the perspective of dominant groups and the state, whilst a very insignificant portion is dedicated to bottom-up research to understand how workers' groups, such as small peasants, interact with the larger political economy (e.g. Hann, 1985; Jacoby, 2006). Viewing the state as an arena in which the political struggle between different material interests plays out requires taking into account, thus discussing, how state policies are challenged at the grassroots level and how these challenges are incorporated into the state, or into political society. The different periods discussed with regard to state-peasant relations in Turkey suggest that the forms of domination and the nature of relations in different periods vary in political, economic and ideological terms.

In this framework which views state-society relations as a dialectical one, the following questions are examined: what were the relations and interactions between the peasantry and the state and the capital; what were the activities of peasants in reaction to government policies; or

whether the peasant resistance to state policies was successful or not; and what are the ideological elements of peasant politics; and finally how the government reacts to peasant action.

The story of the hazelnut producers' political struggle during the Agricultural Reform Implementation Programme put into practice during 'the IMF/World Bank regime in Turkish agriculture' is interesting for several reasons. In the first instance, contextualizing the political struggle of petty peasants in neo-liberal times in the Turkish rural landscape not only contributes to understanding forms of domination and resistance in different social contexts in developing countries but also highlights the uncertain future of the peasantry in this context of changing power relations in the country. As Keyder (1993: 177) asserts:

Peasant societies move slowly. Property structures and class relations tend to be perpetuated over generations as long as the ultimate reference of non-economic power, the state, retains its relations with the powerful groups. A greatly increased level of integration into the market introduces a new logic, that of economy, and opens the route towards a potential transformation of social relations governing the peasant society. The old balances may be disrupted and new arrangements may emerge to accommodate the economic reality. But since all sides involved will attempt to benefit from the newly emerging opportunity, the moment of transition is characterized by 'undecidability'. The old order will have to change, but it is not clear in which direction. For this reason it is not possible to read off the post-transition structure from the contours of pre-existing agrarian society. To put it differently, it is at the moment of transition that class struggle and the intervention of the state gain additional importance because they may now play determining roles in designing the new relations of power. (Keyder, 1993: 177)

The present study calls for taking into account state policies and reforms as socio-political projects together with different social group interests. As suggested, in order to study the manner in which peasant groups relate to larger political economy this study focuses on hazelnut-producing peasants who are incorporated in the global economy through price mechanisms. The political struggle is traced at different levels, starting with the villages in the Black Sea region where hazelnuts are grown, to different institutions such as parastatal sales cooperatives and chambers representing peasant groups. More specifically, through this case, peasants' perceptions of politics, the state's role in society, and the role

of the other actors involved in hazelnut production are examined. As such, state action in the hazelnut market (its relations with social groups involved in the hazelnut production, and international actors) as well as state's response to peasant struggle become clearer.

2.2.1 Hazelnut production and the Turkish state: facts and relations

Hazelnuts are a traditional product of Turkey which has both economic and socio-historical value. Due to suitable climate conditions it is mainly produced in the Black Sea region (Parlaktuna, 2009: 61). The hazelnut producing areas of the Black Sea region are officially divided into Standard 1 and Standard 2 areas which this study refers to as the core and periphery of hazelnut production (see Map 1.1). The core is situated in the eastern part of the region: Artvin, Rize, Trabzon, Giresun and Ordu. This part of the region comprises 58 per cent of the total hazelnut production areas and produces the best quality hazelnuts. The periphery of the region is situated in the western and central part of the region; and specifically provinces such as Samsun, Sinop, Kastamonu, Bolu, Sakarya, Zonguldak and Bartın comprises 39 per cent of hazelnut production areas. According to the 2007 data, Turkey represents 78 per cent of the total of 808.910 ha of hazelnut-producing areas in the world (Parlaktuna, 2009: 62).

Hazelnut production is clearly important for the national economy. Hazelnuts not only provide the highest export return among the primary export commodities of Turkey, they are also a major source of income for a large region of the country. The hazelnut sector covers an area stretching from the Bosphorus to the Georgian frontier comprising fourteen provinces, 135 counties and 650,000 farmers in approximately five thousand villages (see Map 1.1). In total, about eight million people benefit directly or indirectly from this sector.

Turkish hazelnut production represents 75 per cent of global hazelnut production and 82 per cent of global processed hazelnut production. The European Union imports some 80 per cent of total world exports. Importing countries use hazelnut in the production of chocolate, ice cream and cake. The highest share of these imports belongs to Italy and Germany, where the chocolate industry is highly developed.

The high return from hazelnut export of Turkey attracted some other players from the periphery of Europe, such as Georgia and Azerbaijan, with these countries also starting to produce hazelnuts (See Appendix 6 and 7). However, the share of these new players remains insignificant and is not increasing. The increase in Turkish exports is 30 per cent higher on average than other countries involved in hazelnut production. The neo-liberal shift in Turkey did not reduce the volume of hazelnut produced in the Black Sea region. On the contrary, between 1980-2007, Turkey's share in global total hazelnut export revenue rose from 64 per cent to 85 per cent (Parlaktuna, 2009: 64) (See also Appendix 7). High exports have thus raised the export income of Turkey and guaranteed the monopolistic position of Turkey in hazelnut production.

The state has been intervening in hazelnut production both to regulate the market and to protect direct producers (individual farmers) since the early days of the Republic. The subsidized purchase price policy raised hazelnut prices both in the domestic and international market, increasing the income of independent farmers and the export income of the national economy (Parlaktuna, 2009: 64). The subsidization policy encouraged more direct producers to shift to hazelnut production which in return caused the spread of hazelnut production towards the west. As a result, despite raising the export income of the country, it is believed that the subsidization policy also led to an accumulation of hazelnuts in warehouses, thus increasing supply and downward pressure on prices (Parlaktuna, 2009: 63).

Understanding the hazelnut question in the changing context of agricultural reform requires insight into the socio-economic background of Black Sea villages and the transformation it has undergone.

From the very beginning hazelnut production permitted an economic margin for subsistence agriculture. However, this margin was only for the villagers who had enough land, thus allowing them to grow hazelnut trees without disrupting subsistence agriculture, or those who had access to cash to switch to other products should they fail in marketing or production. That is why during the nineteenth century, hazelnuts were produced by those who had a lot of land or those who had connections with traders who could provide cash credits. However, in the first quarter of the twentieth century and during the economic depression of the 1930s, more middle farmers turned to the production of hazelnuts. These farmers also benefited from the advantage that the first year of hazelnut pro-

duction provided: it was possible to continue subsistence agriculture on a hazelnut field during the first growing period. This method continued until the end of the 1960s.

By the mid-1970s hazelnut production dominated the region; almost 95 per cent of agricultural production was dedicated to hazelnuts. The dominance of a cash crop and the elimination of subsistence agriculture brought some further changes in the lives of people in the villages. Villagers became dependent on the market for food, and as this dependence grew, their eating habits also changed (Sönmez, 2001: 96). For instance, tea and bread replaced soup for breakfast. Gradually, the state provided electricity to the villages along the shore, and together with electricity, durable consumer goods such as televisions, refrigerators entered the houses of the villagers. Whilst hazelnut production raised the standard of living of villagers, it did not protect them from indebtedness. The hazelnut is harvested once a year, and it requires great discipline to manage consumption during the entire year. For this reason, even families that have relatively large lands make use of additional sources of income to pay for major expenses (such as weddings, building a house and input expenses) (Sönmez, 2001: 96).

The eighty okka⁴ sacks
Are placed in the cars steadily
For when the hazelnut is ready
The market is a festivity

All our debts are paid
For the hazelnut brought in good money
Filling up the walnut chest⁵,
Now it is time for us to marry⁶

(Anonymous from the Eastern Black Sea. Duman, 2009: 114)

The economic, cultural and social pressure to find extra sources of income produced three types of villagers. There are villagers who have a stable job in urban centres but live in the village; those who live both in urban centres and in their village (with two houses); and finally villagers who diversify their cash crop production.⁷ An additional factor that contributed to the formation of a first and second type of villager was the building of roads along the shoreline by end of the 1960s. After the 1960s the rate of immigration in the cities of the Black Sea region gradu-

ally increased (See Appendix 3. Please note that the region had always more outbound migrants than inbound, especially between 1985-1990.)

The first type of villager wants to take advantage of their proximity to urban centres, whereas the second type who has two houses is one who wants to rearrange their family life in the urban centre so as to take advantage of educational opportunities for their children.⁸ Those who were interested in diversifying production embarked on beekeeping, chicken farming or kiwi production. The increases in two-residence owners by the mid-1970s also stimulated taking up different occupations in the villages, such as labour in the construction sector (Sönmez, 2001: 96-97).

In a study conducted in the village of Kayadibi in the province of Ordu, Sönmez (2001) observes that even if hazelnuts represented an average of only 23.6 per cent of household income (by 1990), hazelnut was considered to be the social security of the family. It replaced what subsistence agriculture meant for small farmers in the 1930s. In Kayadibi, all villagers, including landless ones, had income from hazelnut production. Together with other agricultural activities, agricultural income was not higher than 32 per cent. The rest of their income (68 per cent) was generated from extra-agricultural activities. There was thus a 'disproportionate relationship' between what hazelnut production provided and what it represented to the villagers. According to data from the General Agricultural Survey (2001), for the majority of people in the provinces of Bolu (Düzce), Giresun, Ordu and Samsun, agriculture is their main occupation and they have no additional occupation, whereas for the second largest group of producers, agriculture is their main occupation and they have additional occupations (Appendix 4).

Irrespective of the production problems, price fluctuations and the share of household income it generated, hazelnut was considered as life security – just as subsistence agriculture was in the 1930s (Sönmez, 2001: 97). Hazelnut fields functioned as the last resort for extra income when people ventured to leave the village. Hazelnuts not only secured the transition period of new adventures in urban centres but would also present a minimum income when family members returned to the villages from an unsuccessful attempt to join the labour market. Even to those who managed to establish a successful enterprise and earn a living much higher than they did through hazelnuts, the hazelnut retained significance in their lives as a nostalgic family asset (Sönmez, 2001: 97-98).

Another important aspect regarding the social dynamics of hazelnut production is that in the 1980s production started to spread out from the traditional hazelnut producing area: from the eastern coast of the region towards the west, representing the periphery of hazelnut production in the Black Sea region. At the time hazelnut production came to represent social security, it spread further in these provinces, replacing fruit and vegetable farming despite the government's enactment of a law in 1983 to limit its production. According to this law, both public and private bodies were forbidden to purchase hazelnut from low-lying areas (e.g. coastal plain areas). The subsequent spread of production in these areas shows how ineffective this law was.

The geographical conditions of the western coast are different, hence the different political attitudes and relations governing hazelnut production. These will be elaborated on in the forthcoming chapters. In spite of differences in the socio-economic landscape between the two parts of the region, because it has no other profitable alternative according to most small-scale Black Sea farmers, the hazelnut question in both parts boils down to: 'what are we going to eat?'

This constitutes a paradox for various reasons. The first paradox is that following the 1980s, contrary to the underlying objective of liberalisation to eliminate small-scale production in the world in favour of large-scale, corporate enterprise, small-scale hazelnut production has in fact increased with the advent of liberalization policies. The second paradox is that despite the highly diversified occupations people entered as an alternative to in-farm activities, hazelnut remained the social security of thousands of people in the villages. This became evident in the course of my research on the resistance against the ARIP project.

The Turkish state in hazelnut production: Fiskobirlik and its restructuring with ARIP

Two factors stimulated small and medium farmers to change to hazelnuts as the main agricultural product. The first was the economic depression of the 1930s, and the second was the establishment of the agricultural sales cooperatives for hazelnuts in 1938. At first, hazelnut did not seem to be a profitable crop. After the War of Independence (1923) the prices of other agricultural products rose and made them more profitable than hazelnuts. However, when the Depression started, there was a shortage of hazelnuts that meant higher prices for this crop too. At this

stage the market was dominated by a particular type of contract (precontract – *alivre*) which was, on balance, detrimental to villagers. This contract governed the relationship between Western industrial capital and the peasantry but was implemented by small tradesmen who acted as intermediaries between the two groups. Under the terms of this contract, peasants could obtain credit months before the crop ripened in return for a promise to sell their nuts at a very low price. Moreover, the interest rate of these loans varied between 30 per cent and 50 per cent. This relationship would put the peasantry into a vicious debt cycle.

The state of the peasantry was discussed at several platforms where tradesmen, agricultural technocrats, the economic bureaucracy, farmers' representatives and political authorities gathered. Here, policy reports presented the fact that the on-going problem of *alivre* was important to deal with (Sönmez, 2001: 87). The Hazelnut Congress in 1935 was the first large gathering that focused on a single crop together with issues affecting the peasantry; it was also the first congress that focused on a single crop. Before this Congress, the state of the peasantry was discussed in 1931 at the first Turkish National Congress of Agriculture and later on at the 1938 Congress of Agriculture.⁹

Following the Hazelnut Congress in 1935, a sales cooperative union of hazelnuts (Fiskobirlik) was established. The objective as stated by the Congress Committee was to establish an institution on behalf of producers that would regulate the market and exports. The sales cooperative would also diminish the role of exporters in the market. As the Minister of Economic Affairs, Celal Bayar stated in his opening speech,¹⁰ the production process should be 'rationalized' from the beginning to the end (i.e. from direct production to the exporting process). The intention was also to increase the quality of hazelnuts whilst keeping prices competitive. This would require lowering production costs and prices but in equilibrium with the interests of direct producers, not at the expense of their interests. He called on exporters to consider it their national duty not to pressurize the market or violate equality among interests. After having criticized the *alivre* type of commerce, he called for the establishment of an organization of direct producers. He stressed that such an organization did not imply fewer exporters and tradesmen. On the contrary, one of the objectives of establishing the organization was to support exporters with an understanding of national duty.

Fiskobirlik was therefore a by-product of the etatist period of agriculture in Turkey. Bayar (1935) expresses the etatist spirit of the time through the following statement:

Our thoughts and concerns are never biased. We shall protect the interests of both the direct producer and the traders with the same concern and seek for a model of relations that is established based on their common interests.

It is in this context that Fiskobirlik was established. In the beginning, the role of Fiskobirlik was still insignificant (Sönmez, 2001: 87), but over time it succeeded in gaining the trust of direct producers. It eventually became an important political and economic player and the largest agricultural sales cooperatives' union in the country, with fifty sales cooperatives operating on a local basis.

Fiskobirlik became both a regulating agency in the hazelnut market, and a political body representing 250,000 hazelnut farmers from all categories of farmers (i.e. small, medium, and large). Small tradesmen, who purchased from producers who for various reasons were not able to wait for Fiskobirlik to announce the subsidized price, dominated the rest of the market. Therefore, not all producers were able to benefit from subsidized prices. Some had already become indebted to tradesmen in the village during the year and had to sell their hazelnuts at a lower price which was agreed on before the harvest. Others were short of money because of their expenses during the year and could not wait to sell their product to Fiskobirlik. Thus, a part of the hazelnut crop went into private hands depending on the financial circumstances of villagers. From there, the small tradesmen would sell the hazelnuts either to exporters or to domestic manufacturers. The post-harvest flows in Turkish hazelnut sector are summarized in the diagram at the end of this section (Figure 2.1). Both Fiskobirlik and the tradesmen (i.e. small and big) need to buy the raw hazelnuts from direct producers processed before marketing either in the national or world markets. The diagram also shows, in Harrod's terms (1987), the relations that the hazelnut producers (farmers) have to contend with during the production process.

Eventually, in 1964 the Union of Sales Cooperatives Fiskobirlik was nationalized and officially guaranteed the purchase of hazelnuts from independent direct producers with a subsidized purchasing price that was higher than the costs of production. The hazelnut purchases of Fiskobir-

lik were carried out with state financial support between 1964-1993 (except 1988, 1989 and 1990) and in 2002. This means the state purchased hazelnuts produced by Turkish direct producers for about 44 years. In 1994, in line with the government's Structural Adjustment decisions of 5 April 1994, subsidized purchases officially ended. However, the subsidized purchases continued thanks to the low-interest credits from a fund established (DFİF) for that purpose. Although there was no legal support for it, government continued *de facto* purchases through Fiskobirlik in the 1994-1999 period.

The main goal of the Turkish state in providing price support to direct producers was to control market conditions and prevent the fall of domestic and international prices without causing damage to the balance of prices in the long run (Parlaktuna, 2009: 65). The second goal in intervening in the market was to increase the income of direct producers and thus to secure higher living standards for them (Parlaktuna, 2009: 65). About 18 years following the establishment of the purchase subsidy policy, the sales cooperatives started to encounter problems of overproduction and in storage capacity (Parlaktuna, 2009: 65).

In order to deal with this problem, the state passed a law (1983, No 2844, Fındık Üretim Planlaması ve Dikim Alanlarını Belirleme) to regulate production. However, for several reasons mainly as a result of faulty planning, the programme failed to convince direct producers to turn to alternative crops (Parlaktuna, 2009: 65).

According to the dominant view on the spread of hazelnut production in the Black Sea region, the subsidy system is advanced as the main reason for the failure to limit hazelnut production (Çetiner, 1988; Parlaktuna, 2009; World Bank, 2004). According to this view, which can also be found in the ARIP documents designed by the World Bank (2001) in collaboration with the Turkish bureaucracy, a reform programme for subsidization was necessary to overcome the excess supply of hazelnuts, as well as the burden it created on the Treasury. In light of this, a subsidization reform programme was designed, targeting reform of the hazelnut production system, as also other crops of strategic importance to the national economy. Unlike the atmosphere within which Fiskobirlik was established, this time political authorities did not seek the consent of different interest groups involved in production (such as convening a conference) in its decision to restructure Fiskobirlik, nor was an informa-

tion campaign conducted to inform the Black Sea villagers about the subsidy reform.

The first step taken to address the problem of ‘excessive’ public expenditure was to pass a law on the restructuring of sales cooperatives’ unions. This was subsequently incorporated into the ARIP programme whereby financial assistance to parastatal institutions in the agricultural market was cut off. The second step of the reforms (in ARIP) in the hazelnut context was to address the issues related to the spread of hazelnut production. After having failed to limit production in 1983 this would be the second attempt. Farmers were offered incentive payments for uprooting hazelnut trees and cultivating other products. To compensate the farmers’ losses from the privatization of Fiskobirlik and the abolition of input subsidies, the villagers of Black Sea were provided with direct income support (DIS). This is a type of subsidy that was considered ‘less distortive’ in the price determination process, as it was based on the size of land rather than the amount produced.

This was the initial design of ARIP which was met with different types of resistance from hazelnut producers. When producers refused to turn to other products, ARIP first had to change tack before it could be implemented further. This in turn forced the World Bank in Ankara to design a new component in the reform project to replace the alternative product policy. Secondly, it had to step back when thousands of hazelnut producers marched in the streets of Ordu (2006) in protest against the policies of the government and the crisis of Fiskobirlik resulting from its financial difficulties. With respect to the political stand of the hazelnut producers against government reforms, which is examined in relation to ARIP in the following chapters, this is the group of agricultural producers that has become the most resistant and politically organized. Their voice was most heard in the media compared to other peasant groups who were also exposed to liberalization within the framework of ARIP.

In the field: Methodological encounters

This study is based on primary and secondary data obtained during fieldwork conducted in the capital city of Ankara (2007) and the Black Sea provinces (2008) of Giresun, Ordu, Trabzon in the eastern part of the hazelnut producing area, and the provinces of Samsun and Düzce in the western part of the region (see the Map 1.1). As indicated, the provinces of Samsun and Düzce represent the extended hazelnut-producing

area. From the Georgian border to Istanbul, agriculture along the shore is dominated by hazelnuts. However, there are socio-economic and geographical differences between the eastern part, the old hazelnut producing area, and the western part of the region which has turned to hazelnuts relatively recently (about 40 years ago). The main reason for focusing on these provinces is that Giresun and Ordu represent the political core of hazelnut resistance, whereas Samsun and Düzce are characterized by a more passive form of resistance to efforts at curbing the spread of hazelnut production.

Not only do Ordu and Giresun produce the best quality hazelnuts in small but high/steep plots, they also have a long history of hazelnut production and a developed socio-political culture around hazelnuts. Furthermore, there is not much of an alternative to hazelnuts in these provinces. In this sense, it can be considered a question of survival. Samsun and Düzce, on the other hand, were considered to have the most fertile lands for the cultivation of fruits and vegetables before these were replaced by hazelnut production. Ordu and Giresun are provinces where the hazelnut is invoked even in the daily expressions of people, poems and love songs. Also, the visible hand of the hazelnut market, the Fiskobirlik headquarters, is based in Giresun, while political protests took place in Ordu.¹¹

The primary data consisted of semi-structured interviews with different people in Ankara and the provinces I visited in the Black Sea region.¹² In Ankara, I conducted semi-structured interviews with Turkish bureaucrats involved in either the design or implementation of the reform policies at the Ministry of Agriculture and Rural Affairs (MARA), the Turkish Grain Board (TMO), the Treasury and World Bank and ARIP in Ankara. The latter, whose office was composed of technocrats, acted as an intermediary body in charge of the reform process. In the provinces, I conducted interviews with local bureaucrats in the Agricultural Directorates who provided substantial assistance in getting to know the socio-economic characteristics of villages. In addition to interviews with the local bureaucracy, I spent time in the headquarters of Fiskobirlik where I was provided with an office to work on correspondence and reports prepared by Fiskobirlik during the ARIP process. In each province, I also interviewed representatives of exporters, farmers and institutions such as the Turkish Grain Office and Fiskobirlik. Furthermore, I

paid visits to leading local exporters, especially in Trabzon, the location of the headquarters of the largest exporting company.

Prior to the fieldwork in the Black Sea, I carried out extensive research on the ARIP process, conducted interviews in state departments and collected reform documents. I talked to academics who are either interested in issues related to the production of hazelnuts (at the School of Agriculture, Ankara University 2007) or the hot topic of agricultural subsidies (at the department of Economics, Middle East University) and the politics surrounding it (Department of International Relations, Middle East Technical University), as well as hazelnut experts¹³ working in state departments.

For primary data, I relied largely on semi-structured interviews I conducted with groups of villagers in the Black Sea towns and villages I visited. In each province I visited, I selected villages on the basis of data at hand (village surveys on agrarian structure) and consultations with the local bureaucrats, representatives of farmers (Chambers of Agriculture on a provincial basis). For instance, in Giresun and Ordu, because most lands meet the criteria for hazelnut production, my focus was on visiting villages that are different from each other in terms of agrarian structure. I visited villages known for hazelnut production as much as villages that diversified production and contained small and medium producers. Similarly, in the research I conducted on the western coast of the Black Sea, I paid attention to agrarian differentiation, but additionally, I checked positive and negative returns to the alternative product policy and made sure I visited villages from both groups. Last but not least, certain constraints also influenced the selection of villages. I was not able to visit the villages by myself (strangers are welcome to public spaces, but they have limited access to discussions on local issues; family ties and local connections are important in these communities), thus I had to be accompanied by people known to the villagers. The people accompanying me varied, sometimes it was someone from the Chamber of Agriculture who had relatives and friends there or a local bureaucrat who went there often for different purposes and was familiar to that village, or was a villager himself.

As a female researcher, the fact that I was accompanied by a person who was known to the villagers, also provided me access to male-dominated tea houses. Indeed, tea houses are never frequented by women. However, the fact that I was from the capital city, I observed,

allowed me more freedom than other women living in the area. In that regard, I was almost considered a foreign woman whose actions were not questioned. Talking and chatting was a different business where familiarity is an asset. On the other hand, having someone to introduce me to people, I observed, helped them to better understand my purpose for being there.

I had different identities in face-to-face encounters. I was a student trying to do her research and learn from them; a person from a university which they wished their sons and daughters could attend; a person from the capital city who, some assumed, had access to the state and therefore could defend their causes and explain their problems to people at a higher level. The latter one was a misperception of course, since I was not affiliated to any state organization. It sometimes caused disappointment when I explained that this research was not for a government report. Still, I observed that the fact that the hazelnut was a highly politicized issue, rendered all means of voicing their concerns important.¹⁴

People I consulted were of great help in providing me access to the villages and introducing me to villagers. In the villages, I preferred to conduct random group interviews. These group interviews were different from focused group interviews in that I selected my interviewees randomly in the tea houses where men of the village gather; without paying attention to the homogeneity of the group members (i.e. occupation, social strata). This was a deliberate choice. My intention in these interviews, which sometimes took the form of random talks, was to observe the social dynamics in the villages, and more importantly, to trace the political and economic issues at the local level and their relation to larger political economies. My focus therefore was on villagers' perception of topics related to the reform process, as well as their views on hazelnut production and the state in general. The topics of discussion also naturally extended to what villagers regarded as hot topics, and which were also in the public domain, such as the Fiskobirlik crisis.

I have to say that my fieldwork experience was both illuminating and enjoyable. It was illuminating as I learnt a lot from my interviewees about how the world is seen from the perspective of a village. Sometimes they would make comments which reflected how they were generally perceived in society, 'we are just peasants; you know better, you went to schools abroad'. Little did they realize that they were often able to conceptualize and define what was going on more clearly than many books

could describe. It was also enjoyable because, almost without exception, I received a warm welcome from the Black Sea people. I was often invited to their dinner tables. In a village in Giresun, an old villager asked with curiosity and sarcasm: ‘so you recorded us in that tiny machine, what are you going to do? Prepare a report over these talks?’ The answer was both yes and no. It was yes because my research was based on these discussions in the villages, but it was also no because I used these talks only in order to contextualize. I did not have any authority to change their lives.

Tracing the political in the Black Sea villages

I have argued that there is an organic relation between politics and economics and that this relation is historically determined. Marx (in *Capital*) and those who followed his footsteps consider production relations as historically determined social formations. However, given the scope of the thesis, my research did not extend to collecting data in order to analyse the social relations of production in the villages I visited. However, the social relations of production are fundamental in determining the power relations in these villages. That is why I base my research, which focuses on tracing the political relations among different groups involved in hazelnut production, on the existing literature on the social relations of production that developed in the Turkish countryside over the years. Since the 1980s, there’s been general consensus among scholars that the Turkish agrarian structure is mainly determined by petty commodity production. The significance of this fact, and consequences it has had, in regard to rural politics, does however differ from one author to another.

The nature of social relations of production was assessed by concentrating on understanding the structural criteria (i.e. size of land, ratio of wage labour to household labour and/or which portion of production is marketed and whether it is marketed regularly – degree of marketization); and with reference to the general character of the social formation (Sönmez, 2001: 76). Even if the objective of the empirical data collected for this research is not to extend into a discussion on social relations of production in the rural Black Sea region, it was possible to draw a rough map (cf. Harrod, 1987). This map is based on information obtained through the interviews. Questions were addressed to villagers about the organization of production such as to whom they sold their product – tradesmen or the sales cooperative; the size of their land; whether they

relied on wage labour or family labour; and how much they relied on agricultural production shed light on production relations.¹⁵

Besides general historical data from various institutions and other research that shed light on the social relations of production in the Black Sea region, I used some basic criteria during my interviews to differentiate between groups of hazelnut-producing peasants in the field. In the first instance, I paid attention to the amount of hazelnuts villagers produced. The size of land is also an indicator according to which peasants can be classified as small, medium or large producers. However, I have always kept in mind it has to be studied in the socio-economic context of the region (cf. Sönmez, 2001:94).

In the context of Kayadibi village in the province of Ordu for instance, Sönmez (2001) notes the social categorization criteria applicable at the time (1990). He explains that according to villagers having less than 10 ha was not worth mentioning, 10-20 ha was considered a small holding, 20-40 ha a medium holding, 40-70 ha a complete holding, and having more land was seen as a big enterprise with market power. According to recent data (General Agricultural Survey, 2001) on the size of land in the Black Sea towns where I conducted my research (i.e. Giresun, Ordu, Samsun and Bolu-Düzce), the majority of holdings fall within the range of 20-49 ha whilst the share of 50-99 ha is very limited (See Appendix 1). The second criterion according to Sönmez is the size of land a household of five people would need if none of its members had other occupations. According to the calculations of Sönmez in 1990, it would be 45 ha land in 1990. Of course, the value of this size of land would depend on the amount produced and the fluctuations of hazelnut prices.¹⁶

Approaching the villagers as a differentiated group brought to the fore the power relations and antagonisms governing the production process, how different interests conflict both within the peasantry but also between different groups involved in production, namely tradesmen, exporters and multinationals. The reforms meant different things to the different groups involved in hazelnut production. These different views stem partly from a material consciousness, defined by the social relations of production, and partly from a psychological consciousness that can also be described as identity, or what Cox (1987) refers to as inter-subjective ideas. By this term, Cox refers to collective meanings that belong to groups but go beyond their individual opinions. These meanings de-

fine the way social reality, such as the production relations, is conceived. Accordingly (Sinclair, 1996: 9), they are not only about 'economic sectors of human activity (such as agriculture, commerce, industry etc.) but about ideas of intersubjective meanings, norms of institutions and social practices (and institutions where material goods are produced)' as well. Material conditions defining the consciousness can be observed in the way people talked about hazelnut production and reforms because farmers can define their interests in hazelnut production clearly. However, the psychological aspect of consciousness or identity is not always apparent, as it cannot readily be deduced from the objective material position a person occupies and it may not be expressed explicitly (Harrod, 1987: 34).

The second objective in visiting the villages was to see who (i.e. small, medium or large landowners) actually took part in the protest in Ordu. This was the most difficult task, because while people talked freely about their social conditions, the production of hazelnuts and criticized the reforms based on their own experiences, but the protest was a taboo topic in the villages. Besides, not going to the protest did not necessarily mean that the farmers agreed with the policies imposed on them. According to Harrod, the material aspect of consciousness may be a determining factor of people's choices in joining collective action. A peasant producer may be reluctant to join the movement even if his interests are at stake; because the leader of the movement is, for example, uncertain about land distribution in the aftermath of a struggle (Harrod, 1987: 34). Nevertheless, it has to be stressed that the same peasant producer may (or may not) join 'a call to arms' as a result of his psychological consciousness; stemming from his work-related insecurity. Indeed, it is not only a matter of calculation of interests by individuals but also an awareness of power relations in society, or in more general terms; how they interpret the world (Harrod, 1987: 34). According to Harrod, (1987: 35):

The insecurity of the self-employed as a form of consciousness may also, however, be the basis of a class alliance in which the solution to insecurity appears to be offered. These latter are deeper manifestations of consciousness emerging from social relations, and it is often on these that alliances are forged or classes created. (Harrod, 1987: 35)

Last but not least, I traced the ideological elements that transcend material benefit and marking social relations of production. In this study

ideology is understood in its most basic sense, that is a set of ideas shared by groups or alliances of groups such as policy makers, politicians, institutions and social movements. In order to trace the ideological elements pertaining to the reform, I studied discourse in policy reports, speeches during the Fiskobirlik crisis and the protest, semi-structured interviews with members of different groups involved in hazelnut production, bureaucrats as well as letters of communications between farmers and state agencies regarding the role of Fiskobirlik. It was important to observe the collective meanings attributed to elements such as the role of state, market, hazelnut prices, production, politics and protest. I did not rely on a discourse analysis theory in the sense that all information and empirical data can be treated as 'discursive forms' or 'texts'. The study assumes however, that ideological elements cannot be studied separate from the political and economic relations. For instance, the study bears in mind that different collective meanings or ideas attributed, for example to the question of rural development, are closely related (in analytical terms) to the sphere of politics.

In the state apparatus and institutions

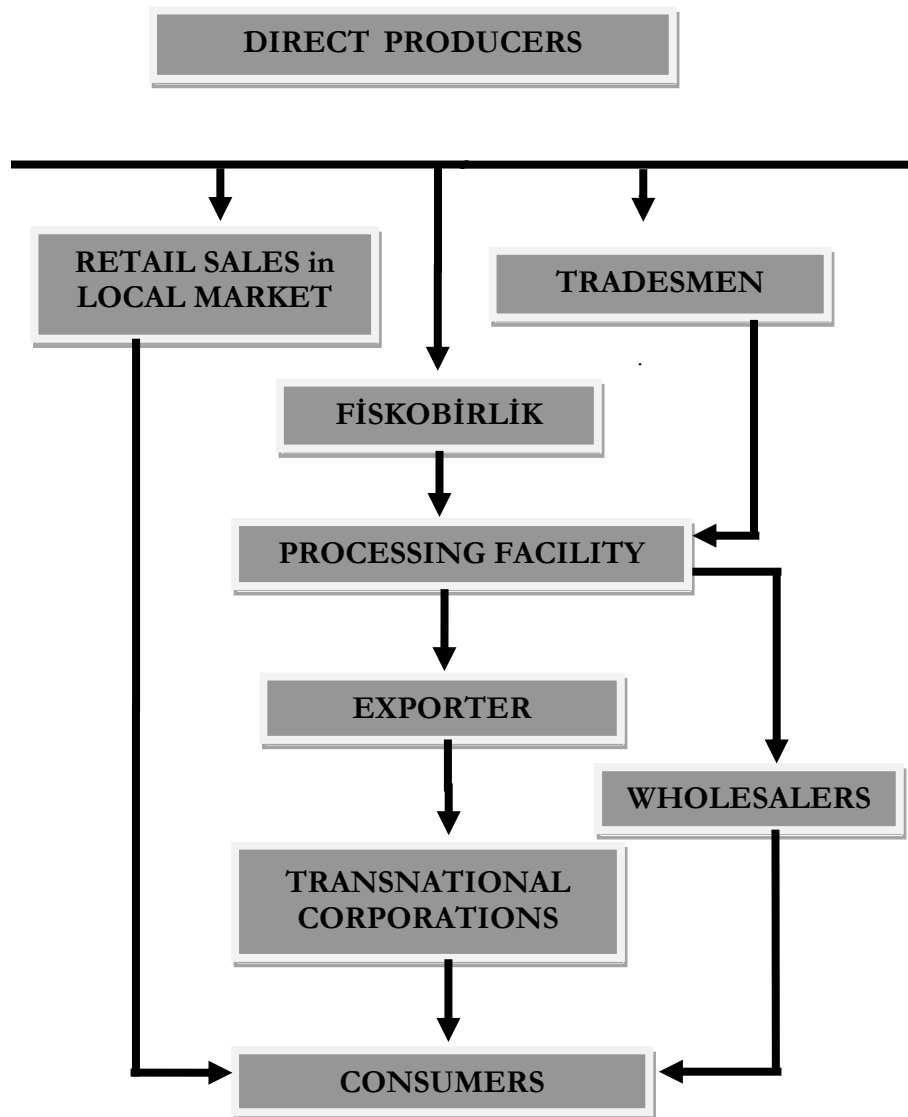
Part of the research was dedicated to observing and collecting data on the way in which different state actors and institutions positioned themselves during the reform process. The significance of this effort dedicated to disaggregating the state and institutions (e.g. the sales cooperative Fiskobirlik), is that it helps to better understand state action or more specifically the reform process, as it clarifies different ideas of state actors and 'intrastate conflict'. Furthermore, it helps to analyse how some state actors were able to exercise more power than others over non-state actors and how, in return, the response of these non-state actors challenged the state policies in a way to transform the eventual impact (see Fox, 1993: 19).

In this framework, the interviews conducted in state departments in Ankara and in institutions such as Fiskobirlik each required a different attitude. The topics and elements discussed regarding the reform would change in accordance with the department's function. Furthermore, there were also conflicting ideas reflecting the old and new development paradigm within the same department of the state, which I interpreted as the result of transformation within the state. For instance, the *raison d'être* of the Ministry of Agriculture was different from that of the Treasury;

one concentrated on developing policies for rural development and the other's objective was to watch over the spending from the budget of the state. The notion of rural development was also changing from the etatist planned economy paradigm to another more decentralized and project-based paradigm.¹⁷

I tried to pay attention to the social background of the people I interviewed.¹⁸ This had two important objectives. One was to ascertain what Poulantzas calls the relative autonomy of the state towards different social groups. The second was to see how rural social groups were accommodated within the state. For instance, the bureaucrats in the Undersecretariat of the Treasury generally were business administration graduates from big cities, namely Ankara and Istanbul. They had a particular worldview and tended to justify the reforms. On the other hand, the bureaucrats in the Ministry of Agriculture and Rural Affairs generally had a strong rural background and were mostly critical of the reform. In addition to these observations, it was possible to detect a distinct institutional tradition that developed in different state departments over the years. This suggested that the overall position of these departments within the state apparatus is determined by a combination of factors, namely personal worldviews of bureaucrats and the institutional tradition of the departments. To a large extent, the latter is determined by the *raison d'être* of the institution in question. For instance, the priority of Ministry of Agriculture was rural development whereas the Treasury was concerned about budget deficits. The understanding of rural development itself was not fixed, especially since it was under transformation in this new phase promoted by the World Bank and the Structural Adjustment Programmes. How rural development or budget concerns were conceived depended upon different ideas, some reflecting the new dominant understanding and some others lingering from the nationalist developmentalist period.

Figure 2.1
Post-Harvest Flows in Turkey's Hazelnut Sector



Source: Adopted from Ministry of Agricultural and Rural Affairs (2007: 226)

Map 1.1
The Black Sea Region



Notes

¹ The general periodization of Turkish history following the milestones of Turkish political life since the establishment of Republic is usually as follows: 1923-1950 the Etatist single party period, 1950-1960 characterized by a multi-party system and the rule of Democrat Party with a 'restless democracy' (Zürcher, 2001); from 1960 to the end of 1970s characterized by coup d'états and a constitution allowing labour rights. As of 1980, another constitution applies (as the result of the *coup d'état*) which limits individual rights and activities of trade unions.

² The 'centre-periphery' concept was first mentioned by Mardin (1973) and developed into the 'strong state tradition' by Heper (1992), and also extended to studies concentrating on the public sphere and gender by Göle (1997). To see how the themes raised by this state centred/culturalist paradigm are being used in contemporary analyses of state-society relations in Turkey, see Hoşgör and Özel (2010).

³ Please note that what Walder (1999: 39) means by 'constituency clientelism' (different than the general understanding in the literature) is a relation between patron and client where the patron is the state instead of the individual politician and client is the entire class or a social group rather than an individual member of a class. Furthermore, he stresses, this relation is not based on exchange of private

goods and services but on class-based subsidies, price supports, etc. In that regard these relations are not informal but institutionalised and can be traced in public policies and in the activities of state organizations.

⁴ An Ottoman weight unit.

⁵ Chest made of walnut wood.

⁶ Translated from Turkish: 'Yüklensin arabalar; seksen okka çuvallar; fındık hazır olunca; şenlensin çarşı pazar.' 'Para etti fındıklar; tükendi bütün borçlar; şimdi düğün vaktidir; doldu ceviz sandıklar.'

⁷ In the Kayadibi village (of Ordu province) where Sönmez conducted his research, by 1990, 74 per cent of the village population (239) did not have another house out of the village, 3.7 per cent had two houses, 8.7 per cent lived in the Ordu city centre, 7.9 per cent in other provinces, and 5 per cent lived abroad and came during the summer holidays (Sönmez, 2001: 97).

⁸ For example, the first category consists of people working for public bodies specializing in transportation and communication between villages and provinces, or those working as seasonal or permanent wage labour as well as others working in the expanding construction sector as labour, small craftsmen and shop assistants. The second category comprises small entrepreneurs such as shop owners, hazelnut tradesmen as well as civil servants.

⁹ The Giresun Provincial Assembly published a number of reports on on-going efforts to regulate the hazelnut production process (from planting to export). They are as follows: *Fındık Talimatnamesi* (Hazelnut Regulation), Fındık Encümeni (1931) and Fındık Tarım Satış Kooperatifleri Birliği (1940).

¹⁰ Available at the website of the National Hazelnut Council: www.ufk.org.tr

¹¹ Ordu and Giresun are geographically very close to each other. A public bus service takes people from one town to the other in an hour.

¹² Please note that I conducted all interviews in Turkish (my mother tongue) and later translated them to English.

¹³ I noticed that most of the people that have a special interest in the organization of hazelnut production originate from the Black Sea region. Furthermore, I came across several MARA civil servants during my fieldwork who have hazelnut land. This factor, as will be elaborated on in the forthcoming chapters, is a good example of the state accommodating people from villages. As mentioned earlier, hazelnut may allow this more than any other crop since it does not require constant care. It is possible to keep the land and have an occupation in big cities such as Ankara, as long as the owner/farmer returns to the village for the harvest, which coincides with the summer holidays.

¹⁴ In Adiyaman, a city in the eastern region of Turkey, for instance, villagers were less willing to talk. I assume this was both due to cultural differences and the fact that tobacco was not as politicized as hazelnuts.

¹⁵ To better understand and contextualize their views regarding the reforms and the differences in their argument regarding the organization of hazelnut production it has to be noted that these questions were addressed to people in the tea houses. In this setting, an analysis of social relations of production was of secondary importance.

¹⁶ The 2000 calculations of Sönmez (2001), showed that 45 da of land was equivalent to an investment capital of US\$ 211,500. Again according to the calculations of Sönmez, considering the average production level in the region, that is 110kg/da and in 2000 the average price of hazelnuts being 1.40 dollars, the gross national income that a household would gain from 45 da land was US\$ 5,775 and the annual net income would be US\$ 3,522. These figures are based on the price of hazelnuts in 1997 and 1998 (US\$ 2.20 per kg) (ibid.: 94). An important point he makes is that, the main criterion should not be the size of land per household but rather how much land would provide the livelihood of a family. In his field study village of Kayadibi, only 13 per cent of the village households were able to live without recourse to secondary occupations. However, for wheat farmers to obtain the same standard of living they had to have a field three times larger. On the other hand, what was considered small-scale in American agriculture (gross annual income of US\$ 2,500), would be the equivalent to the yield of 14 to 23 da of land in the Turkish Black Sea region (Sönmez, 2001: 94).

¹⁷ It has to be noted that ARIP documents make mention of transforming the MARA in line with the subsidy reform.

¹⁸ I never asked direct questions to my interviewees about this because I did not want to make them uncomfortable during the interview. It was only when we got to know each other that we talked about their social background, families and schools. I also told them about myself. Being a native, the advantage compared to a foreign researcher, was that it was more or less possible to guess which part of the country they came from.

3

ARIP as a Socio-Political Project

This chapter provides an overview of the economic and political context within which the ARIP project was launched. I thus aim to provide an analysis of the socio-political content of this project. Unlike the liberal and institutionalist view of institutions and state actions as determinant in themselves, this chapter treats ARIP as a reflection of ongoing power relations on the global scale in a specific historical context. This requires contextualizing the rationality of this project and the actors involved in policy making. As a by-product of ‘second generation’ Structural Adjustment Programmes, ARIP was a reflection of the new wave of socio-political transformation on a global scale accompanied by trade liberalization which forced small-scale farmers in developing countries to compete with ‘subsidized global agribusiness’ in developed countries (Aydın, 2010).

Abolishing the ‘artificial price, input and output’ subsidy systems as in the case of ARIP, also meant harmonization of domestic prices with world prices and eventually becoming ‘competitive’. The losses of small-scale farmers were ‘partly compensated’ through direct income support (which aimed to provide support not on the basis of what they produced but on the basis of land size) without ‘distorting market prices’. The unavoidable consequence of this policy was, as foreseen, the elimination of traditional holdings which could not survive in this new competitive environment (Çakmak and Akder, 2005; Lundell et al., 2004).

As part of a socio-political project, ARIP brought about a change in the material basis (i.e. transformation in the power blocs, that is between and within classes, as well as their relation with the bureaucracy and political parties; world market competitive imperatives), institutional dynamics (i.e. institutional reorganization in state and parastatal organizations related to agriculture to achieve competitiveness) and ideational

dynamics (i.e. a new understanding of development based on fiscal discipline); and a set of ideas and beliefs justifying the logic of the reforms (Marois, 2006).

In this analytical framework, I shall first present the history of the structural adjustment programmes in Turkey, the politics of the financial crisis in 2001 and the emerging socio-political context. The second section presents the changing themes of reform in this emerging socio-political context; together with a discussion on the components of ARIP and their implications for hazelnut producers. The last section deals with the socio-political basis of reforms in Turkey and the Black Sea during the first years of implementation of reforms (2001-2005). In this regard, it appears that the big industrial bourgeoisie was in favour of the reforms in Turkey and had adopted the rationality of trade liberalization, whereas the local commercial bourgeoisie, who had direct relations with the farmers, seemed to be more cautious and adopted a more collaborative approach. The Ordu Commodity Exchange, for example, argued for the formulation of a new subsidy (instead of direct income support) programme in order not to upset small-scale farmers.

The material basis of this transformation was determined by the internationalization of agriculture and the dominant position of transnational capital which required a new division of labour. The policies advocated by the European Union, the IMF and the WTO were based on the liberalization of trade in developing countries so that they could fit into the changing global picture of capital accumulation (Aydın, 2010). On the domestic scale, these changes affected the forces of production namely small and large business, wage labour and different categories of agricultural producers (i.e. small, medium and large growers) in various ways, but they mostly disturbed the poorest rural groups (i.e. small-scale farmers) who severed their alliance with the developmentalist bureaucracy which was also undergoing a transformation. The impact of the agricultural reforms on ideational dynamics was determined by the rationality of the Structural Adjustment Programmes which were based on a certain understanding of politics and economics. These ongoing changes suggested that this process was creating different blocs in the state and society.

3.1 Structural Adjustment Programmes in Turkish Agriculture

This section presents the economic policies advocated by the International Monetary Fund and the World Bank through structural adjustment programmes, with particular emphasis on the political and economic impact it had in Turkey. Turkey had a long history with SAPs. Especially in the 1980s, the government started to implement these policy recommendations with great fervour. The oppressive political climate following the military coup also supported the ‘successful implementation’ of the structural adjustment programme during 1983–1989. Until the end of the 1990s, these programmes concentrated on macroeconomic variables and balance of payments problems. This meant strict monetary policies.

As of 1999, the Turkish experience with the SAPs took a different turn and transformed the existing understanding of agricultural policies, particularly through replacing the subsidy system with a ‘least interventionist’ one which allowed for prices to be determined by the international market. In this framework the ‘competitiveness’ of Turkish agricultural products was to be increased by means of trade liberalization so that the price of Turkish hazelnut could come closer to the international market levels. These policy changes in the SAPs, called ‘second generation programmes’ reflected the emerging power structure on the global scale dominated by transnational capital of agro-food business corporations, also supported by politicized farmers in the developed countries (Aydın, 2010; McMichael, 2008). These policies were also supported by the EU and the WTO branch in Turkey.

3.1.1 The SAPs and the Turkish experience

Structural Adjustment is the set of economic policies proposed as a condition to financial loan packages by the International Monetary Fund (IMF) and the World Bank. The roles of these two international institutions are set out by the Bretton Woods Agreement. Although there is a clear division of responsibility/tasks between these two Bretton Woods ‘sisters’, there have been times (especially in the aftermath of the two oil shocks in the 1970s) when their roles have become mixed in practice. Still, the IMF is known for its focus on the balance of payments, monetary and financial policies, and exchange rates, whilst the World Bank focuses upon matters of long-term development and structural trans-

formation, such as the mobilization of domestic resources and efficiency in the distribution of resources.

In other words, the IMF focuses on monetary variables whilst the World Bank concentrates on the real variables of developing countries. The demand side of the economy is the expertise of the IMF and the objective is to find financial remedies to problems related to monetary stability and balance of payments. The programme loans are short and medium term. The supply side of the economy is the field of the World Bank: the objective is the promotion of economic development and project loans are long term.

The SAPs promote the 'free market' and they range from stability measures in the economy to adjustments that entail the transformation of economic structures and institutions (structural adjustment). For instance, adjustments in the tax system or exchange rate can be categorised in the first group of stability measures, whilst changes in the pricing of energy or agricultural products can be grouped in the second category of structural adjustment. Furthermore, conditions imposed by the World Bank in return for their loans have consisted of the liberalization of import policies, devaluation, promotion of export, decreasing the subsidy of the agricultural sector, revisions in the tax system, decreases in public expenses, restructuring, privatization or abolition of state economic enterprises, liberalization of interest rates and revision of monetary policy tools.

Turkey has a long history with the SAPs. Turkey became a member of the IMF in 1947 and the first Stand-by Agreement was signed in 1958. (Since then, until 2007 there have been twenty such agreements). From 1958 until 1980, all stand-by agreements (respectively seven during 1961-1969, one in 1970, 1978 and 1979) ended in devaluation. The 1958 and 1970 SAPs coincide with the Bretton Woods fixed exchange rate regime. In the 1970s the regimes in Turkey resisted the big devaluation demands of the IMF for the fear of losing elections. They brushed aside the conditions of the IMF through a combination of minimal devaluation and convertible lira deposits. Nevertheless, by the end of the 1970s (1977) Turkey was unable to pay back its foreign debt and was only able to find foreign currency for medical raw materials, fertilizers and oil. As a result, the government was obliged to negotiate with the IMF. The first agreement in 1978 required devaluation and some demand-decreasing measures. As a result, the terms of debt were extended, however, fresh credit

was not forthcoming. The government announced that its policies were independent of the IMF and refused to implement the measures. This paved the way for higher inflation: prices increased by 52 per cent. The government signed a second agreement in 1979. Further devaluation was implemented but not the other conditions. This time prices increased by 80 per cent and the national income declined by 4 per cent.

During the same time, the World Bank was closely watching the fourth five-year plan, requesting details of Turkey's development strategies. It proposed that Turkey delay for two years the implementation of this plan and provide more opportunities to foreign capital. This proposition was significant as 'the exchange rate policy that the IMF proposed had aimed at liberalising the existing exchange rate policy and disregarded the idea of planning in the economy. For an underdeveloped country like Turkey, this meant abandoning its efforts to build an industry based on modern technology' (Doğan, 1984: 149-167 as cited in Soyak and Eroğlu, 2008: 4). Even if Turkey was – in a way – advised to renounce its strategies of development, it is important to stress that despite Turkey's relations with the IMF and political instability, Turkey managed to realize most of these strategies during this period called the 'planned period of the economy' (1960-1980). The fourth five-year plan (1979-1983) was disrupted because of the economic and socio-political crisis that became graver by the end of the 1970s. It was finally totally shelved in 1980 with the radical 'Decisions of 24 January'. The strategies of the planned period aimed at development through industrialization, using the import substitution strategy. It was a mixed economy model, relying on both domestic and external resources.

Compared to the 1970s, the SAPs were diligently implemented especially during the 1982-1989 period, and they were very significant in reversing the existing model of development. Henceforth, Turkey would become 'integrated into the world economy'. Following the 1979 by-elections and the formation of a Demirel government, the 'Decisions of 24 January' were declared and implementation commenced. These decisions consisted of replacing the previous strategy of development based on import substitution with an export-oriented one. Thus a fast increase in exports was expected, with a concentration on and promotion of the production of cheap products that would generate foreign exchange. The new economic model was predicated on world prices, open to external competition and aimed at diminishing the role of the state in the econ-

omy. There were also decisions regarding the liberalization of interest rates. The interest rates of export credits became more attractive and the government announced its decision to subsidize inputs for industrialists who wanted to start exporting.

The focus of the new programme was to change the long-term accumulation regime and embark on structural adjustment of the economy. With the 1980 programme, both the IMF and the World Bank became determining actors in Turkish economic policies (Soyak, 2006: 1401). New policies, deviating from those that the Bretton Woods sisters had faced in Turkey during previous years, consisted of transforming economic structure(s) and institutions. The new era that was launched with the 'Decisions of 24 January' consisted of World Bank loans on condition of implementation of macroeconomic measures, accompanied by the transformation of each sector with the support of sectoral loans.

Structural transformation in Turkey materialized with five structural adjustment loans of the World Bank signed in the beginning of the 1980s. The conditions required the promotion of export, privatization in energy, decreasing the share of investments in state economic enterprises, giving priority to infrastructure, securing a suitable environment for financial capital moves, the establishment of money and capital markets and breaking the state monopoly on the provision of inputs (i.e. fertilizers, pesticides, seed and agricultural machines) for agricultural production. Through these loan agreements, a requirement for the implementation of future economic stability measures was fulfilled (Soyak and Eroğlu, 2008: 5). This was followed by sectoral adjustment loan agreements in 1985 in energy, agriculture and finance.

Relations with the IMF and the World Bank became closer by the end of the 1990s. These relations also set the tone of relations in the 2000s. In 1997 the coalition government launched medium-term stand-by agreement talks with the IMF and this resulted in the 1998 (*yakın izleme*: close supervision) agreement. This agreement also marked the longest period of close relations between Turkey and the IMF (1998-2008). The process, starting in 1997, took the shape of a structural adjustment programme. The implementation of the first measures in 2000 led to the financial crises in November 2000 and February 2001. The 'Transition to a Strong Economy Programme' was introduced and implemented despite the November 2002 elections and was extended until 2005. In May 2005, the new AKP (Justice and Development Party) government

elected in 2002 signed another agreement extending the programme to 2008.

It has to be stressed that the process was uninterrupted and this was mainly due to the political climate of these years (Bağımsız Sosyal Bilimciler, 2007). Others (Cizre and Yeldan, 2005) confirm that the stand-by agreement signed for three years in 2000 has turned out to be an uninterrupted process over the next five years, not because it had the consent of the masses but because none of the political parties had developed a viable alternative to the existing economic programme. Indeed, an analysis of the economic programmes of the six political parties that participated in the 2002 elections shows that, except for one minor party (Genç Parti, The Young Party), none of the parties offered an alternative to the economic policies of the SAP (Ölmezoğulları et al., 2002).

Hence as Ekzen (2003) observes, the Turkish five-year plans were eventually replaced by those of the IMF. The first medium-term five-year plan of the IMF-World Bank was implemented during 1980-1985, whilst the second covered the years 2000-2004. The duration of the latter programme has been longer than five years: it covered the years 1998-2008 with the support of the single party government (AKP) that was re-elected with a large majority in 2007 like what ANAP (Turgut Özal's party) did in 1983. According to Cizre and Yeldan (2005: 388), 'if the structural market reforms promoted by the then-prime minister Turgut Özal in the 1980s can be termed as Turkey's first generation economic liberalization, the current stage of neo-liberal economic reform can be termed 'second generation' market reforms'.

3.1.2 Second-generation market reforms and the emerging power of transnational agro-food industry

There are some significant differences between the two generations of reforms implemented under IMF-WB guidance: 'Essentially, both rounds of reforms relied on the same prescriptive orthodoxy, namely the establishment of unfettered free market capitalism. However, the new generation of market policies have been formed and implemented in a context where the transnational mobility of the capital and global production networks were far more pronounced than before' (Cizre and Yeldan, 2005: 388; see also Boratav and Yeldan, 2006).

Another difference between the two generations of reforms is that in the years when the latter reforms were formulated, major institutions such as social security were also liberalized. For instance, in the letter of intent (1999-2002) the government committed itself to a list of 145 structural adjustments, in addition to a list of detailed measures to be taken on a sectoral basis. These measures even described how the transformation should be pursued, such as in the case of the privatization of Turkish Telecommunication (Esen, 2002).

This list of structural adjustments mentioned in the two letters of intent (1999-2002) was implemented with relatively fewer problems, whereas the macroeconomic stability targets (such as financial discipline) were hardly achieved. The main reason is the economic crises that erupted in the 2000s. What is important to note is that the problems in macroeconomic variables did not seem to affect the determination of the government, nor the IMF team in charge, to pursue Turkey's structural adjustments.

3.2 Financial Crisis and the Formulation of a Political Project

3.2.1 Social groups, political parties and elections

The market policies designed and implemented aimed to restructure the relations between state and society. In this sense, they were also part of a political project, contrary to the IMF claim that these policies were neutral. Furthermore:

The operations of a globalised financial system depend on the existence of connections between the global order and domestic politics. As required, designed and imposed by international financial organisations (IFOs, i.e. IMF, WB), marketization policies aim to reshape the power relations between the government bureaucracy, national and international capital and the labouring masses. (Cizre and Yeldan, 2005: 389)

The financial crisis that erupted in February 2001 and the arguments developed in its aftermath shaped the political context where adjustment reforms were implemented. Particularly, the premises of the IFOs concerning state-society relations and politics and economics were adopted. These premises could be observed in the official arguments advanced to explain the cause of the crisis.

The official view put forward by the IMF, World Bank and some groups from the government, the bureaucracy and the media is that the crisis broke out because the Turkish public sector failed to reach the targets set by the IMF-led stabilization programme initiated in December 1999.¹ As Carlo Cottarelli (Assistant Director, European I Department, and IMF) noted in reference to causes of the crisis in Turkey in his letter to *Financial Times* in 5 June 2001 (see IMF website):

(...) Moreover when the monetary framework was tested for the first time in November 2000, key performance criteria under the Fund-supported programme were breached substantially – especially net domestic assets of the central bank. This undermined the credibility of the exchange rate regime.

The February 2001 crisis was also preceded by policy slippages, including delays in the approval of critical reforms of banking regulations and the electricity and tobacco markets; an ill-timed measure to facilitate the payment of tax arrears; and unaddressed legislative problems affecting the privatisation of Turk Telekom. All of this was compounded by the political blow-up that sparked the crisis.

External developments, and Turkish government policies and decisions at various key junctures were crucial to the unfortunate evolution of events; the day-to-day management of the economy was always in the control of the government and never in the hands of the IMF (Coterelli, 2001).

The crisis in Turkey could therefore be attributed to the failure of the Turkish government to follow the necessary structural adjustment reforms on time, which in turn caused a flight of foreign capital (Cizre and Yeldan, 2005: 389; see also Akyüz and Boratav, 2002; Arpac and Bird, 2009). The crisis was attributed to mere technical difficulties in implementing the reforms. State agencies that are mandated with redistribution in the society were in fact responsible for populism and corruption – activities that should have been limited in order for the market to function freely (cf. Krueger, 1993; cf. Yalman, 2002).²

However, as two critical scholars observe:

The Turkish 2000/2001 crises, (...) became one of the clearest examples of how in a developing economy with shallow and segmented financial markets, the unfettered workings of the myopic markets can serve as the main source of disequilibrium through the speculative attacks of international

financial capital flows. In fact there is now insurmountable evidence that with the recent attempts towards full liberalization of the capital account under pressures from the IMF, governments lost their independence in designing a strategic mix of these two instruments in favour of promoting industrialization/development targets. (Cizre and Yeldan, 2005: 388)

In other words, it was not due to technical problems that the crisis erupted, it was a question of 'premature liberalization and deregulation attempts which complicated the problems of the economy in a cumulative way' (Cizre and Yeldan, 2005: 388; see also Alper and Öniş, 2003; Öniş, 2003). Contrary to the official explanation, the economic evidence shows that financial targets were reached during the implementation of the 2000 programme. The main reason for the crisis was the 'fragile and shallow domestic asset markets of Turkey's peripheral capitalism which [was] prematurely exposed to foreign competition' (Cizre and Yeldan, 2005: 389; see also Öniş, 2003). Furthermore, the crisis erupted not because the public institutions were corrupt. Indeed, private parties, especially the banks were known for their siphoning off large amounts of money to their operations prior to the crisis (Boratav, 2003; Yeldan, 2002).

The ideological basis informing the understanding of the cause of the crisis presented by the political elite (i.e. bureaucracy, government officials, media and academics) also set the tone for the implementation of structural reforms in the 2000s. Put differently, the premises upon which the explanation of the crisis rests, paved the way for justifying further reforms in the 2000s. These arguments explaining the cause of the financial crisis separate the spheres of the politics and economics and present this separation as an ideal situation (Yalman, 2002).

As also argued by the Minister of Economics Kemal Derviş who came in from the WB, economics has priority over politics.

The stronger the economy of Turkey, the more European investment and production come to Turkey, the more trade there is, the more financial links there are, the stronger the European interest will be in integrating Turkey into the European Union. I do believe that the economy deserves priority. (Derviş, 2005: 16)

This implies that democratic reforms are not as important as economic ones, because the economic reforms would eventually and naturally pave the way for a more democratic structure in the country. This understand-

ing could also be observed in the list of conditions set by the IMF which did not include any democratic reforms. Moreover, this understanding increased the momentum of the stabilization programme by subordinating politics to the so-called imperatives of liberalization (of the global agenda) (Cizre and Yeldan, 2005).

The use of technical language further facilitated the separation between economics and politics:

(...) By cloaking the IMF-backed stabilization programmes in technical and scientific sounding language, the separation discourse smothers the potential for substantive resistance of even a constructive kind. The language of positivistic certitude protects itself because by definition, it leaves no scope for even the idea of critical thinking. (Cizre and Yeldan, 2005: 393)

Secondly, the state/public institutions were considered as the main source of populist redistribution policies and corruption, leading to the economic crises (cf. Arpac and Bird, 2009: 146). Because the orthodox paradigm refuses to see the state as part of society, or social classes as explanatory units, the solutions advanced did not include opening a public debate among different social groups either (Yalman, 2002).³ Accordingly the reform process was a neutral and technical affair instead of political process. Any constructive or critical thinking coming from society or political society was rejected (Yalman, 2002), and discussions of this kind pushed aside. In the process policy makers were reduced to technocrats who were expected to deal only with the technical details of the reforms. This overshadowed the political character of social groups within these agencies, as well as their connections with social groups in society.

This paradigm not only artificially separated politics from economics but also ideas from material conditions (cf. Gramsci, 1971). Indeed, economic reforms were presented as necessary to overcome technical problems. It became the norm to vote for general 'political issues' rather than economic concerns. This may explain why none of the political parties came up with an alternative economic plan and discussions centred on general 'political' issues of the country.

At the time of economic crisis, there was a coalition government, presided over by the leader of the Democratic Left Party (DSP), Bülent Ecevit. The ARIP credit agreement for instance, was signed with the World Bank during the tenure of this coalition government in 2001. However, the project was initiated during the rule of the Justice and De-

velopment Party (AKP) that won the elections on 3 November 2002. The AKP is a rightist, conservative party (Özbudun, 2006). Neither the coalition government nor the AKP seemed to be concerned with opening a public debate about the reforms. Furthermore, despite rising levels of unemployment and deteriorating living standards, in the elections of 22 July 2007 the electorate did not turn against the main executor of structural reforms, the AKP. Indeed, the party was re-elected, this time winning a higher percentage (47 per cent) of votes.

During the reform period, two general elections (2002 and 2007) and two local elections (provincial general council and municipality) took place (2004 and 2009). In 2002 the support of Black Sea towns for the AKP where I conducted research was above average (i.e. Giresun, Ordu, Samsun and Düzce). In 2007, with the exception of Giresun city in the political centre of hazelnut producing towns, the AKP collected votes above the national average level. In Giresun, support for the AKP declined to the national average.

In provincial council elections (2004), the AKP won 39 per cent of the votes. Comparing the 2004 and 2009 elections shows that support for the opposition parties CHP and MHP steadily increased in the countryside. In both the eastern and western Black Sea regions, support for AKP was 5 per cent above the national level (and close to its highest level in the Central Anatolia region). In both regions the results of MHP and CHP were similar and 20 percentage points behind AKP. In the eastern Black Sea region the DSP achieved more than double its national level of support, mainly due to the high level of support it enjoyed in Ordu (Çarkoğlu, 2009: 2). Nevertheless, in all these regions support for the AKP was below the level of the 2007 general election. Compared to the 2004 local election, the AKP's votes in 2009 either slightly declined or remained at the same level.

It is acknowledged that economic difficulties affect voting behaviour in Turkey (Çarkoğlu, 2009: 3). For instance, the financial crisis in 2001 seem to have affected the results of 2002 elections, and the electorate eliminated the parties of the coalition government and voted for the AKP, having promised to find an alternative to the IMF-designed policies. As a newly established party, the AKP had never been tested before, neither in the economic nor political arena; this arguably encouraged the voters (Çarkoğlu, 2009: 4). However, analysts also point to other factors at play in voter behaviour, such as ideology as reflected in

conservative world views, traditional left–right considerations or religion (Özbudun, 2006). Local elections, on the other hand, tend to be influenced more by local concerns, policy issues and candidates, in addition to ideology and government performance (Çarkoğlu, 2009: 4). Others point to the successful combination of liberal-conservative ideas with populist elements unique to Turkish culture (e.g. Bedirhanoğlu, 2009; Yıldırım, 2009). This literature suggests that the voting behaviour of the labouring masses in the country was motivated by ideas other than merely those related to material conditions.⁴

As noted in a report on agricultural policies in Turkey prepared by Çakmak and Akder (2005) for the Turkish Industrialists and Businessmen Association (TÜSİAD), financial crises provide a suitable political landscape for governments to keep to the implementation of structural reforms (cf. Haggard and Williamson, 1994: 565; cf. Arpac and Bird, 2009: 146).⁵ Firstly, this is because the low-income masses are severely hit during financial crises, with the result that the immediate effects of reforms that reduce public spending on these social groups are felt less. Secondly, during times of financial crisis, political resistance to reforms and criticism is controlled more easily, thus they pose less of a threat to the governments' political legitimacy. On these grounds, the authors conclude that government should continue with agricultural reforms despite the financial crises. They do however suggest that government act quickly and radically to avoid resistance from society. As observed in the design of the ARIP project, the entire subsidy system of the country was to be transformed within a six-year period. Indeed, the orthodox political economy approach acknowledges that political constraints on reform arise in part due of the existence of clear and concentrated losers who have the incentive and means to organize to block the reform (Abonyi, 2004). By contrast, the beneficiaries of reform, even if potentially far more numerous, are seen as diffused and unorganized, and therefore less capable of playing the role of advocate (e.g. Haggard and Kaufman, 1992). In response, Yalman (2002, 2009) provides another analysis concerning why reform projects are not that popular in the society from a historical-materialist perspective. He stresses that the failure of socio-political projects is attributable to the Turkish bourgeoisie's failure to secure the consent of masses. Secondly, he argues that the businessmen's association (TÜSİAD) had been always an effective pressure group; un-

derlining the dominant position of capital in the policy-making arena especially following the *coup d'état* of 1980.

Politically, the reforms were undemocratic as they excluded public debate on alternative plans. The question of resistance from societal groups was both contained and avoided in theoretical and methodological respects by changing the understanding of state-society relations and depoliticising economic matters. Moreover, in practical terms, the reform gained some allies from the countryside. The ideas behind the new theoretical perspective separating state and society were partly adopted by local agents too.

The local agents who adopted the discourse of the IFOs regarding the causes of crisis and how they should be fixed were not limited to the state apparatus but included business associations, academics and some media as well. Through these groups who adopted the discourse of the separation of economics and politics, it became a social reality.

On various occasions during the single-party rule the AKP, in its capacity of local political agent, adopted the viewpoint advocated by the IFOs. At the same time, it adapted to the cultural context of Turkey by adopting a paternalistic discourse, chiding the 'children' for focusing on their 'selfish' demands, while blaming the sales cooperative for siphoning off the state's money. This will be studied in greater detail in the coming chapters in the framework of the ARIP process and the nature of the dialogue between the government and direct producers.

In this political context, the power set by the 'politics of conditionality' made international financial institutions indispensable and dominant actors in the current reforms. Furthermore, as a result of the discourse separating politics from economics, the bureaucracy that dealt with all the technical details of the reforms acquired a dominant position.

The model of relations presented between state and the society as the solution to the crisis views state institutions as a threat to a prosperous economy. This created tension among different groups of bureaucrats. Whilst new regulatory technocratic agencies were being formed, some existing state institutions were also required to change, which led to some members of these agencies (such as MARA officials) adopting a counter-ideological discourse (usually conservative) in protest against their marginalization (cf. Evans, 1992: 170). Another implication of the dominant paradigm was that groups that criticised the reforms were con-

sidered marginal in the society. The chapters that follow elaborate on the manner in which direct producers were dealt with by the political authorities in the case of the ARIP process and how a 'nationalist-bloc' of political alliance(s) was formed in political society.

In this political context, where structural changes were implemented without interruption, a fundamental transformation took place in agriculture. Below, I shall concentrate on the objectives of this transformation in the agricultural subsidy system and what it meant in terms of power relations. These goals can be found in the letters of intent starting in 1999 and later in the reform documents of ARIP which were formulated in the framework set by the SAP.

3.2.2 Changing themes of reform in agriculture and the SAP in 2000

The proposed agricultural reforms fall into three categories. The first group of reforms can be called 'productive policies' since they aim:

(...) at improv[ing] efficiency in the use of resources both in production and consumption. Areas such as research, reduction of transaction costs, infrastructural services, quality and standard control, crop insurance, and extension services, all geared towards increasing economic growth, are included in this group. (Rauser, 1992 as cited in Çakmak, 2003: 164)

The second group, which can be called 'distributional policies', consists of policies such as price supports, deficiency payments, interventions at the border, input subsidies, subsidised credits, by which wealth and income are transferred to agricultural producers from the rest of the economy (ibid.)

An additional policy category in agriculture concerns policies focusing on the redistribution of land (through land reform) which is linked to both 'productive policies' and 'distributional policies', with the aim of changing the agrarian structure in the country.

The types of reforms in agriculture differed from period to period starting from the foundation of the Republic (1923) till the end of the 1990s when the ARIP came into force. Indeed, it is possible to observe a shift from the first and third groups of reform back towards the second starting after the 1980s. As discussed in the previous chapter, the distributional policies and related institutions of Turkish agriculture were formed during the second ten years of the republic (in the 1930s). These years of the republic are characterized by policies of the first category

where state policies concentrated on developing a productive agricultural sector in the country. These policies created a subsidy system that supported direct producers and related institutions, such as sales cooperatives and state economic enterprises.

After the 1980s, agricultural policies in the agrarian sector were mainly influenced by concerns regarding fiscal discipline which were expressed in the 24 January Decisions. The institutions and the system established during the previous era were perceived as a burden on the state budget (Aydın, 2002). As a result, land reform, or policies of the first category, was replaced by the singular focus on the second category (i.e. distributional policies such as price supports, deficiency payments, etc.). In this way, the policy focus of the early years of the republic shifted to changing the subsidy system and the institutions that supported it. Additional to the objective of the policies in the second category, it also foresaw a decrease in the income of direct producers.

The proposed Agricultural Reform Implementation Programme (ARIP) under the SAP can be described as a subsidy reform programme (Akder, 2007). The letter of intent submitted to the IMF on 29 September 1999 states that ‘The medium-term objective of our reform programmes is to phase out existing support policies and replace them with a direct income support system targeted at poor farmers’. Agricultural policy reforms in this period, as defined in the ARIP documents, envisioned a new system where the market would function in a manner unfettered by ‘state intervention’ (Akder, 2007; Aydın, 2002; 2010; Olhan, 2006). The project description of ARIP by the World Bank states the following:

The primary development objective of the Agricultural Reform Implementation Project (ARIP) is to help implement the Government’s agricultural reform program, which is aimed at dramatically reducing artificial incentives and government subsidies, and substituting a support system that will give agricultural producers and agro-industry incentives to increase productivity in response to real comparative advantage. (World Bank, 2002; 2007)

As such, ARIP implied a complete transformation of the instruments and relations that were designed and developed during 1930s, lasting until the 1980s. The section below provides an overview of the new agricul-

tural instruments and the manner in which they were introduced to Turkish policy makers.

3.3 Formulation of ARIP: Components and Objectives

The ARIP was first mentioned in the letter of intent submitted by the coalition government to the International Monetary Fund, following the financial crisis of 2001. In the letter of intent submitted to the World Bank in March 2000, it was said that Turkey was ready to embark on a new era of agricultural policies that were hitherto dominated by 'political benefit-seeking activities and populist tendencies'. It was stated that a reform project would be formulated and implemented with World Bank credits and expertise (in 2001). The Turkish state borrowed US\$ 600 million from the World Bank, and kept on working with World Bank officials during the different phases of the project.

Following the first round of talks between World Bank officials in Ankara and the Turkish bureaucracy, the ARIP project consisting of three components was formulated. The first component was aimed at changing the way subsidy payments – up until then based on production – were made. Instead, the ARIP introduced direct income support (DIS) which replaced the existing price support system. The DIS consisted of payments to producers of diverse crops based on the size of their land.

The architects of ARIP argued that unlike the subsidy system, DIS payments did not disturb the price mechanism. The second argument was that the existing subsidy system had for a long time put small family producers at a disadvantage, in response to which the DIS system aimed at introducing a fairer system of payments. At the same time, the ARIP also anticipated a decrease in the income of direct producers. The objective of DIS payments was therefore not to replace the existing subsidy system, but to provide temporary compensation for the loss of income in the transition to 'free agricultural markets'.

The assumptions informing the DIS payment system were controversial, since under the new system payments were to be based not on production but on the size of the fields. It was criticized especially on the grounds that the DIS did not entirely compensate farmers' losses as a result of decreasing subsidies (see Appendix 8 or the change in composition and share of different subsidy components over the years). Sec-

ondly, the argument that small producers did not benefit from the existing subsidy system was considered misguided.

Given the fact that the number of members in sales cooperatives in the country is over 700,000 (and one third of subsidies are provided by the activities of the sales cooperatives), and the number of farmers owning more than 20 hectares of land was 200,000 (0.9 per cent of the total enterprises in Turkey) in the survey of 1991, this argument is debatable. Besides, it seems to be unfortunate, as the main problem of agriculture production was the increasing rate of small-micro enterprises especially in areas where tea, hazelnut and tobacco were cultivated. The reform could have focused upon improving the optimum size of land. (Oyan, 2001: 28)

The second component consisted of the restructuring of sales cooperatives whose financial deficits until then had been borne by the state. The ARIP document assesses this as follows: 'As a result of earlier State intervention in the cooperative sector, the State played a dominant role in the sector, but its intervention has proven to be unproductive and fiscally unsustainable' (World Bank, 2002: 5). It goes on to point out that due to the financial links between the sales cooperatives and the state; cooperatives had become susceptible to benefit-seeking and jobbery activities of political parties and/or the government. The restructuring of the sales cooperatives would not only decrease the burden of sales cooperatives on the state budget but also sever political relations between cooperatives and the government.

The last component that was expected to complement the previous two was the alternative product policy. According to the reform documents, products such as tobacco and hazelnut were over-produced which not only created a burden on the budget of the sales cooperatives and eventually on the state budget but also disrupted market conditions. The solution was to introduce an alternative product portfolio that would help keep production levels at an 'affordable level'.

ARIP was launched in 2002 but not all components were implemented simultaneously. For instance, the alternative product project started in 2004. On the other hand, the restructuring of sales cooperatives had already started in 2001 with the enactment of the law on sales cooperatives. These two components were particularly significant to hazelnut producers. The budget of ARIP dedicated US\$ 150 million to the alternative product policy in hazelnut producing areas. It was announced

through the local headquarters of MARA (province directories of agriculture) that farmers who promised to uproot their hazelnut trees would be paid US\$ 250 (per dekar), and they would receive a further amount to support the cultivation of an alternative product. The impact of this project was insignificant to the extent that after evaluating it in 2006, the World Bank cancelled it after evaluating its efficiency with reference to number of farmers who switched to the production of other crops and transferred this part of the budget to other rural development projects.

The DIS was considered the most successful component of all. Farmers never questioned the money that was automatically transferred to their bank accounts. The only requirement was that they register with the data system. All officers engaged in the ARIP project agreed that it was a success mainly because of the newly formed database that farmers were asked to contribute to in return for DIS payments. For the first time in the history of Turkish agriculture, a local database was formed. Basically, the database showed who produced what and the size of their land. Before, agricultural surveys conducted every ten years served as a data source reflecting the extent of agrarian land.

3.3.1 Reforming hazelnut production through ARIP and the hazelnut question

The ARIP project covered all agricultural production in Turkey. Hazelnut production did however receive special attention (World Bank PAD, 2001). Firstly, hazelnuts are an important agricultural export product of Turkey. Secondly, it is a big sector, the Union of Sales Cooperatives Fiskobirlik was the biggest in the country and the reforms focused on the restructuring of sales cooperatives. Thirdly, hazelnut production in Turkey, supplying 80 per cent of world demand, was criticized by the IFOs for not being cost-effective and for having expanded over the years beyond the levels of export and domestic consumption. It was stressed that the world demand for hazelnuts was below production. Due to the agricultural subsidies in the sector, 'the price of hazelnuts is higher than other hazelnut producing countries'. Furthermore, the production costs in Turkey are much higher than other countries and the excess supply of hazelnut cannot be exported. The Treasury report on hazelnut policies stresses:

The direct and indirect intervention in the market was regulating the excess supply. However, Fiskobirlik has become the leading actor in pur-

chasing the excess supply which is not compatible with the principles of cooperatives. (World Bank, ARIP Project Brief, 2007)

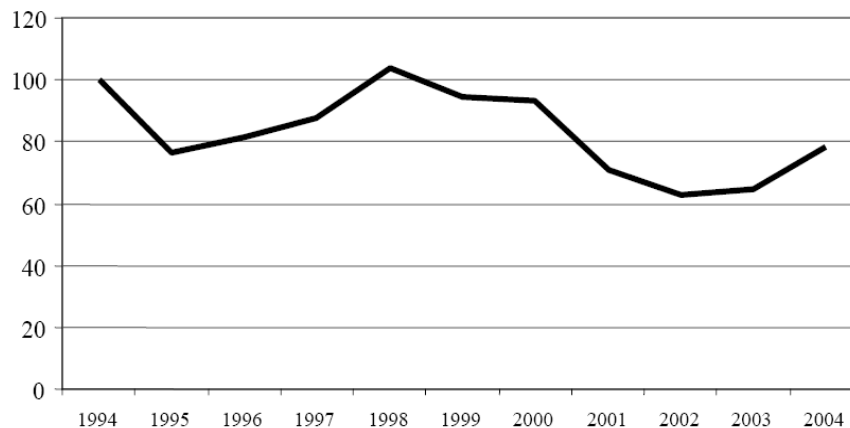
The main objective of reforming hazelnut production was summarized in a World Bank report as follows:

Currently the government's move to reduce support purchases has the aim of reducing the comparative profitability of hazelnut, inducing farmers to switch to other crops, thereby reducing the oversupply in the market, and forcing the inelastic world market demand to be the source of increased hazelnut sales revenue to farmers, rather than that of government subsidies through support purchases. This policy inevitably involves short term income losses to producers (on the order of \$500 million annually) but should bring increased returns to producers in the medium term once annual output is reduced by 100,000 tonnes. At the same time, it will save the national budget \$150-200 million annually. (Lundell et al., 2004: 51)

The socio-economic implications of the reform for the Black Sea producers (i.e. the new hazelnut question) that can be deduced from this report are twofold. Firstly, as the report (2004) states, farmers were expected to benefit from world prices instead of support purchases by the parastatal Union of Hazelnut Sales Cooperatives, Fiskobirlik. This meant that 400,000 small traditional producers would have to deal with a few gigantic multinational corporations pressing Turkish exporters for lower prices. Secondly, as mentioned, it was officially recognized that the reform would result in a reduction in the income of farmers. Nevertheless, it was argued that an equilibrium would be achieved gradually, as some farmers would have to eventually abandon hazelnut production.

Indeed, as the graph below shows, the terms of trade⁶ in the Black Sea region have generally declined, pointing out to the increasing exploitation of small-scale farmers, since 1994 (that was a crisis year) – except for a short period (1997-1998) before the financial crisis in 2001. The graph also shows that the economic situation of Black Sea farmers reflected that of the Turkish rural economy in general. As Boratav (2007) shows in his calculations, the general decline in the terms of trade for rural direct producers in Turkey following the crisis of 2001 can only partly be attributed to the crisis. After 2001, the decline in the terms of trade is much greater compared to the period following the 1994 crisis. This acceleration is attributed to the agricultural reforms following 2001.

Figure 3.2
Internal Terms of Trade in the Black Sea (1994-2004)



Source: My calculation with data obtained from the Turkish Statistics Institute

3.4 First Years of Implementation of ARIP, the Hazelnut Question and Political Society

3.4.1 Public opinion versus ARIP as a social project

A part of the ARIP was dedicated to a campaign to convince the potentially opposing groups and receive their consent for the successful implementation of the entire programme. In 2002 the Treasury awarded a research company a contract worth US\$ 10-12 million to conduct a survey of the agricultural sector. The survey focused on major tobacco-producing towns (Adıyaman, İzmir, Aydın and Mardin) and major hazelnut-producing towns (Akçakoca/Düzce, Bolu, Ordu, Giresun and Trabzon). A study of unions and sales cooperatives (in İzmir, Bursa, Adıyaman, Adana, Giresun and Trabzon) was also carried out. The objective of the exercise was to gain insight into the attitudes of opposing social groups and to convince them of the rationality of the reform. Following this research, the company submitted a campaign project to the Treasury (the counterpart agency) which was frozen and never to be launched. According to the head of the research company, this was because the

government would not dare to give the go-ahead. Indeed, as will become clear in the forthcoming chapters, the AKP adopted a reactive strategy instead of a proactive one.

The AKP never publicly embraced the project. However, it adopted a certain rhetoric implying that the agricultural sector and those engaged in agricultural production were a burden on the entire economy. This rhetoric, as we shall see, dovetailed neatly with the policy paradigm of IFOs that focused on decreasing public spending.

In the next section I will give an overview of the main arguments presented by different parties in the period (2001- 2004) ARIP was formulated and implemented. The Treasury and the MARA represent the state bureaucracy, whilst the major societal groups include the big industrial bourgeoisie represented by TÜSİAD, the local commercial bourgeoisie in the Black Sea region represented by Chambers of Trade and the farmers represented by Chambers of Agriculture.

3.4.2 The state apparatus

World Bank officials came up with a detailed programme in 2001 which was discussed with various state bodies. These bodies were the Treasury, the Ministry of Finance, the Ministry of Industry and Trade, the Ministry of Public Works and Settlement, the State Planning Organization and MARA. However, not all of these agents had the same authority in determining policy, nor was there a democratic platform created for consultation among these actors. Implementation, especially the first half of the process, was carried out primarily by the Treasury and the World Bank in Ankara (2001-2004).

The reform programme nevertheless met with opposition within the state apparatus. When the detailed programme was presented, a divergence emerged between the Treasury in favour of fiscal discipline and decreasing subsidies and MARA officials who pointed out the deteriorating living standards in rural Turkey. The opposition of MARA ebbed and flowed throughout the process. For instance, MARA officials analysed the impact of DIS payments on the income of small family farmers and found that it had not been as beneficial as the World Bank had argued. In fact, the loss of income of small family farmers was greater than that of medium and large farmers.

MARA also criticized the crops proposed in the alternative product policy. The original version of the reform programme included tea in addition to hazelnuts and tobacco, as products to be replaced by alternatives. MARA officials were of the opinion that hazelnuts and tea should be excluded from the programme. MARA's criticism was somehow managed either by meeting some of MARA's demands, such as taking tea out of the alternative product project proposal, or by giving the Treasury (as project coordinator) a more dominant role, thus to some extent excluding MARA. In the meantime, an ARIP office staffed by technocrats (some with MBAs) was formed to coordinate the dialogue between World Bank and the state.

A Treasury official explained why MARA was not expected to assume a primary role in the reform process:

This is not a rural development project, it is about public finance and the macroeconomic problems of the state, and this is why the Treasury is expected to play a dominant role in the policy formulation process. Besides, the attitude of MARA is too negative for them to be able to lead this project [ARIP] successfully. (Interview, Ankara, 2008)

In actual fact, MARA did have an important role to play, since the implementation of the reform programme was in the hands of local MARA officials. Officials in local offices had to explain ARIP to the farmers and they were expected to facilitate the cooperation of the farmers. However, following Ankara's orders was challenging for these officials. As a local official in the region stated:

Our task is hard to realize. How can you convince a farmer of something that is obviously against his interests? Of course if there is such an order we do what is expected from us. However, this does not change the fact that this project is doomed to be rejected by the farmers. I know their conditions, every two weeks we visit their villages, we chat with them, drink their tea. Nobody from Ankara has come to undertake the task and explain this project to villagers. Obviously they do not know what this project means for farmers. (Interview, 2008)

Despite the political opposition of MARA the Treasury held firm and, within the framework of ARIP, launched a hazelnut plan in 2004 based on the following points:

Support purchases should be abolished and neither direct nor indirect intervention by the state in the market should be allowed. Fiskobirlik should

be restructured in such a way that it should only serve its members. The farmers' transition programme should be pursued and allowances should concentrate on compensating the loss of direct producers from hazelnut to alternative products. (Treasury website, 2004)

3.4.3 Representatives of social groups

All social groups (i.e. chambers of trade, chambers of agriculture and agricultural engineers) were unanimous in the opinion that the International Monetary Fund and the World Bank completely dominated the entire reform endeavour (Aydın, 2008; Yetkin, 2003). They felt that other groups (i.e. interest groups involved in the production of crops like hazelnut that are subject to reform and their representatives) had no say, either in the formulation, or in the implementation, of the reforms.

During the Third National Agricultural Congress, İbrahim Yetkin, President of the Agriculture Association of Turkey (2003: 3) stressed:

The expected negotiations between the IMF and representatives of social groups regarding the production sector, agriculture and development did not take place. The main policy maker, or to say it differently, policy imposer, has been the IMF.

Secondly, there was unanimity among these parties in the call for the formulation of a 'national plan' to serve as alternative to the IMF-designed reform programme. The agricultural sector, as stated by different speakers during the Congress (2003) could not be separated from other sectors; it was crucial for the development of the other sectors in the country. It is possible to argue that farmers' representatives and the representatives of the local bourgeoisie agreed that farmers should be supported to continue production. This was in contrast to the big industrial bourgeoisie, represented by TÜSİAD, which stood for further liberalization in the market at the cost of eliminating a significant number of farmers from agricultural production including hazelnut.

However, there were some divergences in the points stressed by the local commercial bourgeoisie and the representatives of farmers. The farmers' representatives stressed the need for social support for agricultural producers which would allow them to remain in their villages. The commercial bourgeoisie focused on the price determination process which they argued should take place without any interference by the state while advocating other forms of support for the farmers.

The local commercial bourgeoisie (e.g. Aydın, 2008) stressed the need for restructuring the institutions in the subsidy system that had become nests of electoral politics and corruption. In this context, sales cooperatives were viewed as burdensome, loss-making institutions which placed a financial burden on the state. As indicated above, this was a view shared by the World Bank and stressed in their reform reports. Government was seen as source of political power over institutions like cooperatives and this 'artificial' linkage was to be severed. Wishing to see the sales cooperatives functioning autonomously from government, the sales cooperatives unions such as Fiskobirlik were expected to become just like any other private actor in the market. This also meant abolishing the price support system which most farmers' groups did not agree with. In this regard, it has to be noted that there were nuances in the position of different groups within the peasantry. According to the representatives of farmers in the Black Sea, for instance, the reform came at a time where the structural context (dominated by small farmers indebted to small tradesmen) in rural Turkey was not suited to a 'free-market economy' where prices are determined in the market without sales cooperatives or any other institution setting a purchasing price (Chamber of Agriculture in Giresun, 2003). Others, in the villages of the Black Sea region, totally dismissed the notion of eliminating the price support, stressing that agriculture should remain a subsidized sector (more nuances will be discussed in Chapter 6).

The most radical views were expressed by TÜSİAD. In a report prepared by the Agricultural commission (2004), the association requested that measures are taken for increasing the productivity and efficiency in agriculture. For instance, TÜSİAD recommended that a system of premiums for agricultural products is adopted in order to let the price determination process unaffected. Furthermore, the manner in which direct income support was implemented was criticized for not providing enough incentives to raise productivity levels. Requests were made to complement direct income support with other measures. In a report written by Akder and Çakmak published by TÜSİAD in 2005, the call for the continuation of this 'short-term reform' was reiterated. In their view, the Turkish state's aim should be the establishment of a 'competitive agricultural sector'. What this meant was that the farmers should be able to find factors of the production (input) with prices set within the market and be able to sell their products (output) with a reasonable

profit (so that money spent for input is compensated). In the context of ongoing reforms that decreased the subsidies to direct producers, the reforms would impact on producers in two ways. Weak enterprises (subsistence agriculture) were going to be eliminated from the market, while others would find a way to survive by becoming competitive. To achieve the establishment of a competitive agricultural sector, allowing prices to be determined by the market was essential (Çakmak and Akder, 2005: 24). This was the ideal that Turkey should strive for.

3.4.4 The global push against agriculture and the perspective of farmers' organizations

In his discussion of the death of the peasantry, Hobsbawn (1994: 291) describes the emergence of a new phenomenon: a push against agriculture which forces small producers to leave the land and move to the cities. Araghi (1995, 2009) on the other hand describes the process of exclusion of the peasantry of the South from the global production scene. He refers to this as the functioning of the 'visible foot' and contrasts it with the 'invisible hand' in classical liberal economics. The main features of the 'visible foot' are:

(...) Politically constructed global agrarian relations, the post-war food order, food aid and dumping, which cumulatively lay the preconditions for the massive transfer of the world's peasant populations to camps of surplus labour in urban locations. The invisible hand, the theory would tell us, plays a necessary role in eliminating inefficient producers – indeed; this is a central message of the World Bank's (2007) *World Development Report 2008: Agriculture for Development*. However, we can very widely see the visible foot, in state policies that dismantle social welfare systems; deregulate land markets; remove import controls and food subsidies; impose agro-exporting regimes; and expose millions of petty producers in the South to competition with heavily subsidised transnational food corporations and highly capitalised agricultural producers in the North. (Araghi, 2009: 112)

This uneven development effected by neo-liberal policies has been restructuring global agrarian relations since the collapse of the national developmentalist era.

This raises the question as to the stance of local agriculture organizations in Turkey towards the global transformation described above. Both the Chambers of Agriculture (e.g. 'Yolsuzluğa ve Yoksulluğa Hayır'

2001; 'TZOB 22. Genel Kurulu' 2001; *Zaman*, 2001; *Bia News Agency*, 2003) and the Agriculture Association of Turkey seemed to criticize the phenomenon as manifested in the new policies being implemented in the Turkish countryside. For instance, the Chambers of Agriculture adopted a position against the new policies on the ground that they were encouraging imports, not production. The most striking example was given regarding the Turkish Grain Office and its purchasing policy. The Grain Office offered low purchasing prices and this encouraged the import of products rather than its domestic production. For example, while the Office's purchases of sugar beet were limited, Turkey imported corn for providing starch-based sugar (Yetkin, 2003: 3).

The producers' representatives view of the objective of the IMF – to replace the 'traditional structure' with the help of 'market-friendly policies' – could also be interpreted as an attempt by the IMF to institute a 'new global division of labour'. In this division of labour taking shape on a worldwide scale, the role assigned to Turkey was no longer that of producer but consumer. Yetkin (President of the Agriculture Association of Turkey) explains:

The major problem for those engaged in agricultural production is the problem of subsidy, the resource problem. The farmers have come to a point where they can no longer till the soil or buy seed in the conditions of economic crisis. Production is not increasing; people are running away from the soil, agriculture. Those who remain are fighting to avoid bankruptcy.⁷ (Yetkin, 2003:3)

In these reforms no substantial attempt was made to support the farmers in socio-economic terms. Neither the increase in diesel fuel allowance nor the expected increase in DIS was sufficient. There was not enough allocation for these subsidies in the state budget. Most farmers did not benefit from DIS due to problems with the land registration system.⁸ In addition, they were kept in the dark about the subsidy system after 2005, the date DIS payments were expected to come to an end (Yetkin, 2003: 3).

The TMMOB general assembly report (2004) has stressed:

Nowadays, with the 'Agricultural Reform' designed in accordance with exigencies of the IMF, WB and the WTO, the laws on producer's unions (...) are being revised [in Turkey]; and as consequence, agricultural production is being decreased and foreign capital takes over the production

and marketing [in Turkey]. Producers [in general] and small-scale producers retreat from agricultural production and become low wage labour and consumers.⁹ (TMMOB, 2004: 31)

Yetkin (2003: 3) proposed a blueprint for an alternative programme to the IMF-led reform programme:

Freeing the restructuring process of sales cooperatives unions to make them 'autonomous' from the World Bank; stopping the privatization process of Agricultural public economic enterprises and state farms; stopping the reform in the Ministry of Agriculture and Rural Affairs that aimed to decentralise its organization and providing more resources to the MARA budget; starting a campaign of production in the country and replacing import-incentives with export incentives; making sure that payments of DIS are provided to farmers on time and substituting it with additional input supports so as to secure a fair income to farmers, considering the economic situation of the country.¹⁰

These propositions were more or less shared by representatives of the rest of the local societal groups. In a report prepared for the Ordu Commodity Exchange (Gürsoy and Azaklı, 2004), it was asserted that subsidy policies should be formulated taking into consideration rural development and regional income distribution criteria. The Fiskobirlik should become an autonomous body run by a committee formed of the representatives of tradesmen and farmers. The state in the meantime should not intervene in the price determination mechanism.

3.5 The Emergence of the Nationalist Bloc

The nationalistic bloc is a social-political alliance which was eventually formed by the representatives of direct producers. It also included other societal groups in the country such as bureaucrats. It has to be emphasized that this bloc included not only hazelnut producers but the entire agricultural sector, which was in the process of transformation as the result of liberalization. Furthermore, the bloc comprised different social groups from different sectors such as miners, workers in State Economic Enterprises such as TEKEL (State Economic Enterprise - SEE for tobacco under privatization). The reason why it was referred to as nationalistic can be deduced from their line of reasoning. They argued that the economy of the nation-state should be protected from the damaging effects of integration into global markets and demanded further state in-

tervention or re-regulation instead of liberalization and deregulation. In this they attributed a special role to the state.

This bloc can be considered as a counteraction in response to the IFOs (the IMF and the World Bank) in the sense that they were critical of IMF/WB prescriptions for economic prosperity.

Yıldırım (2009) describes how the neo-populism of AKP successfully combined neo-liberal conservative ideas with the cultural traits of the Turkish society. An important point she makes is that the neo-populist hegemonic strategies of the government also developed in relation with the national-etatist principles upon which the Republic was founded. These principles included westernization, secularism and nationalist-developmentalism and were endorsed by the state elites until recently, a bureaucratic-military alliance during first years of the Republic, by the military, the bureaucracy and some other class factions (the middle class and workers of SEEs).

The AKP government's neo-populism emerged in this context where national-etatist principles were still predominant as both an opposition and hegemonic project that resulted in repudiating the etatist period's principles and marginalizing existing social groups in support of these principles. The government casts these three principles aside – with the exception of the westernization principle, which exhibited itself in government's support for the European Union membership. This, coupled with the liberal-conservative stand in response to the nationalist-developmental principle, helped the government gain support from the industrial bourgeoisie in Turkey and the IMF/WB regime. In this process, in response to the emerging neo-populism of AKP, the military, the middle class and SEE workers coalition adopted an anti-European Union nationalist stand (Yıldırım, 2009). The combination of liberal conservatism with Islamist cultural traits of Turkish society in the meantime contributed to creating an image of AKP as a reformist movement coming from the heart of society/periphery.

Coming back to the crux of this study which is the political response of hazelnut producers to economic policies adopted by the AKP in the framework of the IMF's SAPs, the emerging nationalist coalition in hazelnut production somehow reflects the anti-SAP stand of this bloc I described. There is some commonality – at least insofar as both oppose the liberalization policies advocated by these organizations.

On the other hand, the principles of anti-SAP and liberal conservative views converge on the role of the state. Just like the IFOs, the nationalist bloc views the state apparatus and its actors (i.e. bureaucrats and technocrats) as neutral and apolitical.

3.6 Conclusion: The Nature of the Socio-political Project

As a socio-political project, ARIP proposed a comprehensive liberalization programme to transform the agricultural subsidy system in Turkey. Its scope was general but also particular in that aimed at crops, such as hazelnut, which are strategically important to the Turkish economy. As far as the hazelnut sector is concerned, this meant that thousands of small producers would have to deal with highly organized and powerful corporations.

These policies were executed in a particular manner that combined them with a broader objective to create a new social order in that particular time and space. The crisis that severely hit the Turkish economy in 2001 had brought a new set of ideational factors to society which also presented the SAPs as the only remedy for the country's economic difficulties. As a socio-political project, ARIP signified new alliances and changes in inter- and intra class relations and their relations to political parties and bureaucratic groups. Whilst it will be elaborated on throughout this thesis, this is an opportune moment to note that ARIP, through its exclusionary politics, would attempt to break the alliance between the bureaucracy and the small peasantry. Furthermore, the state worked on producing strategies that gradually pulled out the small-scale producers from the agricultural sector, also as indicated by the declining terms of trade.

Notes

¹ For the official view see 'Strengthening the Turkish Economy: Turkey's Transition Programme' available at the website of the Turkish Central Bank (www.tcmb.gov.tr). Regarding the IMF view, see the letter of Carlo Cottarelli (Assistant Director, European I Department, IMF) *Financial Times* 5 June 2001.

² The institutionalist approaches treat the state as another institution waiting to be democratized. They call for more regulation in creating institutions. Liberalist approaches differ from that of the institutionalists; they attribute the cause of crisis to the incomplete implementation of SAPs.

³ It has to be noted however, that there are variations in the state-centred literature focusing on how better to implement reform policies. While orthodox neoclassical literature focuses on keeping reform processes isolated from social groups, the 'statist institutionalists' (e.g. Evans, 1992; Haggard and Kaufman, 1992; Grindle and Thomas, 1991), emphasize that governments should strive to build coalitions with 'stakeholders'. However, because both groups of variations view states and institutions as an end in themselves rather as part of social reality, they are criticized in historical-materialist analyses for failing to understand social change.

⁴ The separation of economics from politics and the ideas concerning material conditions in Black Sea villages in the case of hazelnut producers will be explored in Chapter 5 in the discussion of 'local dynamics of resistance'.

⁵ Haggard and Williamson affirm (1994: 565) that 'crisis is clearly neither a necessary nor a sufficient condition to initiate reform. It has nevertheless often played a critical role in stimulating reform'.

⁶ The terms of trade for farmers (TOT) is a statistical calculation that indicates the distribution of income. It is calculated as follows; prices farmers get for hazelnuts divided by consumer price index (CPI). The CPI is calculated by the Turkish Statistics Institute. It has to be noted that the variables taken into account for the calculation of the CPI for the Black Sea region in the period 1994-2004 are different from the period of 2005-2010. Please consult the Turkish Statistics Institute for more details. The terms of trade show, in an agrarian structure dominated by petty commodity production, the extent of exploitation by market relations. Put differently, the terms of trade for farmers stand for changes taking place in the margin between the gross production value that peasants get and their non-agricultural expenses (consumption fund). (Boratav, 2001)

⁷ My translation from its Turkish original.

⁸ According to information obtained during my field research, two types of problems arose with regard to the land registration system. These are some lands where there has been de facto hazelnut production for years but as it is not recognised as agricultural area and defined as forest area, they cannot be registered. The other group of farmers having problems with the land registration system were those having problems of inheritance, including the break-up of the same land between too many family members so that in the end there was only a very small portion left for each individual. As a result, the amount of DIS individuals were entitled to was too meagre for them to take the trouble to register the land.

⁹ My translation from its Turkish original.

¹⁰ My translation from its Turkish original.

4

The Fiskobirlik Crisis

In this chapter I will discuss the nature of the political struggle between different parties involved in hazelnut production and the state during the restructuring process of the Hazelnut Agricultural Sales Cooperatives' Union, Fiskobirlik (2000-2006).¹

Studying the Fiskobirlik crisis during the restructuring process under ARIP has several advantages. First, crises have the capacity to expose underlying tensions and contradictions in power relations which tend to remain hidden in normal times. As an institution operating in the hazelnut market, Fiskobirlik was treated by the IFOs as if it is in isolation from society. The ARIP assumed that cutting off the financial linkage between the state and Fiskobirlik would depoliticize the institution. However, the crisis revealed that Fiskobirlik had been part of a power struggle amongst groups involved in production directly and indirectly (i.e. exporters, direct producers and indirectly political parties). Second, as this study focuses on power relations, forms of domination and resistance as manifested in this crisis are revealed.

Third, the manner in which the crisis was engaged with is important. Did it resolve existing tensions and contradictions or were traditional means of social relations of production employed?

The Fiskobirlik crisis revealed that the parastatal institution was not simply an extension of the government (cf. Held, 1983) and that it embodied the power relations inherent to hazelnut production. These power relations that farmers need to take into account are not simply between them and exporters and tradesmen. They also involve the government and different political parties as observed in the Fiskobirlik crisis. Furthermore, the crisis showed that the policy recommendations of the World Bank were not passively accepted neither by the Fiskobirlik administration nor by political parties. The resistance of Fiskobirlik to

renouncing its regulatory role in the market was countered by the government making use of arguments for reform that had already become popular. These arguments were an extension of the hegemonic ideas and reconsolidated the government's power over Fiskobirlik. Finally, the crisis was solved with means already present in the existing social relations of production. This meant a divergence from the reform agenda of the World Bank which could be considered as a concession to farmers, but also as an attempt to exclude them from further involvement in politics. Indeed, the cooperative within which different peasant groups were represented lost its credibility following the appointment of another state agency for hazelnut purchases. This new agency has no representation function for farmers.

The sections below discuss the role of Fiskobirlik in the market and the price determination system within which the interests of different social groups involved in hazelnut production clashed. The rest of the chapter discusses the political struggle between the government and Fiskobirlik and ultimately between the government and direct producers.

4.1 Context: Hazelnut Production, Sales Cooperatives and Clashing Interests of Social Groups in the Price Determination Process

In the previous chapter it was noted that the implementation of ARIP was launched in 2002, but that not all components were implemented in that year. The DIS payments started in 2002, whereas the alternative product project began in 2004. The restructuring of sales cooperatives such as Fiskobirlik started in 2000.

The first cooperative in Turkey was established during the Ottoman era by Mithat Paşa (1863). The establishment of cooperatives during the Republic commenced in 1932. In 1938, when Fiskobirlik was established, independent cooperatives already existed. Giresun, Ordu, Trabzon, Bulancak and Keşap cooperatives (all in the core of hazelnut production in the East Black Sea region) united and formed Fiskobirlik in 1938, following the First National Hazelnut Congress organized in 1935. As indicated in Chapter 1, the economic/financial difficulties of hazelnut producers were the primary motive for establishing a sales cooperatives' union. The small-scale producers of hazelnut were indebted to traders and there was pressure from Western companies to lower prices.

The role of sales cooperatives in the market, as stated on the Fiskobirlik website (2009), is as follows:

Fiskobirlik is responsible for creating stability in the sales of its members and markets, bringing stability to the market, investigating the domestic and international markets of hazelnuts, controlling the production trends and developing scientific methods in production, providing production tools, promoting the good quality of products according to accepted standards, promoting its consumption in the domestic market, increasing its export levels, and engaging in developing varieties of hazelnut products.²

Fiskobirlik had 233,820 members (out of approximately 500,000 direct producers of hazelnuts) affiliated to forty-nine cooperatives. It had one integrated facility, seventeen hazelnut shell-breaking factories with a production capacity of 645 tonnes of shelled hazelnut per day, 300,000 tonnes storage capacity and 3,000 people working in its facilities. On the list of the 500 biggest industrial establishments prepared by the Istanbul Chamber of Industry, Fiskobirlik was listed as 150th in 2004 and 77th in 2005.

Except for the period between 1938-1964 during which it functioned as an 'autonomous' institution, Fiskobirlik had been purchasing and storing part of the hazelnut crop from direct producers each year on behalf of the state (in other words, with financial support provided by the state). Each year Fiskobirlik announced a purchasing price for hazelnuts which had been approved by the Ministry of Industry and Trade. However, Fiskobirlik could not always pay the direct producer right away because of the market conditions. The Fiskobirlik administration sometimes stored the excess supply of hazelnuts before selling it to private buyers, or it would be processed for oil. The overall costs of all these transactions were registered as 'losses resulting from duty' by the Treasury.

It seems that various government institutions regarded this financial linkage as an opportunity to seek political dominance over the hazelnut market through the administrative board which was elected by the delegates (i.e. the direct producers). The board decided on the purchasing price, but it needed the approval of the Ministry of Industry and Trade. Given that Fiskobirlik was in the hazelnut business, at the same time being the representative of the direct producers, its decisions either directly or indirectly affected all groups involved in the production process. That

is why, following each harvest, the process of price-setting was the site of a political struggle based on the interests of different parties and social groups.

The struggle began the moment the production level of the coming season could be estimated. Usually when spring approached, the male reproductive organ of the hazelnut trees were counted and different institutions, such as the Union of Exporters of the Black Sea and the Chambers of Agriculture, would estimate the production level and submit their estimates to the state. As a local official stated (Interview, Gölyaka Directory of Agriculture, 2008):

There is a political game being played in this process. For instance, usually the estimates of traders are higher whereas the estimates of producers' representatives are lower. This is important, as it has the potential to influence the deals between exporters and international buyers, not to mention the government's pricing policy.

The estimates were indeed important, as they helped different actors, both in the international and domestic market, to determine their purchasing policies and production strategies.

It was not only domestic actors who were involved in this struggle. Given that hazelnuts are an export item (an average 80 per cent of the hazelnuts being exported) and an industrial product (in the chocolate industry), buyers not only sought price stability, but also wanted to set their own production strategies (i.e. how much they need to purchase for their own production) before the harvest. They thus exerted pressure indirectly on political authorities in Turkey through the domestic exporters for lower prices. Domestic exporters usually made deals with these international buyers before the harvest, based on their estimates. The international buyers also had their own estimation teams: 'They do not need us to tell them, they have their sample gardens and send their expert for their estimates' (Interview with a local company, Düzce, 2008).

In the second important phase of the political struggle over pricing, the Fiskobirlik board decided on the price after the harvest, which did not mean that the price was determined. Indeed, it had to be approved by the Ministry of Trade and Industry. This process of approval took a while, which permitted different parties to exert pressure on the government. The length of the approval process was important not only in determining the final price that Fiskobirlik was going to announce as the

purchasing price, it was also significant in determining the nature of the political relations between the direct producers and Fiskobirlik.

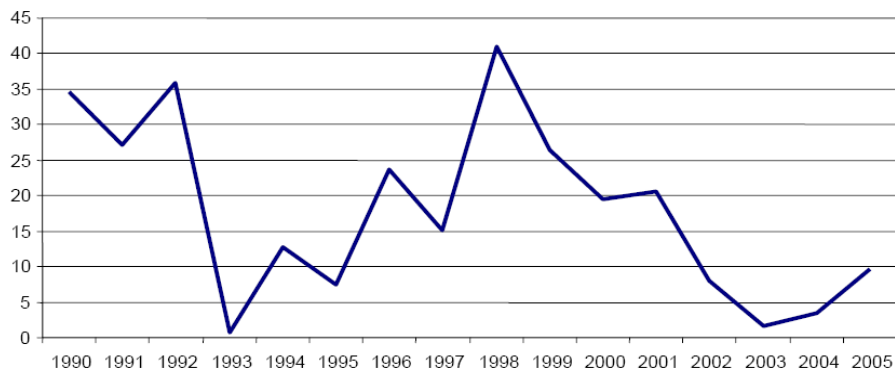
Producers facing financial difficulties were not able to wait for Fiskobirlik and thus pressured to make a deal with small tradesmen at a lower price. These were usually small producers who would be already indebted to different persons in the local economy such as grocers and the like. Some of them were obliged to make a deal with small tradesmen in the course of the year which tied them to the tradesmen well in advance of the harvest. Hence, the duration of the price struggle up to the state's final announcement of the price was vital for this group of direct producers. Even if it turned out to be a very good price for producers, the small producers' position often would already be compromised. Usually the price calculated by the Fiskobirlik authorities would be informed by input prices, wages, etc. (a minimum 25 per cent of cost of production).

Another important factor affecting the relations of Fiskobirlik with its members was the time it took for Fiskobirlik to make payment to direct producers. As will be discussed below, Fiskobirlik was supposed to pay for hazelnut purchases from members without delay. Before the restructuring, Fiskobirlik made these purchases on behalf of the state which came with a financial guarantee from the Treasury. The restructuring process was considered a transition phase during which Fiskobirlik was expected to assume the role of private actor. When it needed credit, it had to obtain it just like any other private actor in the market. In view of the conflicting interests at play and the strategic role of Fiskobirlik in hazelnut production, this entire process of restructuring is of great importance as it had power to transform the relations that I previously described.

Figure 4.3 indicates the percentage of Fiskobirlik purchases over the years 1990-2005. It depicts the ratio of the hazelnut purchased by Fiskobirlik (thousand tonnes) to the total hazelnut produced (thousand tonnes). The table shows a continuous increase in Fiskobirlik purchases starting with the wave of populism in 1989 and the workers' movements in the country. There is a marked decline to almost zero in 1993 when production dropped to 305,000 tonnes. Due to the market price being higher than expected, Fiskobirlik purchases that year were insignificant, around 0.7 per cent. After 1993, purchases increased again. The ten-year period from 1989-1998 could be interpreted as the populist era in hazelnut production. Indeed, the share of Fiskobirlik purchases of hazelnut

production reached approximately 40 per cent in 1998. This is an increase from the 1991-1993 period when Fiskobirlik purchases amounted 35 per cent. During 1970-1993, prices were 35 per cent higher than the cost of production, whereas in 1995-1998 the prices were set at more than double the cost of production. From 1998 problems caused by populism can be observed and from 2000 we can observe the outcome of pressing demands coming from different strata of capitalist classes for the 'retreat of the state' from the hazelnut market.

Figure 4.3
Share of Fiskobirlik Purchases in Total Hazelnut Production (%)



Source: My calculation, based on statistics from the Turkish Statistics Institute and the Development and Planning Agency

Following this period of increase in the income of hazelnut producers, the purchases of Fiskobirlik show a consistent decline until 2003. That was also the year when the implementation of ARIP started. As of 2003, the share of Fiskobirlik purchases started to increase slightly reaching 10 per cent of the total production amount in 2005. During this period, for the first time in many years, Fiskobirlik acted as an autonomous agent of the market compared to period when Fiskobirlik needed the state approval in determination of the amount of it purchased and the price it had set.

4.2 The restructuring Process under ARIP and the Issue of 'Indebted Fiskobirlik'

In this section I discuss the financial relationship between Fiskobirlik and the state during the restructuring process launched in 2000 and continuing until 2006. The new law which was formulated and integrated into the ARIP process envisaged a financial break between the state and the unions of sales cooperatives such as Fiskobirlik. In the years following the enactment of this law, the position of Fiskobirlik changed gradually (until the beginning of its crisis). In accordance with the new law, it had become a private actor in the market which had to seek credit from the banks. Furthermore, it had become indebted to the state due to credits borrowed during the transition period from a special fund which was formed in accordance with the newly adopted law.

First, I shall explain the content of this law and how it was implemented in the case of Fiskobirlik. I will then proceed to the political struggle and the nature of political relations during the restructuring of Fiskobirlik. I shall argue that although the struggle seemed to be taking place between the government and Fiskobirlik, it had deeper roots involving a conflict in the interests of different social groups involved in the production of hazelnuts. This struggle, especially its effect on the position of Fiskobirlik and the producers it represented (which I shall elaborate in forthcoming chapters), resulted in the political marginalization of direct producers.

On 1 June 2000, the government passed the law (no. 4572) entitled the 'Restructuring of Cooperatives and Unions of Cooperatives'. According to this law, Fiskobirlik could no longer make hazelnut purchases with the support of the Treasury and from then on had to become a private actor. If Fiskobirlik needed financial support, it had to resort to private banks. Fiskobirlik could apply for credits from a special fund created for the transition period, but they would be considered as loans to be paid back to the Treasury. Accordingly, a council was formed composed of one official from the Treasury and one from the Ministry of Trade and Industry and a representative from the administrative board of the union of sales cooperatives which would be charged with providing recommendations in light of the objectives described in this law. The first decision of the Council was to cancel 'debts' from previous years – amounting to 749 million Liras³ (1.3 billion Euros). Unfortunately for

Fiskobirlik, its 'debts' were not cancelled as in the case of 8 other cooperative unions (out of 16 existing union cooperatives in charge of purchasing different crops).⁴

The law on the unions of sales cooperatives also required that Fiskobirlik and other sales cooperatives revise their structure in areas such as employment policies, with the number of employees working for them to become 'smaller but more efficient and less costly'. To this end, Fiskobirlik was granted 18.5 million Liras (32 million Euros) for the payment of severance benefits and termination packages to 1,381 Fiskobirlik employees. By reducing the number of permanent employees, Fiskobirlik was able to save 60 million Liras (104.4 million Euros) in the framework of restructuring. Furthermore, the salaries of the board of directors and auditors were reduced to minimum wage levels and thus Fiskobirlik saved 95 per cent on expenditures. Some of the department stores of Fiskobirlik which were considered unprofitable were closed down.

Fiskomar stores was initially established (1988) for the sale of Fiskobirlik products (i.e. processed hazelnuts). Later it was transformed into a chain of department stores and became a company group affiliated to 49 sales cooperatives. By the time reforms were initiated, Fiskomar had 18 stores in the Black Sea region and two storage facilities (in Düzce and Giresun). According to an agreement between the administration of Fiskobirlik and Fiskomar, hazelnut farmer members were allowed to deduct their purchases from credit due to them from Fiskobirlik. This relationship between Fiskobirlik and members can be seen as one of barter. Fiskomar had the objective of contributing to the region's socio-economic life by providing relatively inexpensive products. Other current affiliates of Fiskobirlik are two joint companies (namely Ordu Yağ Sanayi A.Ş.-1957 and Fiskobirlik Efit A.Ş.-1981) and an insurance company.

Also, a restructuring Framework agreement was signed with Fiskobirlik envisaging the sale of Fiskobirlik properties such as plots of land, buildings, factories and storage facilities. Some were sold for which Fiskobirlik received 1 million Liras (1.7 million Euros) in net current assets.

The Treasury declared that Fiskobirlik made use of 1.163 billion Liras of credit from DFIF (Support and Price Subsidization Fund, DFIF - 250

million Liras [433.4 million Euros]) in the years after the law came in force (2000). On various occasions during the Fiskobirlik crisis (2005-2006) the Prime Minister remarked that Fiskobirlik's 1.5 billion Liras (893.9 million Euros) of debt as noted in the 'oil pressing decree' had been absorbed by the Treasury, and cancelled. This amount had become an issue and was one of the reasons why the political crisis erupted between Fiskobirlik and the government in 2006. Therefore the manner in which these debts have become an issue has to be examined carefully.

According to the PAD Report of the World Bank (2001) the reform programme proposed by the World Bank aims to commercialize and privatize parastatal organizations operating in agriculture by ending the direct role that the state had been playing in agriculture and the agricultural industry. In the first phase in 2000, the government was expected to apply strict budget discipline to these organizations. The main problem with respect to the Agricultural Sales Cooperatives was accordingly defined as an intense interference of government, especially in their finances and commercial activities. Therefore, until the enactment of the 2000 law on sales cooperatives, they were functioning not as cooperatives of their members but as networks serving 'the interests of the government or the management' (World Bank, 2001: 12). The sales cooperatives were financed by the government and their administration was left in the hands of the Ministry of Trade and Industry. The sales cooperatives were obliged to function as providers of price subsidies instead of seeking profits. Their losses were compounded by the fact they were obliged to pay employees higher salaries than the private sector (World Bank, 2002: 5).

A report on the restructuring of Fiskobirlik, which was prepared by an AKP parliamentarian from Trabzon, summarizes the benefits of these measures. It states that the capital stock of Fiskobirlik had become much stronger and that the process enabled Fiskobirlik to continue its transactions without the support of the State.

For this reason, as of 2005-2006, the state ceased to interfere in determining prices, or purchase hazelnuts through Fiskobirlik. Despite all the arguments against the restructuring of the Fiskobirlik, the government adopted far-reaching policies and helped the hazelnut market to be formed anew, immune from 'bad customs'. Secondly, Fiskobirlik has had the opportunity to realize its purchases from its own resources and has reached a financial stage where it can borrow from private banks. Lastly, Fiskobirlik

has been able to purchase enough hazelnuts to secure the stability of the market and has prevented the prices of producers and exports from diminishing.⁵ (Aykan, 2005)

4.2.1 A closer examination of the debts of Fiskobirlik and signs of political struggle

In the World Bank report on ARIP, 'The Release of the Second Tranche of the Loan', the restructuring process of Fiskobirlik is described as follows:

In the hazelnut market, the intervention purchases and announced support prices made by the parastatal Fiskobirlik declined by about 25 percent and 40 percent, respectively, over the 1999-2001 period. These purchases declined further in 2002 and were discontinued entirely in 2003. The Government has since agreed with the Bank on a hazelnut market restructuring plan which is being implemented in 2004, together with the restructuring of Fiskobirlik. (World Bank, 2004: 3)

Indeed, until 2003, Fiskobirlik continued to work with the state. This included purchasing hazelnut on behalf of the state, determining prices and other decisions that involved approval from the Ministry of Trade and Industry. After 2003, Fiskobirlik was able to announce its prices and to execute purchases with its own resources. However, 2003 is also the year when the signs of political tension became more noticeable.

In the same year that the law (no. 4572) of 1 June 2000 was enacted, Fiskobirlik purchased 92,000 tonnes of hazelnuts and paid direct producers 99 million Liras (171.6 million Euros) cash (the total cost). Fiskobirlik was able to pay this amount from a fund formed with the resources transferred from its own 2000 budget. During the season of 2000-2001, Fiskobirlik sold 59,000 tonnes of shelled hazelnuts and earned 120 million Liras (208.1 million Euros). The rest of the hazelnuts (32,000 tonnes) were to be pressed for oil with the decision of the Cabinet (2001/no.2791).

During the season of 2001-2002,⁶ Fiskobirlik purchased 129,000 tonnes of hazelnuts and paid direct producers in cash (195.6 million Liras [154.2 million Euros]) with support of 63 million Liras (49.7 million Euros) credit from DFIF. The DFIF had prolonged the terms of '99 million Liras' (90 million Euros) credit that was loaned in 2000, and this was used to pay for the 2001 purchases. The total DFIF credit dedicated to

Fiskobirlik was 162 million Liras (147.4 million Euros). Fiskobirlik only managed to sell 25,000 tonnes of the total (129,000 tonnes) purchased in 2001.

In 2002, excess production remained in the hands of direct producers as neither Fiskobirlik nor DFIF had the resources to make further purchases; only the purchases envisaged in two decrees were finalized (2002/4772 and 2002/4765). However, in order to prevent large losses on the part of direct producers, purchases financed by state (scheduled to end in December 2002), were extended until March 2003 according to a decree issued on 29 January 2003 (no. 2003/5222). As a result, Fiskobirlik was able to purchase a further 48 tonnes of hazelnuts from the 2002 harvest worth 77.8 million Liras (54.1 million Euros).

Due to the failure to compensate the loss of income of direct producers during the last purchases of the Fiskobirlik, the government issued another decree calling for an additional direct payment per dekar (total 25 million Liras [17.4 million Euros]). Towards the end of the export season, there was a shortage of hazelnuts in the market which enabled Fiskobirlik to sell its hazelnuts and pay back US\$ 54 million to the Treasury.

In 2003, the Prime Minister declared that the government would announce the purchasing price in April. However, uncertainty about the purchasing price continued until the first week of August 2003 when prices were usually announced. As mentioned above, there were two parties interested in the determination of price. On the side of the direct producers there was Fiskobirlik and its members, and on the other, small tradesmen and exporters. As the time for the announcement of purchasing prices approached, speculations based on seasonal production levels increased. Until August 2003, the usual speculations had taken place. However, this time, unlike previous years, Fiskobirlik had the opportunity to determine prices. It was a known fact to all parties that the production levels were not that high that season. This meant higher prices. However, it was not in the interest of exporters who had already agreed prices with international buyers. In the meantime, Fiskobirlik was still considered to be indebted to the state, which under the pressure of debts, made its decision harder to take.

Table 4.1
Fiskobirlik Purchases and DFIF Credits Paid to Fiskobirlik

Season	Purchased amount (thousand tonnes)	Cost		DFIF Credits		Share of DFIF in purchase (%)
		(million Liras)	(million Euros)	(million Liras)	(million Euros)	
1999-2000	142	154	343.8	147	328.2	96
2000-2001	92	99	171.6	99	171.6	100
2001-2002	129	196	178.3	162*	147.4*	83

* Extended from the 2000-01 period

Source: Necdet Oral (2006:56)

The government called a meeting in Ankara between five ministers, together with their affiliated officials, Cüneyt Zapsu, (Prime Minister Erdoğan's advisor and hazelnut tradesman), the general director of Fiskobirlik and the head of the administrative board in Ankara (Gürsoy, 2006: 60). As the result of this meeting, the proposed increase in the price of the previous year (2002), to 2 Liras (1.39 Euros) per kilo was rejected, despite the decision of Fiskobirlik. In response, Fiskobirlik arranged another meeting at the headquarters at Giresun, and invited the heads of 50 cooperatives from Düzce to Artvin, as well as the heads of the Chambers of Agriculture. During this meeting, the decision of the government was rejected. Following this meeting, Fiskobirlik sent a note (14 August 2002) to the Ministers explaining that Fiskobirlik did not accept the suggestion and that it would announce a purchasing price of 2.5 Liras (1.74 Euros) per kilo for the season of 2003. For the first time in decades, Fiskobirlik had taken a decision on its own, in opposition to the government.

Following this 'autonomous' move of 2003, Fiskobirlik purchased 8,000 tonnes of hazelnuts with its own financial resources and paid direct producers 21 million Liras (12,4 million Euros) in cash. Furthermore, Fiskobirlik sold hazelnuts from the 2003 season above the purchasing price and distributed the profit of 550,000 Liras (325,000 Euros) among direct producers. That year, the average export price of hazelnuts also increased from US\$ 225 to US\$ 470 per quintal (100 kgs).

In 2004, the government issued a decree (2004/7411) announcing that Fiskobirlik would sell its stock of 2001 hazelnuts that had already been despatched for oil pressing. There were other conditions to the sale: Fiskobirlik was to finalize this sale within fifteen days and nobody connected with direct producers would be able to bid for the hazelnuts. This move by the government was criticized by producers' representatives (Chambers of Agriculture) as being partial and to the advantage of tradesmen and exporters.

In 2004, when the heads of cooperatives and the Chambers of Agriculture gathered to decide the purchasing price, a suitable framework for a much higher price existed. Indeed, due to frost, that year's production levels were very low. As a result, the Fiskobirlik administration announced the price at 5.5 Liras (3.1 Euros) per kilo. This was a record high, and welcomed by direct producers. Exports reached US\$ 1.5 billion, which meant that the income from hazelnuts was six times higher than any other export crop of Turkey. This was also welcomed by local parliamentarians from the ruling party.

Exporters were not happy. Once it had become clear that due to weather conditions the production levels would be lower than expected, Fiskobirlik sold out its stored supply of hazelnuts (103,000 tonnes left from the 2001 and destined to be pressed for oil) and thus reduced its debts to DFIF (Decree no. 2004/7411). The decree stated that the reduction of debts would start from the earliest debts. The processing of hazelnuts for oil would start from the 2004 crop and continue until 2005. 80 per cent of the profits would be transferred to the DFIF. Furthermore, Fiskobirlik was forbidden to make use of DFIF credits until it had paid back all debts made after 2000.

Following the sales of 2004, Fiskobirlik was able to collect 293 million Liras (164.9 million Euros) and paid 235 million Liras (132.3 million Euros) to the Treasury to be deducted from its DFIF debts.

4.2.2 Political tension between the government and Fiskobirlik

The season of 2005 was the most critical and the one where the tension between the government and Fiskobirlik peaked. This in turn meant that the tension between Fiskobirlik and exporters also increased. That year, following the usual meeting of the fifty heads of cooperatives and heads of the Chambers of Agriculture, the board decided to set the price at 7.4

Liras (4.4 Euros) on 22 July 2005. This was the highest price ever in the history of the hazelnut market.

The decision was very well received by the direct producers and their representatives the Chambers of Agriculture. The Chamber of Agriculture in Giresun explained in a press conference (2005) that the price was supported by their local Chambers on the grounds that it reflected the prices in the free market:

We were not expected to announce the price as 5 Liras while hazelnuts were being sold at 7.4 Liras in the free market. Everybody was very happy to hear the news. All the local representatives of political parties in Giresun wanted to congratulate the head of the Board of Directors, Salih Erdem. Producers were making jokes to each other about taking a handful of hazelnuts from each other's garden and saying 'do you know how much money this hazelnut makes? What would you lose if I take a handful of your hazelnuts?'⁷ (Gürsoy, 2006: 61)

However, the decision was criticized by the exporters. The owner of a company that was responsible for 25 per cent of total exports, one of the leading actors in the hazelnut market, criticized the decision by implying that Fiskobirlik was still relying in its decisions on the state:

They (Fiskobirlik) will try to purchase as much as they can with the money they have and then not being able to cope with the situation, will refer the problem to the state. (*Sabah*, 2005 as cited in Gürsoy, 2006: 61)

The director of Fiskobirlik responded by saying that Fiskobirlik had enough resources to purchase all the hazelnuts. (Gürsoy, 2006: 61). Ağca (Fiskobirlik head of general assembly) said;

Everyone knows the reality behind the confusion on harvested hazelnut. Some seek to lower the price by inflating the actual harvest. But the market will determine itself. And Fiskobirlik will continue to be the safety net for the producer. Fiskobirlik is ready to purchase the entire harvested amount.⁸ (*Ortadoğu*, 2005)

Fiskobirlik had asked direct producers not to sell their product in the free market in large quantities. Meanwhile, it had been purchasing and paying in cash to direct producers. According to a press statement of its director, Fiskobirlik purchased a total of 51,000 tonnes of hazelnuts from the 2005 crop (622,525 tonnes). Some 197 million Liras (117.4 mil-

lion Euros) were paid from Fiskobirlik's own budget. Some 23 million Liras (13.7 million Euros) were paid with money from agricultural credits. The total debt of Fiskobirlik to direct producers was 135 million Liras as of June 2006. However, according to the director of Fiskobirlik, this was something Fiskobirlik had predicted and was expecting to resolve through the use of DFIF funds.

Our total budget at hand before the season started was 210 million Liras (116.1 million Euros). We had consulted the decree issued for credits dedicated to sales cooperatives from DFIF in their 2005 transactions and noted that we had the right to draw 200 million Liras. This is how we started the purchases as of August 26, 2005 on the condition that we would pay producers in cash. (Gürsoy, 2006: 62)

As hazelnuts kept on coming from producers, Fiskobirlik reached a point where it could no longer finance its purchases alone. Consequently in 2005, it requested a DFIF credit three times, on 19 August, 15 September and in December. All three requests were turned down. According to the Treasury, Fiskobirlik was still considered indebted to the state.

Being unable to find credit from the state, Fiskobirlik started to seek credit from private banks. However, Fiskobirlik was unable to take out a loan from any bank; all the doors were closed. A Fiskobirlik delegation then went to meet with the Prime Minister and with other social groups, but to no avail. According to the director (Salih Erdem) there was a political ban on the banks. Each time they were about to sign a credit agreement, their request for credit would be turned down at the last minute:

We have submitted our files to 14 private banks. They send their experts, look into the files then claim that their governing boards have rejected the matter. Someone says that there is no official from the Government, and later claims that no one will lend them money other than a pawn broker. This of course is a message to the banks. That someone says the Government does not want this. It didn't give money even from its state Price Stability Fund. [The banks will presume] that their lending will not be well perceived by the Government.⁹ (Ntvmsnbc, 2006)

One solution that came up as a result of their meetings with the Prime Minister was to make the Agriculture Credit Cooperatives responsible for debts. However, Fiskobirlik, did not regard this as a solution. Whilst it would make Agriculture Credit Cooperatives turn to direct pro-

ducers to secure their payments, it would endanger the trust between Fiskobirlik and direct producers (Gürsoy, 2006: 62).

Fiskobirlik in the meantime was insisting that it had the right to have recourse to the DFIF, given that it did not owe any money to the state from the transactions of previous years. Indeed, according to Fiskobirlik authorities, the state owed money to Fiskobirlik (about 53 million Liras [29.3 million Euros]). To prove this, Fiskobirlik authorities requested a formal audit. The government appointed two officials from the Treasury and two officials from the Ministry of Industry and Trade. As a result of this inspection, the committee submitted a report to the Treasury concluding that Fiskobirlik was right. Fiskobirlik had started paying off credits in August 2004 and had concluded payment in January 2005. However the report was made available only in 2006 (Oral, 2006: 57). In other words, Fiskobirlik's cause was not publicly legitimized till 2006, which also affected its credibility.

Figure 4.4
Hazelnut Price and Cost of Production during ARIP (2002=100)



* Please note that the price starting from 2006 was set by the TMO

Source: Fiskobirlik, TMO (2008)

Figure 4.4 portrays hazelnut prices and production costs between 2002 and 2008 (during ARIP). The striking peak in 2005 shows that

farmers benefited most during this period which also created tension between exporters and Fiskobirlik and direct producers. Towards the 2006 season the difference between the price and the cost of production decreases suggesting a decrease in farmers' profits.

4.2.3 Discursive elements of the political struggle between the government and Fiskobirlik

By the time Fiskobirlik had officially been put in the right (in 2006, one year after Fiskobirlik's disagreement with the government), the media had presented it as an institution indebted to the state. On various occasions, Prime Minister Erdoğan used the discourse of an indebted Fiskobirlik to his advantage. The Prime Minister represented Fiskobirlik as a corrupt organization, accusing it of siphoning off the nation's money. As a result, during the period Fiskobirlik was trying to find credit, it had also lost credibility both in the eyes of its direct producer members and private banks (İkinci, 2006).

Coupled with Fiskobirlik's loss of credibility, tension between the government and Fiskobirlik increased (Gürsoy, 2006). The Fiskobirlik administration accused the government, especially the Prime Minister, of being prejudiced towards Fiskobirlik. There were other factors contributing to this situation. In 2005, the delegates voted for a board which did not support the AKP, but the Nationalist Movement Party (MHP), despite a concerted effort of the AKP to impose its own list of candidates (Interview, Giresun 2008). As the director (Fiskobirlik administration) Erdem was saying:

Those who were not happy with rising hazelnut prices, both at home and abroad, were exerting pressure on us. Such pressure has now, unfortunately, taken the shape of Government pressure. They are participating in the cooperatives elections ending up victorious in just one cooperative out of 50, losing in 49 others. Then they claim to end up victorious in the elections. You may try to do this, in other words, make use of the advantages of Governing; but to what extent? (Ntvmsnbc, 2006)

The contours of the tension between Fiskobirlik and the government had become apparent during the Prime Minister's visit to Giresun (Gürsoy, 2006). During the AKP Giresun Congress (18 June 2006), Erdoğan gave a speech on the achievements of AKP. Some of the participants

asked him about the hazelnuts payments of Fiskobirlik. In response, Erdoğan said:

We have cancelled Fiskobirlik's 1.5 billion Liras (831 million Euros) debt. The delegates elect a board of administration. This new board of administration is unfortunately managing Fiskobirlik with a different understanding and trying to transfer all the costs of its transactions to the government... I am referring to the politicians; the grass looks greener on the other side. They betray the nation with this rhetoric. Whose 1.5 billion Liras is that? Brothers, what else could this be called than siphoning? (Gürsoy, 2006: 58)

In another meeting, this time in Ordu one month after the Giresun congress, participants again insisted that Erdoğan respond to questions from direct producers (*Cumhuriyet*, 2006): 'We cannot get our hazelnut money!' In response, Erdoğan said:

Then knock on the doors of Fiskobirlik. Instead of investing in Fiskomar [the Fiskobirlik department store], it should pay your money. They cannot find credits because they are no longer credible. Those direct producers who chose to wait whilst the price was high are now regretting it, don't you see?

Another direct producer said:

We are not here to ask for hospitals or schools, we are here for hazelnuts. We are in a bad state, please save us. You should lay hands on Fiskobirlik.

The Prime Minister's response was: 'Ask Fiskobirlik'.

The state did not buy your hazelnuts, it is Fiskobirlik, and they should pay you your money. Do not politicize this situation. We do not let the rights of an orphan be abused. (...) We are not responsible for Fiskobirlik not getting credits from the banks. To a credible institution everyone gives credit. The citizens can get credits from any bank they desire. Why, because the people are more credible than the Fiskobirlik. The risk of no return is only one percent in citizens whereas in such institutions it reached sixty five percent. The reason why they do not get credits it is because they have lost their credibility.¹⁰ (*Cumhuriyet*, 2006)

Tension peaked with the speeches of Erdoğan. This discourse of a 'corrupt Fiskobirlik' not only had an impact on the credibility of Fiskobirlik – it also affected the prices in favour of exporters (Gürsoy, 2006;

Özcan, 2006). Whilst Fiskobirlik was unable to pay the money it had promised to producers, the price in the market was falling from the 7.4 Liras (4.1 Euros) announced by Fiskobirlik to 5 Liras (2.7 Euros). A farmer explained how he perceives the events of those days:

We are here for our hazelnut and for not having yet received what is ours. Our dear Prime Minister came to Giresun for one day and hazelnut went down from 4.4 to 2 Liras after a speech that lasted two hours. We don't understand this and so the entire population poured here to demand our right. (Ntvmsnbc, 2006)

This understanding was also supported by representatives of farmers:

It is true that hazelnut prices had gone down following the aggressive statements made by the Prime Minister in Ordu and Giresun. There was a headline in the informative memo of an international importer company based in the Netherlands. A company named Danon. [The headline was saying:] Hazelnut prices collapsed after the Prime Minister's Black Sea speech. Naturally, let's look at yesterday. After a commission comprised of six members and chaired by the Prime Minister announced that they will look into the hazelnut issue, the price went up by half a Lira. (Onur Şahin, head of Chamber of Agriculture in Ordu; Ntvmsnbc, 2006)

The Minister Eker, in response to these arguments, said:

Hazelnut prices have been announced by Fiskobirlik independently from the Government. No contact was made with the Government and nothing was asked. The hazelnut price is a matter between Fiskobirlik and the producers. It is not just to blame the government.¹¹ (Haber X News Agency, 2006)

The direct producers had entrusted Fiskobirlik their product with the expectation that the state would back Fiskobirlik in case it failed in paying what it purchased from them. However, this time the government was determined not to provide support to Fiskobirlik – despite the fact that Fiskobirlik no longer owed any money to the state. Minister for Industry and Trade, Coşkun said:

The period of owing money to the public resources is now over. The association has to stand on its own. The debt is its own problem. It has debt, but it also has stocks. (*Today's Zaman*, 2006)

The AKP deputy (of Ordu) insisted that the falling prices were due to the stocks of the Fiskobirlik. Accordingly, if Fiskobirlik was unsuccessful in getting credits from the banks, it was because it failed to pay repay the producers from whom the cooperative had purchased hazelnuts. Another AKP Deputy (of Düzce), Yakış was saying; ‘nobody wants to lend money to an institution that failed to pay back past loans’ (*Today’s Zaman*, 2006).

According to the representatives of traders, the falling prices were due to the wrong policies that Fiskobirlik had been pursuing:

This year, at the 2005 harvest, Fiskobirlik made a grave mistake. You [Read: Fiskobirlik] are a producers’ union. Such a union develops policies in accordance with the rights, demands and desires of producers. This does not mean a ceiling price. You determine an advance price and distribute a certain advance payment to producers. You purchase the produce, process it and do its marketing. You then distribute the profit generated from these activities to producers. But Fiskobirlik has set a price in accordance with its older habits and logic –just like those pertaining to its older practices when the state used to support Fiskobirlik- and accepted a price that is set in consideration of the frost of the previous year. Actually in Turkish hazelnut history, domestic prices of the hazelnut had never exceeded the 6 Dollar level. In other words it was at 2.5-3 Dollars for shelled hazelnut. Related to the frost, the sudden changes in the prices to 10-11 Dollars which had become the base price coupled with wrong anticipations of the coming harvest were the causes of Fiskobirlik’s mistake and brought the institution to an impasse. (Sebahattin Aslantürk, Head of Trabzon Trade Stock Exchange; Ntvmsnbc, 2006)

In response, Bayraktar (Head of Union of Chambers of Agriculture) claimed:

I can tell that the 2005 harvest was not, yet again, that high. Because there are not transfers of stock from the previous year (2004). In other words, Fiskobirlik anticipated that this year’s produce would be around 522 thousand tonnes. Today, when we look at it, it is about 220 thousand tonnes that is being exported as unshelled hazelnut. There is about 30-40 thousand tonnes being supplied to the domestic market. Therefore, there is roughly 50-55 thousand tonnes at Fiskobirlik. Taking into account that the harvest is at a moderate level, one has to ask why the price of hazelnut has dropped that much? Of course we have no diffi-

culty in understanding the causes of this situation. There are several reasons for it. Of course one reason is the fact that Fiskobirlik was prevented from securing loans, followed by some political statements, this is just like the stock-exchange. In other words, the stock-exchange is influenced by psychological effects. As you are aware, sometimes political statements also cause a drop in stock-exchanges. Just like the stock-exchange the hazelnut prices were also affected. (Ntvmsnbc, 2006)

Of all parties with an interest in hazelnut production, it can safely be said that this situation was favourable to Turkish hazelnut exporters. As the head of Farmers' Union Confederation Aysu says (Özcan, 2006):

Fiskobirlik cannot get any credits, nor can it enter the market to buy hazelnuts. This is to the advantage of hazelnut exporters. It is they who set the price. A couple of exporters in the market now decide how much hazelnut are going to be purchased and at what price.¹²

The discourse of the Prime Minister presenting Fiskobirlik as a drain on the state's budget is different than what farmers expected from Fiskobirlik. For instance, as a farmer said on a TV programme:

Today the hazelnut price is 2.5 Liras, doesn't the Prime Minister feel remorse at all? The price set by Fiskobirlik is 6 Liras. Okay I understand, it is a fact that Fiskobirlik does not pay what it owes to the people. But nowadays tradesmen buy hazelnuts for free. How can he [the Prime Minister] overlook that? Is he not from this region? Does he not know? We too voted for him. May be the entire nation has voted for him. We said he ruined and closed down Fiskobirlik. We said he invested [in non-profitable business] okay but as a Prime Minister [he should consider the fact that] Fiskobirlik had purchased 10 percent of the harvested produce [read: it is a good thing]. (Ntvmsnbc, 2006)

Furthermore, farmers' correspondences addressed to the Ministry of Industry and Trade express producers' concern about the precarious position of Fiskobirlik in the market even prior to the reforms. In a letter dated 2000 one farmer says: 'is the state going to support Fiskobirlik or not? We demand that the policies on cereals in Turkey are also applied to hazelnuts. As hazelnut producers we are sleepless. (...) When the state withdraws support to hazelnuts, the state should put us on salary (...)'. Or in another direct correspondence addressed to the Minister: 'when Fiskobirlik stopped the hazelnut purchases it benefited the merchants. The world took advantage of these circumstances and lowered the world

price of hazelnut. (...) I demand you let Fiskobirlik continue its purchases during the entire year'. Another farmer blames the large exporting companies for lobbying during 1999-2000 Fiskobirlik purchase period to lower the prices. In order to fix this situation the producer proposes that the Ministry let Fiskobirlik continue its purchases. The logic behind these demands is clearer in another correspondence of a producer who wrote: 'the loss of Fiskobirlik is the loss of the state. The loss of the state is the loss of this nation'.¹³

The representatives of the hazelnut business, however were asking the government to ensure that 'the state does not intervene' to the hazelnut market:

What is meant by 'market intervention' is a system where the state gets involved in trade and says that it will purchase hazelnuts from a certain price. These are subsidised purchases. This is state intervention, no matter is conducted through Fiskobirlik or by any other agency. We are against that, not just for hazelnut but for all other products for that matter. But in case the producers are left disadvantaged and cannot get the return for their labour, the state can provide them with direct support as much as the state budget permits. (Sabit Sabır, head of the Black Sea Exporters' Union, Ntvmsnbc, 2006)

Nevertheless, this struggle between farmers and exporters that has been going on for a long time around Fiskobirlik in various forms depending on specific circumstances each year, has not become apparent until the director of Fiskobirlik administration criticized the attitude of the government with a press release and called for the collective action of farmers to show their discontent.

I am calling on all the Black Sea people to be sensible in this impasse. The Black Sea region has no other livelihood but hazelnuts. Our direct producers should be sensible enough to assess who is against and who is for. We need to gather our forces against those who are dreaming of an easy pie. Underneath all that is happening there are plans for lowering the price of hazelnuts to 1 Dollar. The price of this year is also an indicator of the price of the 2006 crop. (...) Despite all these adversities we have not surrendered and we have to continue our struggle for the sake of our own future because we have no other livelihood than hazelnuts. We shall continue our struggle until we get what the direct producers deserve. The hazelnut producers are not asking for charity, but the return of the value of what they produce. We do not claim anything that is not our right from anyone. We

emphasize that we have no hazelnuts to give away.¹⁴ (Fiskobirlik Administrative Board, 2006)

4.3 The political Crisis and the Memorandum from Producers

‘There was only one thing that would have prevented the protests: a *coup d’état* taking place one night before’. Şemsi Bayraktar, head of the Union of Chambers of Agriculture. (Özkan, 2006)

Towards the end of the summer of 2006 (30 July) the new harvest season was approaching (September) as the political tension between Fiskobirlik and the government mounted. As indicated above, Fiskobirlik was giving signals of financial and political breakdown. This severely affected the prices in the market. The financial breakdown could be observed in Fiskobirlik’s difficulty in finding credits in order to make payments to direct producers for crops from the 2005 season. The political crisis manifested itself in the relations between Fiskobirlik, the direct producers and the government. The concerns about the prospects for the approaching harvest were intensified among direct producers. Fiskobirlik was unable to execute the payments to many direct producers for the previous harvest. How was it going to affect the purchases of the coming season? The direct producers called for the state to intervene in this crisis, but the Prime Minister chose to blame Fiskobirlik for the difficulties direct producers were facing. The crisis was in the first instance a political crisis.

The Chambers of Agriculture arranged a meeting to discuss the problems. The main organizers of the protests were the Giresun and Ordu Chambers of Agriculture. The head of the Union of Chambers of Agriculture also provided support. A prominent member of the Chamber of Ordu¹⁵ confirmed that the decision to organize a protest in the city of Ordu was in line with the demands of direct producers: ‘There was a demand coming from our members. (...) We are the representatives of direct producers’ (Interview, 2008).

The anatomy of the protest with its organizers, participants and goals will be discussed in Chapter 5. However, it has to be underlined here that the protests had strong linkages with the Fiskobirlik crisis and the political exclusion of direct producers in the design of reforms. In a way, producers warned the government to provide state support to Fiskobirlik.

At the gathering, 100,000 people marched in the streets of Ordu blocking the traffic for hours (27 July 2006) (Özkan, 2006). Not only was the size of protest significant, but also the force of the political content of the resulting memorandum. Due to the approaching elections in 2007, this memorandum became even more important. In the framework of the protests subsequent to the Fiskobirlik crisis, the contours of the political crisis became clearer than ever. It gave direct producers and the Chambers of Agriculture the opportunity to express their concerns and resistance to the restructuring process implemented by the government, as well as their views concerning the political struggle between different social actors in the hazelnut market.

4.4 The Political Crisis Subsides: Concession from the Government? A Brief Look at the Class Agency

Following the protests, the government appointed TMO, the state agency that used to be in charge of wheat purchases on behalf of the state, to replace Fiskobirlik. According to the decree (31 August 2006) TMO was to fulfil the same role that Fiskobirlik used to play in the hazelnut market, including regulating the market by subsidized purchases to direct producers, storing the excess amount to regulate the market prices and selling when prices are suitable or deciding to process hazelnuts for oil. This decision was not compatible with the promises the government made to the World Bank as the main target of ARIP was to abolish any indirect, direct intervention by the state in the market for supporting the agricultural products. In that regard, the decision of the government was a 'backward' move as it did not match any of the targets of ARIP nor the SAP after the 2001 crisis.

The head of the local Chamber of Agriculture in Ordu said that it was a concession made by the government to direct producers (Interview, 2008). Indeed, it was a concession from both the point of view of the IFOs and the direct producers. The government was forced to solve this political crisis, especially since elections were approaching. However, arguably, the government had chosen the lesser of two evils. It is true that the government's decision to appoint a state agency was contrary to the objectives of the reforms. ARIP documents had been criticizing Fiskobirlik for having become dependent on the state in its transactions and for departing from the principles of sales cooperatives by becoming far too bureaucratic and corrupted. However, the government always had

the option to back Fiskobirlik and provide support to overcome its financial problems, instead of appointing a state agency that was fully dependent on the government both in terms of decision-making and finance. The government seems to have chosen TMO because it did not want to empower an institution that cannot be always controlled. Furthermore it could be considered as a move to break the farmers' groups (class agency) further as they are represented in Fiskobirlik. As Fiskobirlik has representational power amongst hazelnut producing peasant groups its exclusion from the market may be considered as a move restricting farmers from being economic and political actors.

Therefore, it can be argued that, as a result of this political struggle, Fiskobirlik not only came out empty handed, but direct producers also lost the chance to have voice through the most active sales cooperatives' union of the country. Here, it is important to stress that the direct producers represented by Fiskobirlik were highly diversified, comprising well-to-do, middle and small hazelnut producers. This means that many different interests were at stake, a point which will be elaborated on in the forthcoming two chapters. But for even those who do not have a share in the hazelnut cooperative, it is possible to claim that they are indirect beneficiaries of the Fiskobirlik's regulatory presence in the hazelnut market.

Moreover, TMO did not have any of the expertise nor the infrastructure that Fiskobirlik possessed. The latter point was clear to the direct producers that I interviewed:

The TMO officers know nothing; they cannot even assess the type and quality of hazelnuts we bring to them. I am sorry that Fiskobirlik has lost its power in the market. I wish we had dealt with Fiskobirlik officials rather than having to deal with these people. (Interview in Giresun, 2008)

On the other hand, by the time the government had made this concession the board of administration supported by the MHP party had not been re-elected and was replaced with a board of administration supported by the party in power (AKP) (elected on 1 December 2007). This is significant in understanding the contours of the political struggle in the years following the reform process. The political crisis that erupted between Fiskobirlik and the government can partly be ascribed to the fact that the board of administration was from a different political party. As a result of this political crisis, the government also managed to

dominate the Fiskobirlik administration subsequent to the political crisis. The government's move to appoint TMO for hazelnut purchases was not only unexpected given the objectives of the reform, but also took actors in the market by surprise. Even TMO officials were stunned by it:

I heard about the government's decision to appoint our agency to enter the hazelnuts market on the radio, it was a shock. (Interview, Samsun headquarters, 2008).

Fiskobirlik officers were perplexed:

I still don't understand why the TMO has taken on Fiskobirlik's role. We have storage capacity, they don't. We have expertise, they don't. Now they have made a dress for us and they want us to wear this. But we do not know how to fit in this dress. Are we a private actor? If it is so, how are we going to support our members?

Following the decree appointing TMO, Fiskobirlik called on its members not to withdraw their support for Fiskobirlik:

We asked our members to bring at least a small amount of their hazelnuts so that we could continue functioning. (Interview in Samsun, 2008)

Fiskobirlik started announcing its own prices in 2006, but they were usually the same as those declared by TMO. Yet, as I shall discuss in the forthcoming chapters on the local dynamics of resistance, political support of the Black Sea villages, farmers for Fiskobirlik remained limited despite the fact that they were in favour of its regulatory role in the market. Nevertheless, even though direct producers started selling their hazelnuts through TMO, they were critical of TMO's lack of expertise compared to Fiskobirlik.

4.5 Conclusion

In this chapter, I tried to show the power struggle created around an institution that is subject to World Bank reform. The Fiskobirlik crisis reveals that social relations of production as well as forms of domination and resistance as experienced at the institutional level need to be taken into account when studying social change. This is because they not only explain the crisis clearer but also give insight into how the crisis is being dealt with in the society. However, it has to be noted that power relations are not fixed. This is not to say that social relations of production

change all the time, but the contradictions and tensions, and ultimately, crises, arise which are resolved in various ways within a changing political-economic context. Furthermore, the power struggle discussed illustrates that the economic and political spheres are inseparable.

As mentioned, World Bank reforms intended to make Fiskobirlik autonomous. It was argued that once the state stopped backing the payments of Fiskobirlik to farmers, government and political parties' attempts to use power through that institution would end. This has been proven wrong. Indeed, the government seems to have employed discursive tactics during the reform to exercise its power over the cooperatives.

The direct producers represented by Fiskobirlik (i.e. a group comprising well-to-do, middle and small producers) had to juggle between exporters and the government to set a price level that would allow them to make a decent living. This being said, because highly diversified direct producers are represented in Fiskobirlik and the institution is open to political parties' efforts to gain political power, the institution embodies some contradictions as well as some potential for political alliances. These contradictions will be discussed in the forthcoming chapters.

From the perspective of state–peasant relations, the restructuring of Fiskobirlik clearly implied a change in power relations in the hazelnut market, especially in the determination of prices. This is not to say that Fiskobirlik is the sole agent in state–peasant relations in hazelnut production. Other organizations may be formed in future to reverse the move of the government to reduce the influence of sales cooperatives in the price determination process. However, for the time being, it indicates what would happen in the absence of any state intervention, that is, that prices would be 'rationally determined' by the market. In the absence of a regulatory actor like Fiskobirlik in the market, it is more likely that prices will be lower than their actual potential. In this setting, Fiskobirlik would announce a purchasing price just like any other private actor in the market, determined by its autonomous decision-making process, namely its board of administration elected by delegates representing its members (i.e. direct producers).

As of the time of writing (2013) the crisis has subsided but the tensions and contradictions of the production process remain. Fiskobirlik has become a private actor indebted to farmers for the payments of previous years, and a new state agency under full control of the government has assumed the role of Fiskobirlik in the market. This concession was

unexpected, and was made only after thousands of hazelnut farmers took to the streets of Ordu to march in protest. Thus, the resistance of Fiskobirlik administration was followed with the resistance of the producers. In the following chapter I will study the protest of farmers, what they wanted and their relation to Fiskobirlik.

Notes

¹ All Euro equivalents of Turkish Liras indicated are based on the annual average Euro-Lira exchange rate published by the Turkish Central Bank.

² My translation from its Turkish original.

³ The Turkish Government erased six zeros from the national currency, which became effective on 1 January 2005, making 1 million Lira equivalent to 1 'New Lira'. This study also applies the calculation to the 'old' Lira figures up to 2004 for easier reference.

⁴ By May 2000 (year of enactment of law on Restructuring of Sales Cooperatives Unions) Fiskobirlik's debt was 147.9 million Lira. It was announced that Fiskobirlik would receive 53.4 million Lira from the Treasury, thus as a result of this deduction, only 94.5 million Lira of Fiskobirlik debt was cancelled.

⁵ My translation from its Turkish original.

⁶ As of 2001, the figures indicate a drastic appreciation of the Euro against the Lira. Turkey suffered a major economic crisis that year that was followed by an all-encompassing economic restructuring programme. The value of the Euro increased by 190.5 per cent against the Lira that year.

⁷ My translation from its Turkish original.

⁸ My translation from its Turkish original.

⁹ My translation from its Turkish original.

¹⁰ My translation from its Turkish original.

¹¹ My translation from its Turkish original.

¹² My translation from its Turkish original.

¹³ All of these citations are from letters (in Turkish) filed in the Fiskobirlik headquarter in Giresun.

¹⁴ My translation from its Turkish original.

¹⁵ For confidentiality reasons the name and position of this person are not given here.

5

Anatomy of Active Resistance in the Black Sea Region: Targets, Objectives and Participants

The objective of this chapter is to analyse in depth the protests that took place in the city of Ordu in 2006 by examining the memorandum hazelnut producers presented to the government following the Fiskobirlik crisis. The previous chapter provided a detailed analysis of the political and economic content of the Fiskobirlik crisis which reached its height by the end of 2005, and continued until a couple of months before the harvest of 2006. The crisis terminated following the memorandum of the farmers and the government's appointment of a state agency normally in charge of grain purchases. I argued that this concession was the lesser of two evils from the point of view of the government. By intervening in the market, the government reneged on its commitment to the reform agenda which was geared towards market liberalization. The alternative was to back the Fiskobirlik, the sales cooperative of the hazelnut producers. This decision of the government was not in the best interest of hazelnut producers. Through Fiskobirlik, the different peasant groups were at least indirectly involved in the political sphere, whilst the state agency did not represent farmer groups at all.

Insight into the nature of the protest meeting (specifically, its discourse, arguments, demands, targets, organisers and participants) is particularly helpful in understanding the political relationship among different actors (e.g. social groups, the government, union of sales cooperatives Fiskobirlik, World Bank, farmers' organizations, exporters' organizations) in the reform years after the Fiskobirlik crisis (until 2008). As discussed, the government adopted a twofold strategy to suppress resistance. On the one hand, it eliminated farmers' indirect influence on market decisions (at least those active in the cooperative) by not supporting Fiskobirlik and replacing it with a state agency and reorganiz-

ing/limiting the relations of farmers with the Chambers of Agriculture. On the other hand, it diminished the influence of farmers by establishing alternative platforms for dialogue between farmers' representatives and exporters within which the latter group actually played a dominant role. Examining what farmers protested against and they asked from the government will help to better understand the political strategy adopted by the government in relation to hazelnut farmers during the second phase of the reform (2006-2008).

First I give an overview of the participants and the objectives of the protest. A closer look at the social groups that joined and supported the protest provides insight into the class composition of the supporters. Ascertaining the objective of the protesters is important in clarifying the nature of the struggle of peasant groups. For instance, were they intent on overthrowing the government and/or changing the balance of power among different social groups as reflected in the state, and/or was their goal to change the balance of power within the policy determination process in favour of the direct producers in the Fiskobirlik financial/political crisis? The issue at stake is not only to identify the social actors in the protest but also to establish whether the protesters were aiming to change the reform policies in general, or responding to the political crisis of Fiskobirlik in particular. To gain clarity on this question, I will analyse the speeches during the protest. Furthermore, I will refer to some of the findings yielded by the semi-structured interviews I conducted with members of different social groups in the Black Sea region (2008).

The protest meeting was on the front page of newspapers and breaking news on television in those days (July 2006). I argue that the protest owes its success mainly to the fact that it was organized under the umbrella of the Chambers of Agriculture that gathered direct producers not only from the region, but also beyond. Due to the organizational characteristics of the Chambers of Agriculture, not only hazelnut producers from all strata of agrarian differentiation, but also farmers producing different crops in different parts of the country joined the protest. This has symbolic meaning in terms of the political alliances that forged between different peasant groups in the country. The support of other farmers implies that the crisis of Fiskobirlik was not viewed as the problem of only hazelnut producers in the market, but all groups of farmers regardless of how much hazelnut they produce, and the agricultural sector as a

whole. The protest can therefore not be reduced to a manifestation of the problems of a single region or single crop. Other farmers identified with the Black sea producers, also being exposed to the changing system of subsidies. The slogans shouted by the crowds indicated growing criticism against traders and the dominant role they played in the transformation of the subsidy system.

The second argument in this chapter is that an analysis of the protest shows that there was an attempt to affect a social compromise between the social groups whose interests clashed during the reform process. Exporters and direct producers were embroiled in a political struggle over price determination in the context of the Fiskobirlik crisis. However, an interesting and important element that has to be taken into consideration in this analysis of resistance is that the protest meeting received the support of local Chambers of Industry and Trade, representing the exporters of hazelnut. The support of the representatives of exporters for direct producers becomes significant in the changing context of the reform process. Until 2006, the effects of the reform process were largely restricted to producers. However, the protest meeting was a social eruption which required a broad social support. The need to get the consent of all social groups in hazelnut production as well as of other groups producing different crops became vital in order to make the voice of hazelnut farmers' voice heard nationwide.

Interviewees in the Black sea towns (Giresun, Ordu) defined the protest as 'a call to the government to embrace the hazelnut as a national asset'¹. This byword reveals the nationalist elements in their arguments, relegating class to a factor of secondary importance. At the same time, it also enabled the forging of alliances among social groups with different, and sometimes even clashing, interests (Laclau and Mouffe, 2001; cf. Harrod, 1987: 35). 'Embracing the hazelnut' implied many things. The first concerns national policy. The hazelnut is an export product that supplies 70-80 per cent of world demand. However, the head of the Union of Chambers of Agriculture, Şemsi Bayraktar emphasized that Turkey was incapable of forming pricing policies and imposing them on European buyers. Thus prices were determined by European buyers. This meant a lower margin of profit for domestic farmers whose production costs came quite close to the market price. Secondly, as a considerable source of export income, hazelnut is of crucial importance, both to

the country and the Black Sea region. It follows then that direct producers should be supported.

Thirdly, in the discourse surrounding the protest, it was emphasized that protesting groups were not against the government but against those who wanted to profit from the changes in the policies. They were not protesting merely in order 'to do politics'. Their only desire was that the government review the actual balance of power among social groups involved in production. The head of the Union of Chambers of Agriculture called upon the government to include the direct producers in the decision-making process. This implied that the crisis could not be solved by excluding direct producers from the reform process. This call highlights the essence of what the struggle was about among different actors and the focus of the protest. At the same time, caution on the part of protesting groups can be detected as they claimed that they 'do not do politics' and do not have anything against the government. (This recalls the dominant understanding of politics as being separate from economics which I have discussed in previous chapters.) In the process, the source of tension between different social groups in hazelnut production was revealed to be external actors, such as European buyers and their lobby groups within the country who, in this case, were some exporters who were engaged in short selling (*alivre*).

Lastly, what direct producers were proposing as the solution to the problem of the hazelnut market, showed that they did not reject the reform agenda as a whole. Instead they proposed a social compromise. It was clear that the main problem for direct producers was that the price was too low at that moment which led them to call upon the state to become an active actor again. They expected the state to embrace the sector and provide support to direct producers; the state was to dedicate more funds to support agricultural production, and increase input support. These complaints and demands were somehow expressed too vaguely. Indeed, these problems were not unique to the hazelnut sector, the entire agricultural sector in Turkey suffered from it. As a more specific policy proposal, Şemsi Bayraktar suggested that Fiskobirlik should manage its activities independently. However, if needed, DFIF credits should be made available. This was also prescribed in the reform agenda, and thus it was not a new or alternative proposal. Furthermore, Bayraktar argued that a new mechanism should be created to solve the problem of excess production. These last two points at least suggest that the rep-

representatives of farmers were open to social compromise. They acknowledged that there would be no return from some of the principles of the reform, but they were open to negotiation.

In the last section of this chapter, I shall discuss the anatomy of this resistance in relation to the political crisis following the Fiskobirlik crisis.

5.1 Conceptual Outlook of Resistance in Relation to Political Society

This protest meeting signified that the interests of some social groups in political society were being compromised and/or that these social groups were socio-economically deprived. The protest was a form of politics. Several other factors can be cited that induced these groups of farmers to attend the protest meeting. For instance it can be argued, there was a question of a political opportunity as political process approaches suggest. On the other hand, resource mobilization theories would propose that benefits were more than costs. Nevertheless, this section will concentrate on understanding how collective actors were formed around interests during the protest. This chapter will study to what extent material interests can be understood by investigating the politics of protest with its participants, leaders and objectives.

The previous chapter on the Fiskobirlik crisis shows that the interests of direct producers were severely harmed during the political struggle between the government and Fiskobirlik, to the extent that Fiskobirlik reached a point in July 2006 where it was not able to pay for hazelnut purchases of the 2005 season. Secondly, during this political struggle, the price of hazelnuts dropped in the market. The events leading up to the impasse between the Fiskobirlik administration and the government are discussed in the previous chapter. Fiskobirlik rapidly lost its credibility in the market and started signalling a financial breakdown. With Fiskobirlik's declining influence on setting the price of hazelnuts, it started to drop fast from 7.4 liras in 2005 to 5 Liras, then 2 Liras by the time the protest took place, whilst the production cost was 3 Liras. Dropping prices was a sign that farmers' economic interests were being side-lined. The concerns of direct producers were intensified by the fact that Fiskobirlik appeared not to be in a position to purchase the hazelnuts of the coming season (2006). In short, the material interests of small-scale producers were at stake.²

The city of Ordu is a centre of hazelnut production. Situated in the Eastern Black Sea region, Ordu provides not only good quality hazelnuts, but almost 30 per cent of hazelnut production (please see Appendices 4 and 5 for economic structure of the city). Together, Giresun and Ordu form the core of the politics of hazelnut production. Also, what makes both cities interesting is that the inhabitants of the surrounding countryside strongly supported AKP in the 2002 elections (which brought the AKP to political power). In the 2007 elections (a year after the protest) a slight decline in the popularity of AKP can be observed in these cities. The headquarters of Fiskobirlik are situated in Giresun, which is only 47,7 km from Ordu. Furthermore, the economies of these two cities have been dependent on hazelnut production for centuries, unlike Western Black Sea provinces which turned to hazelnuts in the 1980s. During my interviews I learnt that Ordu was chosen for organizing this protest because it has a larger space for such a gathering, as opposed to Giresun whereas mountains start right from the seaside in Giresun, leaving little space for such an assembly.

Chapter 2 showed that social groups and their representatives were not involved in the formulation or implementation of the reform policy. A similar type of exclusion characterized the restructuring of Fiskobirlik which brought on the political crisis. There were several attempts from both the Chambers of Agriculture in the Black Sea and Fiskobirlik authorities to negotiate with the government in order to overcome this crisis. However, all efforts through the usual means in political society such as lobbying, paying visits to Ankara, proved fruitless. In addition, the call of Fiskobirlik on state auditors examine its financial transactions did not resolve the situation, even though Fiskobirlik eventually proved that it was eligible for credits from the DFIF. Prices were falling, but the government neither intervened nor announced a solution despite calls from different groups of hazelnut farmers. Prices were falling mainly due to the fact that Fiskobirlik was being excluded both as an actor in the market and as a political agent because it was still considered indebted to state.

Indeed, all evidence shows that using the standard means of political participation and negotiation came to a dead end, which explains why direct producers took part in the protest meeting. However, there are some other important points to note in analysing the nature of these protests. Some protests target the government directly whereas some

others aim at groups with whom they are in struggle (Das, 2007). In order to differentiate the nature of the protest, both its social composition (i.e. which groups joined the protest in relation to what other groups and whether there were alliances) and its content (i.e. targets, objectives, discourse) need to be determined. These two can be uncovered by examining the slogans shouted by direct producers, as well as the speeches delivered by the participants during the protest. I shall also make use of qualitative data collected through semi-structured interviews during my fieldwork.

The second focus in this chapter is, as much as the slogans, the participants of the protests. Was this protest a gathering of farmers as direct producers? If so, what was the composition of this farmer group? Considering the fact that the hazelnut producers were highly differentiated, it is also important to establish which groups among the direct producers supported the protests. Or were there other groups involved in hazelnut production or other agricultural activity in the protest? In other words, what was the social composition of the protest meeting and what political alliances were formed? Finally, what are the implications of the social composition and the alliances that were forged over the demands expressed during the protest meeting? An in-depth analysis of the political positions of different interest groups involved in hazelnut production will shed light on these questions.

Lastly, marching in the streets is a way to give voice to political positions, but as the literature on social movements shows, there are several different ways to express political opinions. Below I will show that the protest meeting was not the only manifestation of the political struggle of the villagers; it continues to be an intrinsic part of their daily life. Furthermore, the everyday politics observed highlights the fact that even if there are converging interests among different groups of direct producers, their interests also diverge. Acknowledging this prevents us from analysing this protest meeting as a movement of a single social group – in this case well-to-do farmers – even if they are the ones who assumed ‘intellectual and moral leadership’. Furthermore, studying the resistance in the villages also shows that political action was directed also at state actors, either in daily discourse or through ‘dragging the feet’ attitudes to projects such as the alternative product policy (a part of ARIP which failed because, except for the large producers, farmers refused to participate in it).

The warning came from the core of hazelnut production. However, it was also supported by the periphery, that is, the hazelnut producers from the Western Black Sea villages. It has to be taken into consideration that the reform process pitted core and periphery producers against each other. The local dynamics of resistance differed according to the locality. Having no other alternative on the steep high mountains, the core had to continue producing the same crop whereas the periphery always had the option of switching to growing fruits and vegetables on the plains. By setting altitude as a criterion for alternative product component of the reform, the ARIP limited the beneficiaries of this reform component to the periphery.

This was not the first time people from the Black Sea region expressed resistance to political authorities. Previously, it pertained to prospective prices of hazelnuts for the coming season. During the rule of Demirel (in the 1970s), the Prime Minister made the dismissive remark that hazelnut was a 'mountain fruit' in reaction to which the Black Sea people marched the streets. This time, however, it was not only low prices that were at stake, but also the prospect of the state withdrawing its support of the hazelnut sector. In other words the factors leading to tension between the government and the Fiskobirlik which subsequently resulted with dropping prices constituted one reason of the resistance, and (as will be seen) the fundamentals of the ARIP as a socio-political project were also rejected which constituted another. Furthermore, the protest was a manifestation against exclusion from political/economic decision making and consequently, a rejection of ARIP.

5.2 Organizers, their Connection to Ankara and the Protesters: Organic Intellectuals of Resistance

The protest of 2006 was mainly organized by the two local Chambers of Agriculture in Ordu and Giresun. That these local chambers assumed the leading role is significant as it demonstrates several important points regarding the nature of the protest. Firstly, it shows that the leaders of the protest were the big hazelnut farmers. The local Chambers of Agriculture, especially in core towns such as Giresun and Ordu, were staffed by big landowners. Even though the protest cannot be described as a movement of big landowners, it was led by the big landowners.

Whilst the big landowners or well-to-do farmers did not constitute the majority in the Black Sea countryside, it is possible to argue that they were moral and intellectual leaders of this protest. According to resource mobilization theories (e.g. Jenkins 2008; Tilly et al. 1975; Tilly, 1978), movements are a matter of social and material organization. A movement depends on several factors, such as capacity, interests, resources, opportunities and ability to develop strategies for large-scale mobilization (Lindberg, 1994: 98). Since the big landowners were often employees of the local Chambers and Assemblies, it follows that they were well positioned to organize a large-scale movement. However, it has to be noted that whilst well-to-do farmers' economic power in the villages also led to political power, it was not a given.³ Usually those holding political power are well-to-do farmers whose main occupation is hazelnut production and they are relatively at a younger age. It looks like they owe their leadership not only to holding means of production but also to a 'moral and intellectual leadership' stemming from their professional background (i.e. they do not diversify their means of income too much) and age.

Furthermore, as I shall elaborate in the following chapter, well-to-do farmers' interests were at stake. They were selling their produce to the Sales Cooperative Fiskobirlik. Moreover, middle and small-scale producers were also beneficiaries of Fiskobirlik either directly by selling their produce or indirectly by benefiting from its effect over the market.

According to Dhanagare (1994: 87), there are two ways to detect the class composition of a movement. One is through head counting; the other is by analysing the demands and the ideology that informs these demands and establish whose interests are expressed. The headcount option is not possible in this case. It can however be said without hesitation that the protest meeting was not supported by well-to-do farmers alone. The data on the agrarian structure in the Black Sea region confirm this. Such a large number of people could not have been gathered from just one group of farmers. The interviews held in the villages showed that the protest meeting was also supported by middle- and small-scale producers.

The latter analytical option, looking at the ideological characteristics of the protest also supports the argument regarding the social composition of the meeting. The study of protesters' demands and the discourse of the protest meeting show that a populist ideology developed by well-to-do farmers was at work; that the interests and demands the protest

discourse articulated cannot be attributed to a specific class. Similarly, the characteristics of this ideological stance could also be detected during the research conducted in the villages with well-to-do farmers. Furthermore, it was possible to observe some commonalities with the dominant ideology contouring the SAPs starting in the 2000s. For instance, the articulation of demands and advancement of justifications such as ‘we don’t do politics’ also reflect a dominant understanding of politics. This is also seen in policy documents (of SAPs and ARIP) which present politics and economics as two separate spheres.

Another important feature of the leadership of this protest was that its leaders were originally from the core of hazelnut production. Furthermore the two Eastern Black Sea towns had always been politically most active cities when it comes to interests defined by the hazelnut production. Not only do Giresun and Ordu produce the largest share of hazelnuts, the fact that the economy of these provinces depends primarily on hazelnut production renders the inhabitants of these provinces natural/organic political leaders among all hazelnut-producing regions of the Black Sea. As a prominent member of the Chamber of Agriculture said (Interview, Ordu, 2008): ‘We have chosen Ordu. This is a place that produces the majority of hazelnuts, so we thought it would be a suitable place for the meeting’. In these provinces, all daily conversation leads to matters related to hazelnuts. The income of Ordu, just like Giresun, depends 80 to 90 per cent on hazelnut production. It is hard to find someone who does not own any hazelnut-producing land in these towns. Hazelnut producers are also consumers in these towns; stores cannot do business unless the individuals of the town generate an income from the hazelnuts they produce. Lastly, because hazelnut production has such a long history it is intrinsic to the culture of these cities. It not surprising that harvest time is also the time for weddings, when families are able to pay for the wedding with money earned from the yearly harvest. The chambers in the provinces of Turkey do not distinguish between crops. However, in cities like Ordu and Giresun where agricultural activity centres mainly on hazelnuts, the chambers naturally represent the hazelnut producers. Even in the peripheral regions of hazelnut production, like Samsun or Düzce, the spread of hazelnut production since the 1980s is such that the chambers in these regions nowadays also seem to be dealing more with hazelnut production than any other (fruit or vegetable) crop.

Thirdly, the organizers of the protest meeting were not limited to these provinces as all local chambers became aware of the protest and provided support for the core.

The local chambers were closely connected to the Union of Chambers of Agriculture in Ankara in their decision making. Without the cooperation and consent of Ankara it was difficult to organize a protest. Furthermore, Ankara played a moderating role among the different local Chambers of Agriculture. The centralized nature of the decision-making process was a result of Turkey's unitary, centralized state structure which is often compared to the French political system. This system apparently, as in the case of the organization of this protest, can also help to accentuate the unity of interests of direct producers in the country. The headquarters in Ankara indeed represented all the direct producers in Turkey, regardless of the crop they cultivated. Ankara also provided a platform for all local provincial chambers to discuss their problems and their actions. The support of the Union of Chambers of Agriculture in the case of the Ordu protest generated support from local chambers elsewhere, such as in the Aegean. All of the local chambers situated in the Black sea region were in close contact thanks to the umbrella provided by Ankara. The strategic role of Ankara became evident in the protest meeting, where the opening speech was delivered by the head of the Union of Chambers of Agriculture, Şemsi Bayraktar, who set the framework of the protest by asking the question 'Why have we gathered in this square?'

The success of the protest was due partly to the fact that it was organized by the Chambers of Agriculture of Ordu and Giresun, but also, as the leading members of both the Chambers of Agriculture in Ordu and Giresun emphasized, because the demand for action came from different strata in the peasantry, the majority of which were small farmers:

There was a demand from our members for such an action, (...) we decided that it was the right moment and place [Ordu]. (...) We have worked in collaboration with other Chambers of Agriculture and our headquarters in Ankara. (Interview, Ordu, 2008)

5.2.1 Different interest groups in the protest: political alliances among farmers?

This support from direct producers elsewhere in the country is significant in that it united all direct producers in the face of changing subsidi-

zation policies. In other words, the interests of hazelnut producers coincided with those of other groups of direct producers in the country.

That non-hazelnut direct producers joined the protest suggests that these farmers could identify with the fact that hazelnut producers' interests were being compromised and/or their exclusion from political decision making as experienced in the case of the Fiskobirlik crisis. This also applied the other way around (i.e. hazelnut producers in relation to producers of other crops). When I asked why other direct producers joined the protests the answer was 'the previous year, we supported the protests in Manisa (in the Aegean region). They wanted to reciprocate' (a farmer in Samsun Chambers of Agriculture, 2008). On 22 September 2005, around 60,000 people, including farmers from places such as Mersin, Adana, Konya, Muş, Tokat, Kastamonu, etc., gathered in Manisa under the leadership of the Chambers of Agriculture to call on the government to renounce IMF and WB agricultural policies (Özbakır et al. 2005; *Radikal*, 2005). During the protest, farmers shouted that they did not want to be burdened by debts and that they wanted to reap the benefits of their labour. In the case of Manisa, the head of the Union of Chambers, Şemsi Bayraktar, asked the government on behalf of the farmers to abolish the agricultural reform programme whereby subsidies to farmers were cut (TZOB, 2005).

According to Şemsi Bayraktar, the Ordu protest could be interpreted as a collective political demonstration of farmers' views regarding a certain policy process. Looking at the class content of this protest meeting, the fact that there were different producers producing different crops (and from different strata) tells us that a collective identity was formed among different producers sharing similar problems in relation to agricultural policies. Bayraktar explained that during the protest that had taken place the previous year in Manisa, the voices of farmers were not well heard and that the agricultural policies in Turkey concern all farmers. He described the effects of agricultural policies on Turkish direct producers, emphasizing deteriorating economic conditions and increasing production costs. He pointed out that the consequences were severe as they led to the desertion of villages, leading to demographic changes:

Hazelnuts are not worth a penny in the Black sea, nor fruit in the Mediterranean. In the east and south-east the milk, meat, cereals are not worth a penny. In the Aegean fruits, cotton, corn is not worth anything. In the Marmara region and Central Anatolia sugar beet is not worth a penny.

However the prices of inputs keep on rising. As a result, our villages have been experiencing very high migration rates to the cities during the last 25 years. In one year one million people have migrated to cities. (Ordu, 30 July 2006)

Another important feature of political alliances concerns the relations among different fractions/strata within the same occupational group. This is relevant and important firstly because all groups within the peasantry provided support to the protest. As several individuals confirmed, 'There were participants from all quarters, including small farmers' (Interviews in the Chamber of Agriculture, Ordu and Samsun, 2008). Secondly, although interests among different groups within the peasantry in the Black Sea region diverged, they also had common interests. More specifically, the price of hazelnut is a matter that concerned all producer groups in the villages, including big landlords, medium- and small-scale producers. As the interviews with representatives of the Chambers of Agriculture showed, 'those who suffered most were there'.

It is a known fact that the wealthier farmers were to benefit most from Fiskobirlik as they could afford to wait until the subsidized price is set whereas small farmers could not. The poorest farmers were therefore the ones forced to make a deal with small tradesmen. Seen in this light, it could be argued that wealthier farmers had greater interests at stake in the Fiskobirlik crisis than did small farmers. However, this argument does not mean that wealthiest farmers were the only ones to demand support to Fiskobirlik as a considerable number of medium- and small-scale producers were members of Fiskobirlik. Secondly, as Bayraktar asserted, it was not only those who were directly linked to Fiskobirlik that were affected. With the inability of Fiskobirlik to regulate the market, market prices in general went down. This had a negative impact on all hazelnut producers.

The new harvest season is about to start. But a considerable number of people have not received payment for the previous harvest. The cost of hazelnuts is 3.5 Liras but these days the price of hazelnuts in the market is below 2 Liras. (...) Let me give you the figures of 30 years ago. The price of fuel oil was 2.5 Liras whilst the price of hazelnut was 14 Liras. According to this rate, it was possible to purchase 5.5 litre of fuel oil with 1 kg of hazelnuts; nowadays it is not possible to purchase even a litre of fuel oil. The same goes for fertilizers. It was possible to purchase 10 kg of fertilizers

with 1 kg of hazelnuts whereas nowadays it is only 6 kg. (Bayraktar, Ordu, 30 July 2006)

Regarding the current problem, the government says ‘this does not concern us’. The problem is not only Fiskobirlik. It concerns all the direct producers, 500,000 producers and the 8 million people who make a living out of hazelnuts. Even the Black Sea tradesmen are closing down their shops due to the dearth of commerce. The hazelnut question is a countrywide problem and concerns the entire country. (Bayraktar, Ordu, 30 July 2006)

As mentioned, farmers from the peripheral provinces engaged in hazelnut production also supported the protest. The motivating factors for these direct producers in joining the protest in Ordu were different to those of the core. The potential for diversification of crops in the peripheral provinces was greater (mainly due to geography: plains in the west). In the core the situation was different; here it was a question of survival. Furthermore, as a prominent member of the Chamber of Agricultural Engineers (ZMO) asserted, the farmers’ transition component (alternative product project) of the reform ‘has successfully pitted producers of these two different regions against each other’ (Interview, Ankara, April 2009). As a farmer from a village in the core said:

They say there is an excess supply of hazelnuts. The West has many alternatives of production. They just won’t return to other products. They say that is why prices keep dropping. If it is true, these people are playing with our livelihood⁴. (Interview, Giresun Village, 2008)

Nevertheless, the production of hazelnuts united among themselves a considerable number of inhabitants from Western towns and villages: ‘From this province, I assembled enough people to fill ten buses’, said a prominent member⁵ of the local Chamber of Agriculture in Düzce, Gölyaka (Interview, 2008). Indeed, as I have explained, for people living in the western provinces of the Black Sea hazelnuts had become a matter of social security given that all other crops were more exposed to market fluctuations. A farmer from the west angrily explained the extent to which hazelnut production had become vital for them: ‘Are you saying we should stop producing hazelnuts? What are we going to produce instead? Hemp?’^{6,7} He continued apologetically: ‘I am sorry; I didn’t mean to be rude. I couldn’t help it, such matters gives me a headache’ (Group interview in a tea house, Çarşamba Village, 2008).

5.2.2 Interest groups other than farmers

There were other groups whose interests or political position did not necessarily coincide with those of direct producers but who attended the protest gathering in Ordu. Among them were representatives of the Chambers of Trade and Industry, Commercial Exchanges, Chambers of Craftsmen, and Associations of Village Headmen. The head of the Association of Village Headmen in Ordu said:

Count on us in all things that are for the benefit of the country and the nation, as long as they are legal. Why don't they support the farmers who can grow a single product in this area? (Ordu, 30 July 2006)

The participation of the Associations for Village Headmen and the Chambers of Craftsmen was not surprising as these people were also hazelnut farmers. What is more interesting is the support of the Chambers of Trade and Industry, as their members were in the opposite camp in the framework of ARIP. They were advocates of the reforms as defined in the World Bank programme. The objectives of these reforms were in their interest (see Chapter 4 on ARIP as a social project). However, there were differences of opinion regarding the approach to realizing the principles of the free market. They argued that importing policies without making social adjustments might cause problems.⁸ Indeed, the local Chambers of Trade and Industry and their members who dealt with hazelnut production and trade were well aware of the difficulties in the conditions in which hazelnuts were being produced.

We have said from the very beginning that the objectives of the reforms are what we have been advocating for a long time. Now, however, the way it was implemented offered no space for political reconciliation or economic adjustment on the side of direct producers. (Interview with the head of a hazelnut processing and trading company, Ordu, 2008)

As to why they supported the protests, the General Secretary of the Chamber of Trade and Industry in Giresun said:

Yes, we do believe that prices should be determined in the free market without intervention. But it is hard to say this in Giresun: this city belongs to hazelnut producers. The same goes for Ordu. (Interview, Giresun, 2008)

These statements make two important points. Although their view of how the market should function differed from the direct producers, they

were opposed to harsh measures considering the nature of the local economy. They seem to suggest that in view of the predominance of direct producers in local political society, they should not be marginalized. Put differently, the support expressed by Chambers of Trade cannot be interpreted as a political alliance based on the same causes as the Chambers of Agriculture but as a willingness to make compromises in order to overcome the political crisis.

From a different perspective, it could be argued that despite clashing interests amongst actors involved in hazelnut production (i.e. tradesmen, business and direct producers) the arguments of the nationalist bloc during the protest may in fact have opened a platform to impose free-market exigencies. This is because the nationalist bloc rationalizes the state as a neutral actor at equal distance to all parties and pictures the society in harmony instead of clashes of interests. This echoes what Evans (2005: 659 citing Ruggie 1982) calls embedded liberalism. Any reform process has winners and losers, but without the consent of the losers it may not be possible to implement reforms (see Evans, 1992; also see Haggard and Kaufman, 1992: 336; Kahler, 1992: 100). Also, the hazelnut market structure is especially suitable for the formation of a nationalist bloc. Tradesmen want to profit as much as they can in the domestic market so that in the event international buyers impose lower prices they are not in a vulnerable position. However, they also want bargaining power in the international market which is enhanced through uniting with farmers in pressurizing the state to formulate appropriate policies. In that regard, nationalist combination between local business and farmers is formed naturally.

This does not necessarily mean that tradesmen were rejecting the free market and its drive to lower prices. They may only have expected the state authorities to compensate the farmers' losses in a manner which did not interfere with the functioning of the free market. Either way, there are conflicting interests at stake, as the tradesmen are under price pressure from the Transnational Corporations (TNCs) and they need to profit from the share of farmers. The problem boils down to the question: who will get what? Can a compromise be found where tradesmen let go of their demand for lower prices and direct producers get a fair price? Is there a way for the state to compensate the losses of farmers without interfering in the market?

5.3 Targets of Resistance and Elements of Nationalist Discourse in Agriculture

In a way, the opening speech delivered by Bayraktar also captured the *raison d'être* of the protest. I shall group the main topics of this speech under four headings. These headings demonstrate the objectives of the resistance as much as the motivations for the protest: a criticism of the new agricultural policies in relation to rural development strategies; tension among different interest groups over the policy-making process which shaped policies harmful to direct producers; the pressing problems of very low prices, the deteriorating economic conditions of Black Sea direct producers and solutions advanced. These themes were brought together in a nationalist discourse that called for the protection of the country's interests against external actors who pressed for lower prices. These themes were situated are alluded to in the first paragraph of the speech of Bayraktar:

Why are we in this square? Because hazelnuts are our national and strategic product. We are in this square because games are being played with hazelnut producers and Turkish agriculture. We are in this square in order to bring those who play games down from the stage. We are in this square because in the saucepan of Black Sea households there is not food, there are stones. (Ordu, 30 July 2006)

5.3.1 'It is not about politics; it is about the interests of the country'

So why should the public care about the problems of hazelnut producers? Three main points were made during the protest which support the argument that the hazelnut question is indeed a matter of national importance. The first is that hazelnuts are key to the economy of the Black sea region. Almost the entire economy depends on the income from hazelnuts. Therefore it was not only the interests of direct producers or Fiskobirlik that were at stake, but the whole economy of the Black Sea region. On the other hand, there are always the interests of European hazelnut producers; importers thus benefit at the expense of direct producers in the hazelnut sector in Turkey. Secondly, to illustrate that this was about safeguarding the interests of Turkey, Bayraktar cited the income figures from hazelnut exports. A fact often repeated by advocates of hazelnut production in the Black Sea region was repeated: 'Hazelnuts

are the petroleum of the country and constitute 70-80 per cent of world hazelnut production' (Bayraktar, Ordu, 30 July 2006):

(...) The Black Sea means hazelnuts and hazelnuts mean the Black Sea. Playing with hazelnuts in an irresponsible way is playing with the economic prospects and hopes of 8 million people. We are protesting those who are after very high profits at the expense of crushing direct producers. The dropping prices of hazelnuts do not help anyone, only it causes damage to direct producers and thus to the country. (...) The hazelnut is the petroleum of this country. Unlike most industrial products, the hazelnut provides two billion Dollars of export income without any import costs. It keeps the Black Sea people in the villages, prevents soil erosion, creates employment opportunities, and contributes to the sector of transportation. Those who ignore these points are inadvertently making a mistake. (Bayraktar, Ordu, 30 July 2006)

Bayraktar emphasized at the beginning of this speech that the aim of the protest was not to engage in politics: 'We are not here to engage in politics but to call for the defence of the interests of the country'. 'We have done all that is necessary not to establish any connection with any of the political parties in the organization of this protest', said a prominent member of the Chamber of Agriculture of Ordu⁹ (2008). Apparently when speaking of 'politics', Bayraktar was referring to the activities of political parties. I observed a similar cautiousness in the interviews I conducted with members of Chambers of Agriculture elsewhere, such as in Samsun (periphery town):

The protest was not against the government. The government has misunderstood us. It was against the social groups that are trying to benefit from the government's policies. (Interview, Samsun, Çarşamba 2008)

I shall discuss this point later. Suffice it to say that generalizing the problems of hazelnut farmers by invoking the national interest could be interpreted as a strategy to gain public support. It is also indicative of an attempt to gain the support not only of different classes in the country, but also of other farmers producing different crops.

5.3.2 Whom to blame? Elements of social compromise between domestic actors

The most apparent problems with the agricultural policies were mainly the relation between production costs and prices in the market (that is

high costs and relatively low prices). Moreover, these policies were damaging not only the interests of direct producers, but also the interests of the country as a whole. This point was underlined several times during Bayraktar's speech, in which he presented these policies as the result of lobbying activities by some interest groups such as local business and trading companies. But, interestingly, he never specified who these groups were. He only referred to the alliance formed between them and the European buyers.

Who are responsible? As for hazelnut prices, until 2003 the increase in rates was below the level of inflation. And when after 2003 the price increase was above the inflation rate, some groups started to complain. They have argued: 'we are defending the hazelnut' but they then tried to pull down the prices. Are these people friendly to hazelnuts? Are these people friendly to the interests of our country? We are protesting against those who are hostile to the farmers and the country. This drop in the price of hazelnut is unprecedented in the history of the Republic. Even during World War II the price dropped from 40 Kurush to only 25 Kurush. (Bayraktar, Ordu, 30 July 2006).

(...) The current hazelnut policies have become a symbol for the abandonment of agriculture in the country. This is only beneficial for certain interest groups and European hazelnut importers. Unless this situation is remedied it will be impossible to harvest this season's hazelnuts. Because the cost of harvesting the hazelnut alone is 1 Lira.

(...) whilst hazelnut prices are flattened out, it is Turkey who should be setting the price of hazelnuts abroad. Turkey supplies up to 70-80 per cent of the world's hazelnut production and imports. (...)

The careful wording of the speech and the fact that Bayraktar did not explicitly name any particular social group responsible for policies harming farmers' interests could be interpreted as a willingness of farmers to negotiate a compromise.

5.3.3 Solution to hazelnut problem: an alternative project?

Now that the problem has been made clear, the question follows whether and which alternatives were proposed to solve it. It is particularly important to establish whether the solutions that were advanced could be considered new or an alternative to the existing social project as embodied within the agricultural reform. In this regard, Bayraktar

stressed the urgency of solving the current crisis. As the head of the Union of Turkish Chambers of Agriculture, he stipulated a number of important requirements.

The protest emphasized that there was an immediate need to intervene in the crisis of Fiskobirlik. However, Bayraktar seemed to shy away from openly defending the Fiskobirlik administration. Nor did he adopt a stance supporting the resistance of Fiskobirlik against efforts to restructure it in the ARIP framework. Instead, he proposed that Fiskobirlik first try to overcome its financial problems with its own resources, although it was a known fact that Fiskobirlik was not able to pay its debts to direct producers. If that proved impossible, Fiskobirlik should be given the right to benefit from DFIF credits as it did during the restructuring period. A number of explanations can be advanced for this strategy. It appears that a concerted effort was made to present the objectives of the protest in as general terms as possible, whilst proposing specific technical solutions. This seems partly due to a certain fear to back Fiskobirlik openly, given that the crisis was considered a highly political issue between the government and Fiskobirlik.

Besides the financial problems of the sales cooperatives, a related problem was overproduction of hazelnuts and how it could be solved. Indeed, a crucial role Fiskobirlik had been fulfilling was to purchase excess hazelnuts so that prices would not get out of hand. A high rate of production had already been estimated for the coming harvest season. But Fiskobirlik was in a crisis. As a solution, Bayraktar called for a new body to be established and he proposed that the existing storage capacity of Fiskobirlik be used. Last but not least, the political struggle between different social groups should be mediated:

(...) Fiskobirlik should be given priority in efforts to fix the hazelnut problem. Fiskobirlik first should try to solve its own problem with its own means. If this is no longer possible then Fiskobirlik should be brought under the DFIF umbrella so that it can profit from the credits of this fund. From now on, in order to secure stability both in the domestic and the international market, a body in charge of stocks should be established. This body should function as a regulatory agent in the market during years where there is an overproduction of hazelnut. In this matter, Fiskobirlik and licensed storage places could be considered. Absorbing the excess supply from the market will not only help to stabilize the price during years of overproduction but will also balance the years of low productivity.

The government is not a place for groups to voice their complaints but for bringing in solutions. This problem can be overcome with the cooperation between tradesmen, farmers and the government. The hazelnut question should not be approached from the standpoint of short sellers¹⁰ (*alivre satış*).

Indeed, short selling was a problem shared by tradesmen and farmers; a unifying factor between two groups whose interests were otherwise in conflict. Short sellers curbed tradesmen in selling hazelnut at higher prices to European buyers. This brought about serious complaints as it put farmers into a most difficult position obliging them to engage with buyers before the harvest at a much lower price than the actual market price. Short selling had been a problem since the early times of the Republic, before the establishment of Fiskobirlik. Indeed it was in response to this issue that it was decided, at the Conference of Hazelnuts in 1935, to create an institution like Fiskobirlik.

5.3.4 Call for the state to re-enter the scene

An important question is who should take responsibility for solving the predicament of the farmers and Fiskobirlik's financial difficulties. According to Bayraktar, the hazelnut question could not be solved without the intervention of the government. Together with the lobbying groups it was the government that was responsible for the low prices. Accordingly, he argued that the state should assume responsibility for resolving the crisis. With the retreat of the state, new actors enter the scene. By different actors, he seemed to refer to either social groups that were already involved in hazelnut production (but more or less were balanced against farmer groups by the state) or different institutions such as regulatory boards. Accordingly, these actors may only serve to exacerbate the problems of direct producers and the hazelnut production. In this picture, the state was considered neutral as an actor responsible for balancing opposing groups.

We are approaching a new harvest season. If the problem is not solved now, it will become bigger. The problems of Fiskobirlik should be solved as soon as possible and a body should be designated to take charge of the stocks in the wake of a harvest that we expect to be very abundant. The prices are right now as low as 2 Liras. The 3.5 Liras of input costs should be taken into account and prices should be regulated so as to protect and satisfy the direct producers and thus to secure price stability. The quarrel

[read: political tension] over hazelnuts should end. And it is time those lobbies which aim to provide cheap hazelnuts for Europe start behaving in a reasonable way.

The state therefore had a vital role to play. As Bayraktar pointed out, hazelnuts were of strategic importance to the national economy, thus it had to be subsidized: 'In the case of a crop like hazelnut which is capable of generating US\$ 2 billion in national income and which concerns the livelihood of 8 million people, direct producers of this crop should be both protected and subsidized. If the government makes a positive statement about hazelnuts, the price will go up to US\$ 10 and the shelled hazelnut in the domestic market will be 6 Liras' (Bayraktar, Ordu, 30 July 2006).

The expectations of direct producers of the state were not limited to subsidies. The state was also to create a platform which would facilitate the reconciliation of the interests of direct producers, and which would serve as an arena for the systematic (re)presentation of their interests. In other words, it was not only financial support, but also dialogue and consultation that the direct producers demanded. This is a pertinent point, as the representatives of farmers were excluded from the reform policy process.

(...)The government should not only listen to European buyers and their representatives, but also to the patriotic experts and direct producers and their representatives, that is the Union of Chambers of Agriculture and the Chambers of Agriculture. (...) there is no alternative other than the government embracing the hazelnut sector. The task of solving the hazelnut question belongs to the state. Everybody should acknowledge that inviting new actors to the scene does not help in solving the problems. These institutions have good intentions. Nevertheless, the government should bear in mind that problems can be solved only in a new system where direct producers, who know this product best, participate. Otherwise this is going to be just like Turkey's problems being discussed in international platforms where Turkey is not asked to participate and this is unacceptable. (Bayraktar, Ordu, 30 July 2006)

5.4 Conclusion

Several important points regarding the political position of farmers in Black Sea region can be noted from the study of the protest of hazelnut producers in Ordu.

The protest can be considered as the inevitable outcome of the Fiskobirlik crisis and how policy was implemented during the first phase of the reform process. Indeed, the message of the farmers was that they expected more representation in policy formulation and implementation, as well as more financial support. However, had these demands been presented merely as an issue of hazelnut prices, it would not have resonated as widely nationally, nor would it have prompted the government to make concessions. The success of the protest was ultimately determined by the fact that the problems of hazelnut producers were situated within a broader context, and thus presented as a matter of national interest.

Whilst opening up a space for forging political alliances, one could also argue that, from a certain perspective, the protest lost its revolutionary potential. The real source of the political tension was external actors, European buyers in particular, and global accumulation dynamics in general. The pressure on prices came mainly from European chocolate manufacturers. The strategy employed in the protest could thus be criticized for not directing resistance at the source of the problem, namely, those European companies. The problem was framed as a national one and the resistance was manifested in the form an alliance between farmers' groups and the local commercial bourgeoisie. Indeed, although not openly, there were also (unsurprisingly) domestic actors arguing for more liberalization and even lower prices.

The fact that the leaders of the protest adopted a rather nationalist discourse seemed to downplay inner class interests and struggle. For instance the local commercial bourgeoisie was arguing for lower prices whereas tradesmen (middlemen) had interests in subsidized prices. Similarly, all farmers had an interest in subsidized prices, but small farmers were only indirectly benefiting from these prices. This in turn can be attributed to the employment of a populist ideology developed by the leaders of the protest. According to Laclau (1977, 1985), as noted earlier in Chapter 2 the characteristics of a populist ideology are as follows: There is an ingrained hostility towards the status quo; a mistrust of tradi-

tional politicians; an appeal based not in class identity but in 'the people' or 'the masses'; and an anti-intellectual disposition. That no appeal to class identity was made provides further evidence of a populist ideology at work in the protest discourse.

This particular discourse that emphasized national interests rather than the interests of a certain social group also enabled leaders to bring the case of the farmers to the attention of the public, thus generating more, if indirect, support from Turkish society. The new space of support was broader than what direct producers in Turkey constitute, namely the nationalist bloc that was already formed against the detrimental effects of SAPs in the country.

These two approaches recall the debate between two Marxist positions which we already discussed in Chapter 2. The first, mostly drawing on Lenin, holds that progressive movements exhibit themselves in the form of class struggle, whereas the second, Gramscian approach holds that class struggle can take the form of alliances. Because it is a way to transcend the material conditions of social groups, resistance organized around nationalist and national popular demands of social groups has the capacity to subsume differentiated groups such as renting or self-employed farmers and unorganized wage workers under an ideology promising a better society, individual salvation or national liberation, or more power for ethnic groups or women. Uniting under a larger umbrella of ideology, in other words, through universalizing their cause, different groups with particular interests in common acquire more support and become stronger.

The fact that farmers in Turkey are not inclined to protest and that they are perceived to lack the capacity to organize may lead one to view this incident as an anomaly (cf. Evans, 1992; Heper, 1985).¹¹ These assumptions have several implications. In the first instance, because of the unorganized and fragmented nature of Turkish farmers, the protest could be treated solely as an organization of the Chambers of Agriculture. However, even if the Union of the Chambers of Agriculture had been the organizer of the protest, the farmers could have chosen not to support it. This has been the case at different times in the history of farmers' protests in the country where not all farmers joined a protest. As the forthcoming chapter discussing the dynamics of political resistance at the village level shows, it is a matter of calculation but also of the perception of the world they live in, and not necessarily lack of po-

litical consciousness (cf. Harrod, 1987: 35). Secondly, the impact of the protest was strong as it changed the course of the reform process. This suggests that farmers' capacity to organize was in fact sophisticated enough to trigger a counter-movement from the government. The reaction of the government to the protest shows that the warning given by the producers was taken seriously. Furthermore, after the protests, the cause of hazelnut producers was heard countrywide and it made headlines in most news reports. Some newspapers (e.g. *Radikal*) even considered this protest as a sign of an approaching social explosion in the country in reaction to the structural reforms of the government.

As I have shown in this chapter, the fact that the protesters adopted a nationalist stance which shifted the focus from their immediate economic interests does not imply that material interests were not at stake. It was made clear that declining prices were harming the economic interests of farmers. This was a strong signal to the government that should it choose to pursue the reforms in its current form and thus benefit the traders at the expense of the direct producers, it would lose the support of the farmers in the approaching elections (2007). However, the meeting did not produce a clear alternative plan of new relations between the state and the farmers. The protesters shied away from pressing the government to support Fiskobirlik. There were specifications about the type of support they expected, but they were not any specifications about on what kind of institutional framework new relations should be built upon. The call for establishing a new mechanism to regulate overproduction does however point to a demand for a regulatory agency.

Signs of changes in the political strategy regarding the implementation of the reform can be deduced from the immediate action taken by the government. On 8 August 2006 a hazelnut summit was held in the offices of the Prime Minister. The summit was attended by Deputy Prime Minister Abdüllatif Şener, State Minister Ali Babacan, State Minister Kürşad Tüzmen, Energy and Natural Resources Minister Hilmi Güler, Minister of Agriculture and Rural Affairs Mehdi Eker, Minister of Industry and Trade Ali Coşkun and Minister of Public Works and Settlement Faruk Özak. Interestingly, the Treasury, the dominant policy actor of ARIP, was not among those invited. Indeed, following the protests, the MARA became an active actor again for the remainder of the agricultural reform years. As a result of this meeting it was announced: 'Considering the demand of Fiskobirlik authorities, and in order to compensate the

losses of hazelnut farmers, a new agency is to be appointed to undertake subsidised purchases. The operation will be directed and implemented by the MARA'.¹²

The government pursued a twofold strategy to restrain further resistance. On the one hand, it punished¹³ the Chambers of Agriculture by making changes in the law regulating the activities of these chambers that made membership for farmers. On the other hand, it brought another agency to get involved in the market. In addition, it enacted the Law of Agriculture, a first in the history of the Republic, in an attempt to formulate a national plan for agricultural policies which envisaged the establishment of a National Council of Hazelnuts. The council established in 2007 provided a so-called platform to involve farmers in the policy-determination process (although in practice this platform has served mainly to reinforce the dominant position of exporters). The significance of these changes in strategy in the socio-economic context of Black Sea villages will be elaborated on further in the following chapter.

Notes

¹ Translation in Turkish 'findığa sahip çıkmak'.

² Please see the graph in Chapter 4 showing prices and costs. The graph shows the attempt of Fiskobirlik to provide a beneficial price to hazelnut farmers in 2005 and how the price dropped by 2006.

³ According to Marx (1867), owning means of production leads to political power. In Weber (see also 1946: 47), not only economic resources but also status groups and parties are important determinants of political power (i.e. social resources such as education). However for Gramsci (1971) organic intellectuals and moral/intellectual leaders do not necessarily hold economic power nor education. They simply need to 'organically' be part of the class in question to be able to create solutions or produce critical approach.

⁴ Translation from Turkish, 'ekmeğimize düşman'.

⁵ For confidentiality reasons the name and exact position of this individual are not given here.

⁶ Translation from Turkish, 'fındık ekmeylim de kendir mi ekelim?'

⁷ The cultivation of hemp is limited and can be only produced under the strict control of the state.

⁸ See report of head of local Chamber of Trade and Industry, Ordu, 'Ezberi Bozmak' ['To Abandon Established Practice'] (2008).

⁹ For confidentiality reasons the name and exact position of this person are not given.

¹⁰ Short sellers are traders who make a deal with international buyers in advance of the harvest season, before buying the hazelnuts, on the basis of prices usually set by the buyer. These sellers in turn press for lower prices.

¹¹ This argument could be considered in the same line as statist institutionalists' analyses and opponents of the centre-periphery approach in Turkish literature. For instance, Evans (1992: 179) studies the relation of social groups to the state as malleable coalitions controlled by the state. For this reason the resistance of social groups is limited. Heper (1991) and others from the centre-periphery approach, argue that social groups are scattered and oppressed by the state.

¹² According to the law TMO is 'ilgili kuruluđu' of MARA, in other words affiliated to MARA.

¹³ This also seems to be the perception of other chambers. Please see the example I quote (page 199) in this study, suggesting that other chambers located elsewhere also feel they had lost their political credibility *vis-à-vis* the government following the protest.

6

Politics After the Protest and Local Dynamics of Resistance

The objective of studying politics after the protest and the local dynamics of resistance in the Black Sea is twofold.

In the first instance, focusing on the daily politics in the villages from a perspective of resistance and dominance reveals the inner struggles and differing interests among different strata of peasantry which were not necessarily visible during the protest. As I have shown in the previous chapter on the anatomy of the protest, the ideology and demands articulated during the protest do not lead one to associate this movement with any specific class interest. This is also because an alliance among different groups of farmers and the commercial bourgeoisie had formed during the protest meeting. In order to understand the response of the government and the future of resistance, the inner tensions need to be uncovered (i.e. differences and similarities in interests related to hazelnut production).

In Chapter 1, I argued that there is a need for bottom-up research in order to understand the social basis of resistance, as in the case of the Fiskobirlik crisis and protests that followed. This is an attempt to understand the social roots of the events I have described and analysed. In theoretical terms, raising questions of political consciousness in the villages of the Black Sea region is an attempt at ‘appreciating the common terrain dialectically occupied by both structure and agency’ (Morton, 2007: 174). As Gramsci affirms:

Historical and contemporary research needs to incorporate, as much as possible, a consideration of the mentalities and ideologies of subaltern classes, their active as well as passive affiliation to dominant social forms of political association, and thus their involvement in formations that might conserve dissent or maintain control. (Gramsci, 1971: 52 as cited in Morton, 2007a: 174)

This calls for a discussion of the perceptions of different groups of farmers about the world they live in which, in turn, will shed light on the ideational dynamics of resistance and forms of domination prevalent in the villages. In this way, the picture of the interplay between agency and structure in the context of the reform process also becomes more complete. In the second section of this chapter, I discuss the perceptions of national politics of differentiated peasantry and their attitude towards the Chambers of Agriculture, state authorities and other social groups involved in production (i.e. small tradesmen in the village, exporters and European companies). I show that there are several strata of peasants and different levels and types of political consciousness among the different groups of farmers. For instance, the big farmers producing huge amounts of hazelnuts subscribe to a different path of resistance to small-scale producers. At the same time, the level of political consciousness among small-scale producers varies. Despite such diversity, the dominant perception among villagers is that politics is an activity that political parties engage in; a sphere 'ordinary' individuals should rather not get involved in. Moreover, studying the aftermath of the protest contributes to a better understanding of the actual outcome of the protest. In the previous chapter, the topic of discussion was the objectives of the protest. It has to be seen what changed after the protest and whether protesting farmers were successful in achieving their goals. In that regard, not only the changes in state policies after the protest but also the material conditions of farmers have to be examined. The objective is to situate the struggle of small-scale farmers and the contradictions stemming from differences between their material conditions and those of others in hazelnut production in a dialectical framework of resistance and domination. The first section of this chapter deals with these aspects and the local dynamics of resistance during and after the protest. I show that the income of small-scale producers continued to decrease after the protest. However, had the protest not taken place, the level of impoverishment could have been worse. In other words, the success of the protest was that it slowed down the process of impoverishment set in motion by the reforms. Furthermore, the struggle, inherent tensions and contradictions in hazelnut production continued in the years to come.

The third section is dedicated to changes in the strategy of state hazelnut policies. In the second round of agricultural reforms the strategy was twofold; one pertaining to representation and the other to redistri-

bution. On the one hand, representative agents were further excluded whilst a new body was formed representing all social agents together (i.e. exporters and farmers). On the other hand, direct income support payments were used to further clientelist relations with small-scale producers. Overall, the government's changing domination strategies in villages were formulated on the separation of economics and politics and they served to further depoliticize the village. The villagers' perception of politics had further implications for the dialectics of state-peasant relations, in general, and in the context of reforms, in particular. A similar understanding of politics was also observed in the ideational parameters of SAPs in Turkey, following the 2001 crisis as discussed in Chapter 2.

6.1 State and Market: The Changing Balance of Power

6.1.1 Effects of the protests on the material conditions of small-scale producers

One important question that remains to be discussed about the protest was how the outcome of the resistance affected the material conditions of small-scale producers. That is, did the protest have a positive impact on the income of farmers, or has this event reversed any of the trends that protesters in Ordu were complaining about? In order to respond to these questions I shall examine the terms of trade (TOT) for hazelnut producers and the share of hazelnut producers of the exported prices.

The terms of trade show the ratio of changes in producer's prices (that is the price farmers get) according to a base year to changes in what farmers pay for their living (preferably in the form of index). In terms of the distribution relations in a society, the course of terms of trade in an agrarian structure dominated by the market-oriented small-scale producers (petty commodity production) shows the magnitude of compression of direct producers (in other words the exploitation rate) through the retroactive market connections. More precisely, the internal terms of trade show the changes happening in the margin between gross production value that peasants get and their non-agricultural expenditures (consumption function).¹ (Boratav, 2007: 1)

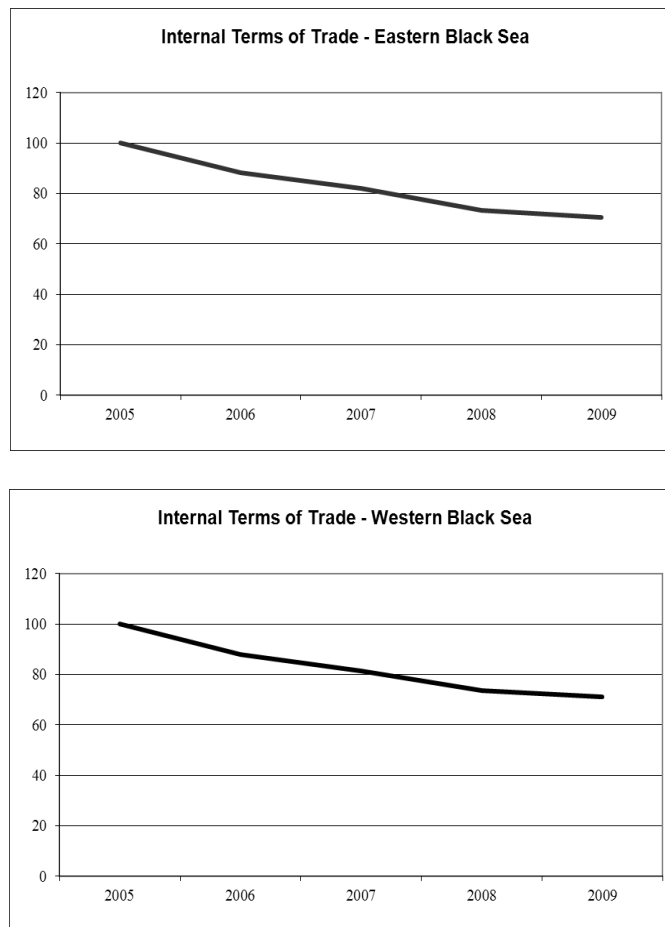
For the farmers of the Black Sea region, I have calculated the ratio of producers' price index for hazelnuts to the consumer price index for the western Black Sea region and the eastern Black Sea region from 2005 - 2009. The Turkish Statistics Office publishes consumer price indices

based on different baskets of products for groups of cities in the Black Sea (base year: 2003). For the Western Black Sea region, I have included the Producers Price Index of the following cities: Samsun, Tokat, Çorum and Amasya. For the Eastern Black Sea region, I have included the Producers Price Index of Trabzon, Ordu, Giresun, Rize, Artvin and Gümüşhane (please see the map 1.1 of Turkey in the Chapter 2).

In Figure 6.5 (calculated with the data just described), the consistent decline in the real incomes of small-scale producers (as reflected in declining terms of trade) can be observed in both the western Black Sea region and the eastern Black Sea region (2005-2009).

However, hazelnuts are an export commodity, and development economists often view the share of direct producers in unit export values of such commodities as an indicator of the distributional consequences of trade. The share of peasants in the export price shows to what extent the struggle between exporters and farmers ended in favour of farmers. Exporters aim to profit from the difference between unit export prices and the domestic price paid to the producers. This is why exporters have been arguing for lower prices; for instance during the Fiskobirlik crisis whilst farmers' representatives were insisting on higher prices that would at least cover production costs. It has to be noted that both farmers and exporters are under the price pressure imposed by the European companies. In other words, the share of farmers of the export prices shows in whose favour this struggle is taking place at the national level under the world hazelnut prices imposed by European companies. I have calculated the producers' share of export unit price (dollar/tonnes) using FAO statistics. When converted to Turkish Lira, the producers' prices for hazelnut (dollar/tonnes) are in line with the Turkish Statistics Office producer prices of hazelnuts.

Figure 6.5
Internal terms of trade Eastern and Western Black Sea (2005-2009)



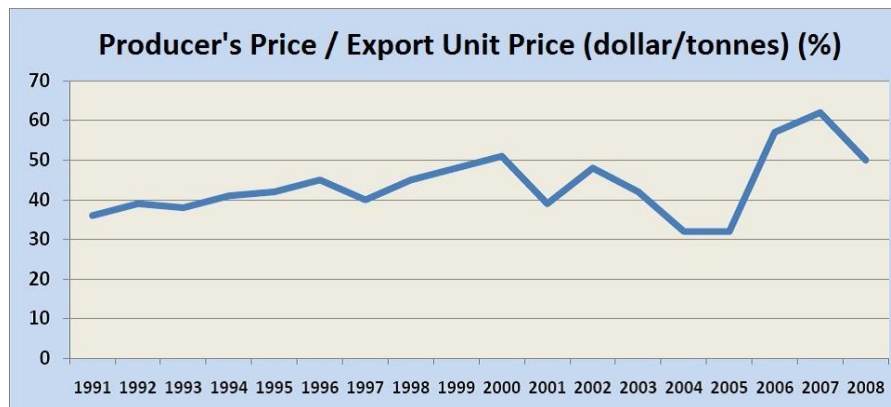
Source: My calculation based on data obtained from the Turkish Statistics Office.

Note: Ratio of producers' price index for hazelnut to consumer price index for Black Sea.

Figure 6.6, which shows the percentage of changes in the scissor between producers' price and the unit export price (dollar/tonnes), indicates that there was a remarkable increase in the share of producers in 2007. This level is even higher than the average of the ten years period. Notable is that this increase occurred one year after the protest and also

in the year elections took place. In 2008, the share started to decrease again, as the graph shows. Two points can be deduced from this.

Figure 6.6
The share of producers in export price (1991-2008)



Source: FAO Statistics

In the first instance, the protest was influential in changing the course of the price struggle between exporters and farmers in favour of farmers. In the second instance, in view of the decreasing terms of trade in both the Western and Eastern Black Sea region, it is reasonable to conclude that the rate of impoverishment for hazelnut producers could have been worse had the protest had not taken place. The explanation of this argument in economic terms is as follows:

The share of hazelnut prices received by farmers per kilogram in unit export price in 2004 and 2005 was 0.32. In 2006 and 2007 their share rose to 0.57 and 0.75 respectively. As an index with base year 2005, this is an increase in the share to 181 in 2006 and 236 in 2007. We see that the unit price of hazelnuts received by farmers in Turkish Liras declined in 2006 from 8448 TL to 8134 TL and in 2007 it rose slightly to 8210. However, because of the inflation in consumer prices, internal terms of trade deteriorated during these years. Still, the agitation by farmers may have prevented a more dramatic deterioration in the terms of trade against them. If the hazelnut exporters had been successful in lowering

the TL price of hazelnuts proportionately to the declining export prices (thus keeping the ratio of the price received by farmers to unit export price at 0.32 as in 2004-2005), then the terms of trade for hazelnut farmers would have declined to 48.6 instead of 88.24 in 2006, and to 34.89 instead of 82.02 in 2007.

Table 6.2
Terms of trade if unit export price remained constant at 2005 level

	Price of hazelnuts (Lira)	CPI (2003=100)	TOT (2005=100)	Index of price in unit export price (2005=100)	TOT if share of price in unit export price remained constant at 2005 level
2005	8448.322309	120.61	100	100	100
2006	8134.014385	131.6	88.24	181.40	48.64
2007	8210.704317	142.91	82.02	235.77	34.79

Source: My calculation based on data provided by the Turkish Statistics Office

6.1.2 New state actor(s) in the market

Following the protest meeting, the state intervened in the market when Fiskobirlik was about to collapse. It can be said that this introduced a new actor on the scene of hazelnut production. Furthermore, the actors in the state apparatus in charge of reform implementation also changed.

In the aftermath of the protest meeting, Prime Minister Recep Tayyip Erdoğan called for a 'hazelnut summit' 'in order to evaluate latest developments and to discuss measures to prevent unjust treatment of direct producers' (8 August 2006). The summit was attended by Deputy Prime Minister Abdüllatif Şener; State Minister Ali Babacan, State Minister Kürşad Tüzmen; Energy and Natural Resources Minister Hilmi Güler; Minister of Agriculture and Rural Affairs Mehdi Eker; Minister of Industry and Trade Ali Coşkun; and Minister of Public Works and Settlement Faruk Özak. As noted earlier, the Treasury, the dominant policy actor of ARIP was not among the attendees. Indeed, following the protests, the

MARA became an active actor in the remaining years of agricultural reform. As a result of this meeting it was announced: 'Considering Fiskobirlik authorities' demand for the compensation of the loss of hazelnut farmers, a new agency has been appointed to undertake subsidized purchases. The operation will be directed and implemented by MARA authorities'. Furthermore, the establishment of a licensed storage system was agreed upon. The Ministry of Industry and Trade was appointed to take charge of this.

The TZOB (The Union of Turkish Chambers of Agriculture) had several reservations about the announcement of the Prime Ministry. According to the announcement, the Soil Products Office (TMO), usually in charge of purchasing wheat, would be in charge of future purchases (as of 15 September 2006) of the hazelnut harvest. Furthermore, in so doing, it would make use of the expertise and storage facilities of Fiskobirlik.² The TZOB objected that it had not been announced how much produce was going to be purchased, what the purchasing price would be, when payments would be made, how the purchased hazelnuts would be evaluated and how these purchases would be financed.

In its press statement, TZOB stated:

TMO is going to enter the hazelnuts market as of 15 September.³ This is not going to bring stability to the market. Hazelnut prices should be announced before the season starts so that direct producers can make their calculations. Considering the fact that half of the hazelnut yield will come to the market by the date announced, this means direct producers are on the hook of tradesmen. We shall not sell our hazelnut at a low price. For this reason, in order to slow down the hazelnut supply, if necessary we shall visit every village and alert our farmers. The short sellers will take advantage of the situation and they will purchase whatever they need from the market and export it at the price they want before 15 September. This decision of the government favours the short-sellers, import firms and the Italian President Berlusconi.⁴ The government says TMO will make use of Fiskobirlik experts and storage facilities. How was that announced before reaching an agreement with Fiskobirlik? If Fiskobirlik does not agree, how is TMO going to make its purchases and store the hazelnuts? We said the government was dependent upon Fiskobirlik to be able to make this purchase. Indeed, we were right. If Fiskobirlik does not say 'yes', the government cannot purchase hazelnuts. Turkish farmers are on the alert now; we

shall prevent the Europeans and traders from exploiting us. (TZOB website, 2006)

Indeed, what TZOB had predicted, TMO's presence in the market did not stabilize the prices. In 2006, following the financial breakdown of Fiskobirlik, prices in both domestic and foreign markets declined and direct producers were obliged to sell their hazelnuts either below, or close to, production cost. Following the decree of 13 November 2007, TMO was appointed to purchase hazelnuts from the 2005 and 2006 season with warehouse receipts. To overcome the negative effect on price stability created by overproduction, TMO purchased 162 tonnes hazelnuts from 2006/2007 production season. In 2006, TMO, entrusted with the purchase of hazelnut for the first time in the Republic's history, announced the price at 4 Liras. In 2007 TMO adopted a gradual price increase policy (i.e. differential pricing policy) calculated on the basis of factors affecting the price and announced its first purchase at 5.15 Liras. Table 6.3 displays the purchasing prices of Fiskobirlik and TMO.

Table 6.3
Hazelnut purchase prices and production costs (kg/YTL)

Year	Price	Increase (%)	Cost* (TL)	Production (Tonne)
2002	1.61	-	2.04	600,000
2003	2.50	54.80	2.60	480,000
2004	5.15	102.00	3.69	350,000
2005	7.40	47.50	4.30	530,000
2006**	4.00	-46.30	3.54	661,000
2007**	5.15	26.25	4.59	530,000
2008**	4.00	-22.33	3.54	800,000

Source: Fiskobirlik, TMO.

Notes: Prices in question are for Giresun quality hazelnuts.

*TZOB **TMO purchase price

The 2008 hazelnuts purchasing prices were again announced in differential form. In September it was 4 Liras, October and November 4.5 Liras and in December 5 Liras. The 2008 prices show a decrease of 22 per cent compared to the previous year (TZOB, 2009).

In 2006 Fiskobirlik became a secondary player, both in terms of purchasing power and volumes purchased. Following the appointment of TMO, Fiskobirlik continued its activities in hazelnut production as far as its own resources permitted. The amount of hazelnuts Fiskobirlik purchased became limited to its payment capacity. As a sales cooperative, it called on producers to deposit in Fiskobirlik at least some portion of their yield so that they could continue their membership and the sales cooperative could keep functioning. In this way, Fiskobirlik has kept on functioning. Its state of 'indebtedness', however, has not changed. 'I am just an employee but villagers come here every day to vent their anger. What can I do? There is no money to pay for their hazelnuts' (Interview in Fiskobirlik office, Düzce, 2008). TMO does not buy hazelnuts from those who have difficulties with the land register. However, Fiskobirlik does. In this regard, Fiskobirlik seems to have become the favourite buyer of hazelnut cultivated on unregistered lands. These lands are significant, as they show the spread of hazelnut production in the highlands (forests).

In the meantime, there has been some cooperation between Fiskobirlik and TMO. Fiskobirlik permitted the use of its infrastructure, such as storage facilities, to TMO. The administration of Fiskobirlik changed in the 2008 elections and this time a group also supported by the party in power, the AKP, was elected.

6.2 Village Perceptions of Politics and the Economic Struggle

This section deals with villagers' perception of politics in the context of the economic struggle that would follow each year just after the harvest (around September). It is better to wait the results of the harvest in the entire region when the prices are being negotiated. The discussion is based on my observations and interviews conducted in different villages in the provinces of the Black Sea, namely Ordu, Giresun, Samsun and Düzce. I quote those producers whose views capture the prevailing perceptions best, although similar sentiments were expressed elsewhere.

As Kerkvliet (2009) argues, politics generally is a question of who gets what. More specifically, it is about the control, allocation and production of resources, together with the ideas and values underlying these activities. From this definition, it can be understood that what is considered in purely economic terms, such as who is going to store the hazelnuts, to whom the hazelnuts are going to be sold is in fact political. As I shall show, such matters indeed occupy a very important place in the daily conversations of villagers. Although, for various reasons, it does not always lead to open confrontation with small tradesmen (i.e. due to the dominant understanding of politics as well as organic linkages between landlords and merchants), tension can always be detected.

The villagers' understanding of politics is very different. Their perception was that politics is about the relations between different political parties and their attempts to gain power in certain institutions operating in the market. From the perspective of farmers, one had better not get involved a sphere characterized by such intense confrontation.

This is not to say that the political struggle of the kind Kerkvliet described was absent, it just was not acknowledged as such. Indeed, especially in public spaces like tea houses, villagers openly discussed topics related to economic policies and criticized policies favouring social groups other than direct producers. This section deals with this kind of economic struggle based on the understanding that politics is about the question of resource allocations. It discusses how farmers positioned themselves during the reform period, in relation to other actors whose interests and ideas differed from each other in the context of production. I shall introduce the reactions of villagers to questions regarding issues on agricultural reform in the section on depoliticization.

6.2.1 Perception of the world outside the village: antagonism toward external actors after the protest

There were several topics (i.e. state policies, social relations of production) and levels (i.e. global politics and village politics) at which farmers expressed their anger vis-à-vis other actors with different interests. Broadly, at the global and national level of production policies, just like during the protest meeting, opposition was directed mainly at the exporters and European buyers abroad who drove prices down. State policies, on the other hand, were being criticized for failing to adopt more protective measures, such as favouring domestic industrialization –

rather than lowering tariffs on the importation of agricultural products. In this regard, farmers adopted the nationalistic discourse of the Chambers of Agriculture to express their concern. As an older direct producer in a village in Giresun explained:

This shop is mine [he was pointing at a 10 m² shop across the tea house], I sell my own products in that shop. One day a German guy entered my shop. He opened his suitcase and showed me chocolate bars. He wanted to sell those chocolate bars that contained our own hazelnuts in it. My problem is why this state is not encouraging industrialisation in our own country. I know perfectly well why. This is because they do not want the peasants to profit. But they want to make others profit, including these German companies. (Interview, tea house Giresun, 2008)

On this matter, the head of the Chamber of Agriculture in Ordu had the following to say:

Despite the EU being clearly against it, the exporters are nevertheless lobbying and doing their best to lower the prices. This shows something important. This means they are not exporters, but representatives of foreign companies in Turkey. When there is overproduction, the state has to intervene. (Interview, Ordu, 2008)

Antagonism within the villages

Antagonism could also be detected in the village level, among the local social groups. The nature of this antagonism and the ensuing struggle was different from the previous one in several ways. In the first instance, it took place among the inhabitants of the village, rendering this struggle part of daily life. As there was frequent interaction, this tension could even lead to antagonism. For instance, the socio-economic differentiation between farmers resulted in different attitudes towards small tradesmen which created tension. Nevertheless, the antagonism between direct producers and small tradesmen was not absolute. As many small tradesmen also happened to be big hazelnut landowners, they could sympathise with the financial problems of farmers.

The perception of socio-economically differentiated producers which informed their expectations of the state was also manifested at village level. Their political stance was shaped by their experience of life within the village and the shock of sudden exposure to world markets which they had no control over. As a result, all arguments heard during inter-

views and discussions on the position small tradesmen should adopt (i.e. whether to sell their hazelnuts to tradesmen) were related to general concerns about the role of the state and structure of the market. The interviews conducted in villages also revealed that concerns about other market actors and struggles of the past (i.e. during the period where Fiskobirlik was more actively involved in regulating the market) had not changed since the appointment of TMO.

In a tea house in a village in Giresun, farmers were discussing current market conditions:

We do not want to give our hazelnuts to tradesmen. But the price is announced late, in this way the state favours the businessmen. Then the financially broken peasant does not have any other choice but to sell his hazelnuts to that tradesman.

Another farmer in response:

I also have hazelnuts. What I do is that I keep my hazelnuts at home. But you bring your hazelnuts to the tradesman's storage place. What I am saying is clear. Don't let the tradesman buy your product and see how high the price goes in the market. I sell when it is convenient for me.

One farmer to the other:

I guess you are not in need of urgent cash!

His response:

I do not borrow. If you don't buy stuff, house, land you won't have debts. If you decide not to sell your hazelnuts to the tradesmen, you're not as dependent on them! (2008).

Towards the end of this discussion tension rose and two of them started to quarrel.

The relations between different social groups in the context of hazelnut production were clear to everyone. A farmer who had probably never been outside of his village, was explaining the politics of the price determination mechanism and the social groups that were trying to lower the prices to the disadvantage of farmers. Similarly, small tradesmen were also under pressure from a number of dominant exporters who in turn under pressure from international buyers to lower their prices.

Today, the control of hazelnut is in the hands of three or five exporters. They are the ones who buy hazelnuts from small tradesmen. And these are engaged to foreign companies. These are in engagement to the Germans. That German guy says he will not accept hazelnuts higher than 7.5 Liras. This means 2.5 Liras locally. This exporter comes and says to the tradesman that he will buy his hazelnuts for 4 Liras or 5 Liras. And he goes to the German guy to sell for 7.5 Liras. In this case hazelnuts bought by tradesmen from the peasant producer will be less than 4 Liras. The least he could have given was the price of the previous year. The state is sacrificing its own people. (Interview, Giresun, 2008)

Nevertheless, the struggle between different groups of farmers and small tradesmen is not always as severe as one might imagine. Indeed, some tradesmen I have interviewed in different villages of the Black Sea have used the same arguments as the farmers. One reason could be that the roles are mixed. Tradesmen can also be farmers. Furthermore, tradesmen face the pressure from businessmen and so they sometimes seem to prefer an alliance with farmers and others, and in favour of a regulated market. A tradesman in Giresun (Interview Giresun- Bulancak 2008) remarked:

If Fiskobirlik and/or TMO did not exist life would be unbearable. Prices would be much lower, below 2 Liras. People can barely cope with 2.5 Liras. That is why there is no supply of hazelnuts in the market. Those who are indebted try to sell and pay back their debts. But those who are unable to pay are numerous. I personally have some friends who have lent money to others. Most of them cannot even recover 30 per cent of the money owed to them. How can a peasant pay his debt anyway? He has to pay most of his gains to the labourers working on his land. He had to pay for the tractor; he had to pay for transportation. Because he did not have cash, he borrowed some from the tradesman. He said: let me first pay for my own needs, and then I will bring my hazelnuts to you. Nevertheless with a price of 2.5 Liras he has no longer the chance to pay back all his debts. In other words, the price in the market was able to cover only the cost of production. He was not able to profit at all!

It is not the direct pressure from the exporter. My fellow-citizen, the peasant sells his product. For me, the exporter is the industrialist in Europe. That industrialist company plans its yearly production. How much raw material does he need? 100 kg. He reaches an understanding with the exporter here for those 100 kg. Because he has to plan in advance his own production. He plans what he is going to sell. He says, this year I

am going to grow by 10 per cent, I will expand my market share. To this end he gets in contact with the exporter here. Then you have the credit business here. Like me, they obtain credits, for instance, from the exporter. The exporting firm has not much difficulty in buying the produce. This mechanism is at work in September, October. The debts and credits relationship ends in October. When it is left over, the producer sells according to his needs. There is no abundance of hazelnuts. The producer brings less to the market, depending on the price he receives. (In other words, he has more bargaining power). For instance, because nowadays prices are too low, I do not think they will sell their hazelnuts. (Interview with a tradesman, Giresun, 2008).

From the above it would thus appear that the features of the struggle remained the same following the protest meeting. Farmers called for state action to put an end to the uncertainty and fix prices before the season started so that market prices would not further decline. However, according to villagers, instead of reducing this uncertainty, TMO contributed to it, with prices barely covering the production costs of farmers. In the meantime, the market struggle where exporters exert pressure on social groups through tradesmen in the villages continued. Farmers expressed their concern about the situation in the hazelnut market.

In the following two sections, I will examine the question of whether there is a difference in the attitude of farmers *vis-à-vis* tradesmen and exporters, and the role of the state. First I shall present the differentiated groups of farmers in hazelnut production and then discuss whether they are likely to form a pressure group in the market and in the political sphere.

6.2.2 Differentiated farmers and the dynamics of resistance

This section is about local political actors within the highly differentiated group of farmers. It discusses the dynamics of resistance in the villages in the aftermath of the protest meeting through the perception they had of themselves. This is important for several reasons. In the first instance, it is important to gauge whether the farmers believed they had the capacity to influence the market and the public sphere if necessary (i.e. should TMO retire from the market) because it sheds light on their motives for playing a more active role in the market and in relation to the state. Investigating how farmers see themselves as political-economic actors, contributes to the discussion on how collective actors are organized

around interests as well as how they frame issues and their demands. Indeed, when farmers described how they see themselves as political actors, they also framed issues belonging to 'us' and 'them' in agricultural production. Finally, the description of 'who is a farmer' also gives a hint about what is seen as the 'ideal'. In that regard, I have observed that those with economic holdings producing a sufficient amount of hazelnut are considered the ideal type of farmer (by well-to-do farmers in the village) that is ready to take part in collective action, whereas small-scale farmers are considered the 'others' not willing to engage in political participation.

The political character of the large category of direct producers or farmers cannot be discussed without consideration of the fact that this group is composed of various subgroups. As indicated in Chapter 1, Black Sea direct producers are highly differentiated. This differentiation pertains not only to occupation, but also geography. Furthermore, the Black Sea is a region which exhibits high rates of migration from the countryside. However, most people retain their hazelnut orchards and come for the harvest. Indeed, the hazelnut is not a crop that requires constant attention, such as vegetables, which require that the owner of the land live in the village. In this section the discussion is limited to social groups who live in their villages during the entire year or whose family members have only temporary occupations in another place. It excludes those who have established themselves elsewhere.

The self-image of peasants: can they be a pressure group on their own?

According to the local Chambers of Agriculture in these cities (Giresun, Ordu, Trabzon, Samsun, Düzce), the capacity of direct producers to act as a pressure group is limited as the majority of producers are engaged in non-farming occupations and farming or hazelnut production occupies a relatively insignificant place in their lives.

For direct producers to become a pressure group, they have to be real farmers. This is not only about taking initiatives and joining protests. If they were to exercise their power by withholding their product from the market, they would affect prices ten times more than today. In other words, if the hazelnut is 2 Liras today it can be 9 Liras. Such a group can also go to protest meetings. (A leading member⁵ of the Ordu Chamber of Agriculture, 2008)

For this reason, the local Chambers of Agriculture strive to promote farming as a profession, the category of farmer with sufficient land. However, the majority of farmers have insufficient land. They are concentrated in the eastern part of the Black Sea and their numbers have been increasing since the beginning of the Republic, due to inheritance, economic conditions, etc. On the other hand, the attitude of the state in classifying and supporting the development of this type of direct producer has not been very helpful either.

This is misunderstood in Turkey. We are farmers; this is a profession, an occupation. However in Turkey it is understood differently, in official surveys when an individual says I have no job, they put his name in the agricultural sector. (A prominent member of the Giresun Chamber of Agriculture, 2007)

Who is a farmer, then? Or who is regarded as the potential member of a pressure group of agricultural policies?

He lives on his land, he is engaged in agricultural production and he makes his living from this production, he owns a land with optimal size, he gives special importance to increasing productivity, he knows how to use fertilizers, he is aware of all legislation related to farming, he keeps at least a book on his shelf about technical farming, he is in full command of agricultural tools and machines, he follows and goes to agricultural fairs, he is capable of renovating himself, he is able to appreciate what he produces, he is happy, he welcomes being a farmer, he lives in agricultural areas. I can count even more characteristics of a person whose occupation is farmer. I see only ninety persons matching these criteria out of 9,000 people registered at the Giresun Chamber of Agriculture. Whilst in 1935 average land size per holding was 100 da, today it is only 13 da. Nowadays out of 9,000 registered farmers at the Giresun Chamber of Agriculture, 7,000 members can reach 10 da, the rest own 5 to 9 da. Turkey has not progressed very much in agricultural policies but it has managed to cut up its land. (Interview, a prominent member of the Giresun Chamber of Agriculture, 2007)

As a pressure group in the market, one of our problems in forming a satisfactory balance of power concerns those who fall outside of the category of real producers. These people, for instance, inherited a 10 da field from their father, but they think they cannot make a living through agricultural production. What they do is to migrate to the cities. Some are state officials, others work in factories or as shopkeepers. They are the ones who

most negatively affect the hazelnut market. These people are engaged in different occupations. They come to this city once a year. They have limited time; they have to harvest their hazelnuts as quickly as possible. They have to dry out the hazelnuts and sell them within this limited time. And they have no proper storage. In order to finish their tasks they wreak havoc in the market. It affects the cost of labour, making it higher. Furthermore they dry their hazelnuts as soon as possible and bring them to the market. They do not wait for TMO to announce the price. What happens is that prices in the market go down. (Interview, a prominent member of Chamber of Agriculture in Ordu, 2008)

It has to be noted that there are also farmers with large enough lands but who live in big cities like Ankara and İstanbul. This type of producer is also considered a threat to the stability of the market. From the above, the following can be concluded: besides owning land, what matters in forming a pressure group is that the land is of optimal size and that farmers also live on their land.

Another important factor that affects the potential of direct producers to become a pressure group concerns the fact that producers occupy a range of roles in the organization of production. For instance, most small tradesmen are at the same time big landowners. Those who act as tradesmen are not usually too much involved with the local Chamber of Agriculture. In a way, the present policies designed by ARIP fail to distinguish between these types of producers, which is relevant particularly with respect to the matter of subsidies. There are people who are both hazelnut industrialists and producers. However:

The state pays the same amount in subsidy to the producer and the industrialist who owns hazelnut lands. Thus, they not only reproduce conditions of unequal competition and unequal income, but they also hamper the potential of producers to become a pressure group⁶. (Interview, a prominent member of the Ordu Chamber of Agriculture, 2008)

An important assumption that informs the categorizations of the Chambers of Agriculture is that the roles and economic interests of farmers in hazelnut production determine the extent of their political interest in agricultural policy, that is, their likelihood to lobby for improvements and becoming political actors. The argument (also supported by some in the literature as presented in Chapter 1) is as follows: farmers having sufficient land and farmers who are progressive - the way

it is explained by the interviewee above - are most likely to show interest in agricultural policies. By contrast, because farmers with insufficient land are mostly not affected by agricultural institutions, it is assumed that they are not interested in getting involved politically in agricultural policies, for example becoming a member of representative institutions, actively engaging in discussions on agricultural policies and supporting protests. A marginal farmer in the Black Sea region context is one with an insignificant plot of land or alternatively a poor farmer who does not have a supporting occupation and one who cannot wait for prices to be announced. As an officer working at the post office said: 'Why would I wait? It is such small amount I am producing!' (Giresun, 2008). Another group of producers, usually has nothing to sell via the cooperative, because they cannot afford to wait until the price is announced by TMO, unless they are determined not to let small tradesmen profit, which is a conscious act. Households characterized by multiple employments generally do not consult extension workers, and banks or cooperatives. Furthermore, banks are usually reluctant to give credit to aged landowners. Nevertheless, Fiskobirlik had been buying hazelnuts from all groups of peasants, since the number of 'professional farmers', those whose main occupation is hazelnut production, is limited. As such, it can be argued that only the poorest, or those producers that give least priority to hazelnut production (for various reasons, i.e. having another occupation, a small plot of land, or problems with land registration), are dependent on tradesmen. That is why it may not be always appropriate to assume that the political interest of diverse farmer groups in agricultural policies depends on whether they have sufficient land. Indeed, during the research conducted in the Black Sea region, marginal farmers have shown as strong an interest in discussions regarding agricultural policies as farmers with sufficient land.

Differentiated groups of farmers in the Black Sea region

In previous sections, it has been established that direct producers of hazelnut are a socio-economically differentiated group. For analytical purposes, I shall divide this diverse group into two categories, namely those who have sufficient land and whose income mainly depends on agricultural production, and those who do not have sufficient land and rely on income from sources other than agricultural production. These two categories of direct producers can be differentiated within themselves. For

instance, the category of producers who have sufficient land encompasses big landowners (landlords) and progressive/active farmers who enlarge their holding through renting in land from relatives or from others who have given up agriculture.

The number of large landowners in the Black Sea region is limited and is in decline. Over the generations, land has gradually been distributed among different members of the family. Some of the heirs of these large landowners have become progressive farmers. These progressive farmers are usually integrated into the agricultural market and they earn a high income. Such holdings are usually located in irrigated or productive areas and are managed according to modern methods.

A defining characteristic of this group of progressive farmers is that all members of the family are highly involved in agricultural production. This will become more significant compared to hazelnut producers with insufficient land, and who are obliged to diversify their economic activities to include non-agricultural occupations. There are cases of farmers with sufficient land who opt for professions other than agricultural production, even though it provides an adequate income. In some such cases, farmers become small tradesmen, or sometimes they even expand their business to become exporters.

In the office of a merchant/farmer in Düzce, his daughter explains:

We produce [as farmer] about 30 tonnes of hazelnuts. (...) The average capacity of our enterprise [as merchant] is 3-5 tonnes. It depends on the harvest [how much they purchase from direct producers] for example this year we purchased 800 tonnes. (...) [In reply to my question: 'To whom do you sell your product?'] To the factory in this province. It belongs to one of the biggest exporters in the country. (...) [You do not want to export yourself?] We were thinking of it but things do not go well economically as much as it seems nowadays. We did not want to venture.

Be that as it may, one dekar of land in the Black Sea regions yields an average of 145 kg hazelnut. Petty landlords own approximately 50 da which yields about 7.25 tonnes of hazelnut per year. Their economic position allows them to wait until Fiskobirlik or TMO announces the price, in turn allowing them to profit from these prices which are higher than those announced earlier by tradesmen in the market. A farmer with sufficient land in Çarşamba explains: 'This year I produced 12 tonnes of

hazelnuts. I gave it to TMO. My hazelnut is in the low-lying coastal area' (Interview in a tea house, 2008). The price announced by regulatory agencies such as Fiskobirlik or TMO are generally at least double the price offered by tradesmen. However, given that Fiskobirlik had been purchasing an average 10 per cent of the total production (before it went into crisis), it can be concluded that only a limited number of farmers profited from the high prices. At the same time, it has to be noted that not all farmers selling their hazelnuts to Fiskobirlik fall into this category.

I produced 4 tonnes of hazelnuts and sold it to TMO. If there were a kind of advance payment mechanism, then all would have given to Fiskobirlik or TMO. Thus, he [farmer] is obliged to make a deal with tradesman. (An interviewee farmer and tradesman who also went to the protest, Düzce, 2008)

An interviewee from Giresun, a tradesman (2008) confirms that such farmers with large plots of land are the minority in the Black Sea context:

Here (in Giresun) there are smallholdings. Those who are able to produce 10 tonnes of hazelnuts are limited. This year (2008) average production per dönüm (dekar) is 200 kg. This amounts to 2 tonnes of hazelnuts for those who own 10 da of land. Average production changes over the years. I personally (as a tradesman) buy hazelnuts from people from this group. Others that I have mentioned can afford to wait till TMO announces the purchasing price, or wait for higher prices in the market.⁷

These petty landlords make use of seasonal wage labourers that migrate from the east, from places such as Adıyaman and Urfa. They go first to the eastern townships of the Black Sea, and then move on to the western cities where harvesting starts one month later. External labour is preferred because their wages are much lower than local labour (the wage for imported labour is 20 Liras per day, whereas wages for local labour are almost double). Petty landlords have the capacity to provide lodging:

I have a dormitory behind my house. I give them food three times a day. The eleven labourers who came from Adıyaman worked on my land every day. They stayed here for twenty days or up to a month (Interview, Ordu, 2008).

Others whose land is bigger have somebody from the village, usually with a smaller field, to take charge of labour during the day. Those who

need to keep costs down, work on the land with the labourers. Sometimes, family members join in to help their relatives on their land. Petty landlords no longer seem to benefit from sharecropping relations. A farmer in Giresun with sufficient land says: 'Ever since the economic conditions have deteriorated, there are no longer sharecroppers in this village, instead, those who can afford it make use of labour coming from Adiyaman'. (Interview in a (large) farmer's house, Giresun, 2008)

There were many farmers who prefer not to opt for seasonal wage labour for various reasons. A large farmer interviewee in Düzce (2008) says:

I have six kids. They all went to the university. One of them for example had become a doctor in ... [states a town in Central Anatolia]. (...) [But they all seem to gather to help their father during the harvest:] My daughters help me, sometimes my neighbours give me a hand. Those who come from elsewhere [he is referring to seasonal wage labour coming from Adiyaman], [perhaps because he does not want to say it is more economical this way:] they do not know how to treat the trees. The last time I hired seasonal wage labour, I had to spend more money to clean my land than I spent for their wages.

It needs to be noted that (middle aged) farmers with sufficient land also diversify their production from hazelnut as the sole crop. However, they resist giving up hazelnut production entirely. A large farmer in Düzce (whom he says he is shown in his province as an 'ideal farmer') explains:

I own 23-24 dönüm [dekar] of hazelnuts, a land 20-30 years old. I produce rice (çeltik) in the rest (100 dönüm) of my fields, where I get 80 tonnes of çeltik from this plot. I get only 2 tonnes of hazelnut. But I would never give this up! At a time when my debts were unbearable, hazelnut saved me. With this money I was able to pay my Bağkur [retirement fund]. (Farmer interviewed in Düzce Directory of Agriculture, 2008)

In the Black Sea region economic power is related to political power. Those with economic power are represented in provincial and village assemblies. An interviewee in Düzce explains:

My father is one of the biggest farmers in this province, he owns 135 da (...). He used to be a muhtar [read: smallest scale public administrator] in our village, but not anymore. He is very active in the chamber (...).

The positions they occupy in the local Chambers of Agriculture allow them to play a political role. Farmers belonging to this category can be regarded as the intellectual leaders of peasants. Not only were they among the organizers of the protests, they also developed an understanding of the politics surrounding agricultural policies and hazelnut production as well as economics. Their political leadership was evident from the position they occupied in daily discussions in the tea houses (these can be considered as unofficial political platforms). During the reform period, the local Chambers of Agriculture were headed by individuals from this category of farmers. They were also most coherent in their arguments regarding the impact of the reform process on the hazelnut sector. However, this is not to say that they all agree on matters concerning subsidies. For example, a farmer with 100 da land in a village in Çarşamba (whose lands are situated in steep parts of the coast) says:

You are asking for something they [referring to agricultural agencies in charge of subsidy purchases] do not have. I think this is wrong. (...) Warehouses of the TMO are full, if they had more means, of course they would buy more. (Interview in a farmer's house, 2008)

But many others did not share this opinion. A farmer with sufficient land in Çarşamba, arguing the necessity of sales cooperatives in charge of regulating the market at whatever cost, says: 'I think everyone should support Fiskobirlik in this matter, we need Fiskobirlik'.

However, farmers with insufficient lands were also observed to be politically active in the Chambers of Agriculture. This suggests that there are other factors than socio-economic interests that lead certain farmers to assume political roles. These factors could be described as ideational, which, at some point, transcended material interests to unite not only differentiated groups of farmers but also farmers producing different types of products, which culminated in the protest meeting.

Most of those who acted as political leaders in the different parts of the Black Sea region were generally middle-aged or older. Nevertheless, among this group of farmers who had economic power, there was a large group of younger farmers as well. They were younger members of the same family who were determined to concentrate on agricultural production for a living, and who were ready to take over the business of their fathers. Even if they were to inherit a relatively small piece of land (such as 50 da), they were determined to become progressive farmers and ex-

pand their land through renting or buying land from other members of the family. They are very enthusiastic about agricultural production and are keen to learn new production techniques. As such, they closely watch changes in the market conditions. As a young farmer in Gölyaka (Interview, 2008) said:

I always follow the TV Soil Channel. Did you know that we can now find solutions to irrigation problems with a certain product? [Or he is knowledgeable about market conditions]: I have checked the prices for chestnuts and made a calculation. If I produce... Then I will gain only ... in the free market. But when I produce walnut I will gain ... Very good price. [Nevertheless his father is not so keen on uprooting all the hazelnut trees.] My father is old; he does not let me make changes on our land. He only allows changes in a limited place. He is not convinced that chestnuts are a better alternative to hazelnuts.

The fact that this group includes farmers from the younger generation is interesting, as the population of most villages, especially in the eastern provinces of the Black Sea, generally consists of relatively elderly people (above 60–70 is considered old in the context of Black Sea region). A young farmer in Samsun (Interview in farmer's house, 2008) explains this trend:

There used to be times when younger members of the family were certain that they would remain on the land and make their living out of agriculture. Nowadays, it is hard to make a living out of agriculture. Besides, they know they will not inherit much from their fathers. That is why more and more young people try to get some education, so that they can get a proper job.

A distinguishing feature of the group with insufficient land (the majority) is that they are unable to earn a living from agriculture alone and are obliged to take up non-agricultural activities in order to make ends meet. At the same time, they are not always successful in securing their living through non-agricultural activities. The goal of such smallholders is to achieve a better standard of living through any means at their disposal; land, labour and sometimes capital. Farmers in this group sometimes have a limited interest in agriculture, and they are often restricted by a lack of alternatives. The younger generation in this group often look forward to a life beyond agriculture.

Households with insufficient land and multiple employments may either rely upon a combination of individual incomes, which means individuals from the household work in places other than on the land, but stay where they are, or the children work either temporarily or permanently in a different place until they earn some money. In such cases, as in the Black Sea villages, such family members are away from the household busy with other occupations until they reach middle age (age 50). That is also when their fathers have reached an age when they can no longer work on the land. This return to the land usually happens when there is no longer any alternative to agricultural production.

There are also households where a part of the family migrates to bigger cities permanently and they try to support each other, exchanging money for agricultural products. For example, there are people in Ankara working in public offices having some part of the family in the village. It is possible to observe marginal existences which are eked out in the worst conditions as they do not have sufficient land nor can they find the means of earning an additional income. Often these people may be obliged to gradually sell their land, or migrate to urban areas in the hope of finding better opportunities. In either of these two cases those who permanently leave the village (never to come back to their land) are in declining trend, some people return without having had found what they were looking for in urban centres. As a merchant/farmer in Düzce says:

Nowadays, nobody is doing well. Do not believe if they tell you it is otherwise' (...) [Do these people migrate?] 'Not really. Before, there were people migrating but nowadays nobody ventures to leave our village. (...) Everybody is indebted, tradesmen are indebted to the exporter. Most producers are indebted to the bank. There are not many who have a stable income from agriculture.

A small farmer in Çarşamba says:

True there are those who go to big cities, but a peasant needs money and life in the city is tough.

It needs to be noted that those with insufficient land constitute a considerable majority in the region. As a farmer in a tea house in a village of Düzce says: 'Again, there is no one here [in this tea house] who has money; no one here have for example 20 dönüm land.' Indeed, the 2004 data in the table below (Table 6.4) shows, half the cultivated land, but less than one-fifth of farms in the Black Sea region, are in the less than

50 da category. Whereas within this category, the majority of farms are less than 20 da.

Table 6.4
Distribution of holdings by cultivated area in the Black Sea region

Size of holding (da)	Number of holdings	Cultivated Area (da)
1-19	344,270	3,333,481
20-49	250,929	7,701,032
50-99	96,586	6,484,503
100-199	29,882	3,872,349
200-499	4,419	1,179,678
500-+	463	368,706
Total	726,549	22,939,779
Average land size (Da)	31.57	
Average number of parcels	4.42	

Source: Turkish Statistics Institute 2004. Adopted from Third National Hazelnut Congress (2003: 294)

These people, as said earlier, are in close contact with tradesmen, and mostly indebted to them. As a (medium) farmer in Ordu says: 'If there are 100 households here, only 10 gave to TMO this year. The rest is in the hands of tradesmen.'

But this is not to say they did not support the protest. A farmer (in Çarşamba Village) with 11 da of land (4 tonnes of hazelnuts) with two children (one at the university and the other at high school) works in land with his family and proudly explains that he supported the protest. Another farmer in the Çarşamba Chamber of Agriculture with 9 da says: 'I did support and went to the protest (...)'.¹

Members of families with insufficient land do not always labour on the farm. In other words, this is not a typical small farm where family members are all engaged in agricultural production and are working on the land. If some of the members work off the farm, the household then depends partly upon non-farm income. This trend is facilitated by the

nature of hazelnut production, as it is harvested once a year and the orchards do not require constant attention. The characteristic of hazelnut production have led some to label it as 'hazelnut is for the lazy ones'. This is, however, objected by others. One progressive farmer in Düzce reacted to this understanding, saying:

This is not true, hazelnut fields need constant care during the entire year. You cannot simply leave it on its own. If you do, then you should know that productivity will drop by two thirds. It is true there are those who leave their lands on their own for an entire year. But that means you do not consider hazelnut as your main income. (Interview in a farmer's house, Düzce, 2008)

Furthermore, if no non-farm employment opportunities are available, household members can do the work on the land themselves, thus avoiding certain expenses. As I have discussed above in this section, the trend towards working on one's own land was also relevant for bigger farmers. As a big farmer in Düzce explains:

There are people who hire wage labour even if they have 1 dönüm of land. I don't know why. Perhaps they are concerned that they may be seen poor - who knows? They spend the entire day in tea houses. The wages for labour coming from outside the region used to be lower than wages in the region. But nowadays, the price of hazelnut is not that high and wages remain higher. People try to work on their own land.

6.3 Local Depoliticization Processes: Rise of the Bureaucracy in Villages

6.3.1 Agricultural Law and MARA's return to the policy-making scene

After the protest, agricultural policy making underwent a drastic change. I have mentioned in the first chapter that initially, the Undersecretariat of the Treasury had been the dominant player in the policy formulation and coordination process of ARIP. The World Bank worked in close collaboration with the Treasury. On the other hand, although the MARA had been represented in policy-making platforms, its views had not been heeded. However, from the beginning, MARA officials at the local level (e.g. village) had been in charge of policy implementation. It is thus

hardly surprising that most officials at the local level were unenthusiastic about the reform.

In November 2004, the Treasury and the State Planning Organization, led by the Ministry of Agriculture and approved by the High Planning Council, prepared a so-called 'Agricultural Strategy 2006–2010'. The idea of the strategy was to set down a minimum for agricultural subsidies. Total subsidies would be no less than 1 per cent of Gross Domestic Product (GDP).

This 1 percent was to be distributed in fixed proportions among various policy instruments. The document was trying to limit the arbitrariness of subsidies, but was also increasing the control of the bureaucracy on agricultural subsidies. However, one should not overlook the fact that the Ministry of Agriculture had a different attitude from the Treasury towards the reform. Although there was agreement with the State Planning Organisation about limiting the arbitrariness of the politicians, the Ministry of Agriculture did not care for the DIS because this single instrument was about to reduce several functions. The strategy document was trying to legitimise the first major deviation from ARIP by introducing new instruments and decreasing the importance of DIS. (Akder, 2007: 14)

The 'Agricultural Strategy 2006–2010' was the foundation for the so-called Agricultural Law (no. 5488), which was enacted in April 2006, a few months before the protest meeting took place. The law listed priorities (targets), instruments and the organizations involved in agricultural subsidies, all of which was likely to create more bureaucracy (Akder, 2007: 14).

New boards were to be formed and staffed with civil servants. Functionally, nothing seemed to be radically altered. The striking new feature concerning policy formation was a long list of subsidies (support instruments) and the new constraint: 'yearly support from the budget may not be less than 1 percent of the GDP'. This clause limited the role of politicians to some extent and made budgetary expenditures foreseeable by force of law and was not restricted to the advice of the Strategy Document. Actually this change has defined a minimum for agricultural expenditures but no upper limit. (Akder, 2007: 14)

MARA was appointed as the responsible, leading ministry in charge of agricultural policy making with the result that MARA officials in the villages became more powerful. In the following years, many technocrats

were appointed to the villages ‘to provide technical advice’ in the production process. As I shall elaborate below, the rising role of bureaucrats in the villages had a depoliticizing effect due to its marginalization of the local Chambers of Agriculture.

6.3.2 Excluding representative agents: the Chambers of Agriculture and peasants

Following the protest, the government made a change in the legislation which limited the financial resources of the Chambers of Agriculture. ‘The government reorganized the monthly dues we collect from our members. This was punishment for having organized the protests’, said one prominent member of the Chamber of Ordu (2008). On top of this, the chambers complained that their role in the reform was further limited. According to one prominent member of the Giresun Chamber of Agriculture:

In the beginning, farmers were required to register at our office in order to receive payment of DIS. Due to this requirement, they used to come in quite often. Then the requirement was abolished. This is important, as it means that our members visit our offices less frequently. I believe this affects communication among members of the chambers.

A cut in resources implied fewer responsibilities for the chambers. The protest meeting for example, would not have been as successful had the chambers not had sufficient resources to organize it and make it possible for farmers from different villages to attend. This is why the chambers interpreted this move as punishment for having organized the protest. ‘At the end of the protest, the government punished us by changing the legislation giving us the right to ask membership fees from farmers. This is obviously a punishment. How can we continue functioning if we have no income?’ (A farmer in the Chamber of Agriculture, Ordu, 2008). This move of the government created resentment elsewhere as well. As a prominent member of the chamber in the eastern province of Adıyaman remarked: ‘The Black Sea chambers did not do good to us. They organized that protest meeting. Then the government punished all of us and limited our resources’ (Interview, Adıyaman, 2008).

The matter of monthly dues had been a source of uneasiness in the villages, especially among small farmers. In response to my question about how they felt about the activities of the Chambers of Agriculture,

the usual answer was: 'They only know how to charge us. It is so much money'. This answer was usually given by small farmers (Interviews, 2008). As another small farmer explained:

I can barely survive, I borrow money to be able to produce; production costs are high enough and then I am asked to pay membership to this chamber. (Interview, Gölyaka, 2008)

The interviews in organizations related to farmers' representation confirmed that this was an important issue particularly for small farmers. Indeed, when the government made this revision to the law, it was to a certain extent to address their concerns. Nevertheless, the opposition party (Republican People's Party) brought this change to the Constitutional Court on the grounds that the changes in the legislation limited the activities of chambers as pressure group. The Constitutional Court ruled in favour of the opposition party. However, the situation worsened when the chambers 'made the mistake of charging villagers all unpaid fees that were due. This caused further discontent among small farmers'. And 'the AKP skilfully manipulated this move by the chambers to discredit the opposition party in the run-up to the election' (Interview, Ankara, 2010).

Bureaucrats were quite obviously more popular than the Chambers of Agriculture:

Chambers? What are they for? I have no idea. We have an agricultural engineer appointed to our village, we are very lucky. We do not need the Chambers. (Interview in tea house, Çarşamba, Samsun, 2008)

Villagers generally dismissed the role that the local Chambers of Agriculture had been playing as a pressure group. Instead, the overwhelming consensus was that their function amounted to little more than that of apolitical technocrats, providers of technical expertise. As a result, the chambers' mission, which is to represent the interests of farmers in the public sphere, seems to have become of secondary importance to them. Young farmers in particular attached more value to the technical expertise provided by local technocrats and bureaucrats from MARA.

Chambers? I personally never benefited from the chambers. Thank God the ministry has sent an agricultural engineer to this village, we are lucky. (Interview, young farmer in Samsun, Çarşamba, 2008)

I have received no benefit from these chambers. What are they for? They only know how to demand money from us. They do not provide any ser-

vices to us. They once promised to provide soil analyses. They took some samples. Then later on, I have seen them throwing the samples away. TMO? We were going to get this concession from the government anyway. I do not see any help whatsoever from these chambers. (Interview, another farmer in Samsun, Çarşamba, 2008)

The rhetoric the government adopted regarding the protests may have worsened the already negative understanding of politics in the villages. The general understanding of villagers was that it is an activity in which political parties are involved. In their view, political activities do not lead anywhere and are best avoided. In the case of protest meetings, the government accused participants of being communists and even terrorists. Considering the politico-cultural background of the Black Sea people, such insinuations are highly provocative. Indeed, as an informant explained in regard to Russian immigrants:

Communism is the biggest of evils for us. There is a missing link in the memory of these people, because they migrated in the time of the Czars rather than of the Bolsheviks. Still, Communism is identified with the Russian past that was not at all a happy one. We are all patriotic people, we love our country. I have no idea why we are considered terrorists. (Interview with (large) farmer, Ordu, 2008)

The farmers at the local office of the Chamber of Samsun, Çarşamba, were also on the defensive:

There was nothing against the government; the protest meeting was against some groups who tried to mislead the government in its policies. Still the government accused us of being terrorists or communists. We did not deserve this at all. Besides, we did all we could so as not to get involved with any of the political parties, neither during preparatory stage, nor during the protest meeting. (Interview, (small) farmer, Chamber of Agriculture, Çarşamba, 2008)

It appears that it was not only the villagers who perceived politics as an activity that one had to stay away from. The chambers were also careful to get too involved with what they define as politics. Moreover, technocrats together with local bureaucrats were always considered by villagers to be neutral and knowledgeable. A prominent member of the Chamber of Agriculture in Ordu explains (Interview, 2008):

If you come up with a new project in Turkey, they start investigating which political party you were engaged with in the past, or they investigate which political party your family members support. However, I believe that whatever your personal opinion about electoral politics, it should not matter, they should first think whether this project is reasonable or not. In Turkey all issues are examined from this 'political' angle. Whatever our present discourse, it is thought of as related to our political tendencies in the past. However there is no such thing. When we joined the Chamber of Agriculture, our president of the Union of Chambers of Agriculture said: 'You could have had inclinations to political parties in the past, this does not concern me. You are simply asked to leave your political identity outside'. We have adopted this advice.

6.3.3 How does TMO fit the apolitical image of the state?

The perception of politics described above seems to be shared by the majority of farmers from all strata. How does this perception affect actual relations between different actors within political society and the attitude of direct producers *vis-à-vis* political actors? The view peasants have of politics and political activism is significant in that it determines the manner in which producer groups negotiate with political authorities at the local level. Their perception of the activities of political parties often corresponded to reality which led to negative connotations with politics in the context of the organization of production. This understanding of politics informed their view that economic and political issues are unrelated to each other. Thus, although they attached negative connotations to politics, it was precisely because the struggle in the market was not considered a political issue that peasants did not hesitate to comment and display their frustrations towards other social groups involved in the production process.

Taking into account this distinction and its consequences sheds light on an analysis of the attitude of farmers with respect to the Fiskobirlik crisis and the state. An important question to explore is why farmers reconciled themselves with the second best option, since the rehabilitation of Fiskobirlik would have been a better alternative. Fiskobirlik represented the hazelnut farmers, whereas TMO is, as a farmer acknowledged, 'a tool of the government, farmers have no say in the price-making mechanism'. Despite the fact that the recovery of Fiskobirlik would have been in their interest, particularly from the point of view of

class struggle, there was and remains strong resistance towards Fiskobirlik at the local level. The question here is how it came that farmers settled for a state agency taking charge of purchases and withdrew their support to their union of sales cooperatives, Fiskobirlik. Of course, the fact that Fiskobirlik was unable to pay its debts to producers is one major reason why farmers turned away from Fiskobirlik. My suggestion is that this reaction can be also related to how producers perceive politics.

My general observation is that interviewees understood politics as a confrontation between political parties and the government. In the villages, people I talked with were clear that they should steer clear of this arena. Topics such as sales cooperative, protests and to some extent also Chambers of Agriculture were taboo in the villages. When questions about the protests and/or Fiskobirlik were raised, the response was often: 'I do not want to be involved in politics'.

As I have explained in the previous chapter on the Fiskobirlik crisis, there was an ongoing tug-of-war between the board of administration supporting the MHP (Nationalist Movement Party) and the government. Since the election of an administrative board supported by an opposition party coincided with the reform programme, the government announced it would stop its financial support of sales cooperatives which led to the protests. According to Fiskobirlik officials, this decision was unjustified as Fiskobirlik was still part of the restructuring programme and had the right to request financial backing from the state budget. This crisis was perceived by villagers as 'Fiskobirlik and the government quarrelled, and farmers were left in the cold'. Or as an old farmer from a village in Giresun said:

I am personally not against the AKP in power, however I do not understand: Just because Salih Erdem got elected, did the government have to punish Fiskobirlik this way?? You are the state, you should have supported your institution (Interview, small farmer, Çarşamba, 2008).

According to others, the Fiskobirlik administration had become too closely involved with political parties who were lobbying in the interest of their administrators who in turn were set on advancing their profit-seeking activities such as their activities pursued in Fiskomar.

Provided that there was a state guarantee on purchases, producers did not seem to have problems embracing a state agency that did not repre-

sent their interests. This is strongly connected to complaints about Fiskobirlik's financial problems:

I brought (...) many kilograms of hazelnuts to Fiskobirlik. This was two years ago and I still haven't got my money. And it's gotten worse. Now I hear that shareholders of Fiskobirlik risk losing their land! They have been making investments here and there, instead they should have thought of building factories. [He is referring to supermarkets initiated by Fiskobirlik in the Black Sea, which used to give coupons to farmers and provided goods at a price less than market rate.] (...) I bring my hazelnuts to TMO now, I have no problems, and they paid my money as promised. [The only complaint about TMO was that the agency had no expertise at all:] Hazelnuts are completely different, a 'closed box' [meaning one should be expert enough to assess what is inside the shell], you have to be an expert to be able to assess the quality. Fiskobirlik has the experience of decades, what is TMO? The officials of TMO only know cereals. Hazelnuts are completely different! So I bring my hazelnuts, they say the net is lower than 50 [rate of hazelnut to the shell] is that possible? Another person brings his hazelnuts, half the bag is full of sweepings, and they accept his hazelnuts. If I had brought this to Fiskobirlik it would not have happened. (Interview in a tea house in Giresun Village, 2008).

In response to general feeling about Fiskobirlik's position, a Fiskobirlik official in Düzce, Gölyaka (2008) was saying:

TMO may be in the market, we may be in crisis. However, we try to lobby among our shareholders, the farmers, calling on them to support their sales cooperative. We say, okay, take your hazelnuts to TMO or to traders, but try to bring some to Fiskobirlik. This is important to us, but also to you. We would get some hazelnuts and they would still have their share in this cooperative. However, this kind of support is limited.

Although Fiskobirlik purchases hazelnuts at the same price as TMO, most who bring their hazelnuts to Fiskobirlik do so because they have problems selling their product to TMO due to title deed problems. Thus, Fiskobirlik is facilitating another type of resistance by those who have title deed problems but who are striving to stay on their land and produce hazelnuts.

The views of farmers about TMO also reflect the extent to which the role of the state in the market is important for farmers. Farmers know that TMO purchases are covered by the state budget whilst Fiskobirlik is

unable to pay its members with its own resources. 'The farmers' view on what role they attribute to the state is as follows:

(...) to me, without the state, agriculture cannot survive. What does 'you are producing too much' mean? It is up to the state to think what it will do with this surplus. They can distribute hazelnuts in the schools. My job is to produce. (Interview in a tea house in Boztekke Village, Giresun, 2007)

Agricultural policies are criticized with reference to trade policies. Many farmers are aware of the problems of agriculture in general. A petty landlord also employed by the local Chamber of Agriculture in Giresun said the following (interview, Giresun, 2008):

I will tell you a story. The other day I went to TMO to get a date for selling my product. The lentils and rice that I saw there were more than a trailer-load [In the ARIP framework purchases of cereals of TMO were reduced under a quota].⁸ I am wondering, whose lentils and rice are we eating? Do you know how much they cost in the market? 10 kg rice is 8 Liras, 6 kg lentils is 12 Liras. This is because we are eating the American rice or somebody else's lentil. I bet the IMF wants to cut off the credits of Turkish farmers so that their products can find a market. Here in Giresun, they sell American rice and we eat it. I don't see 'Turkish farmers' products in the market.

6.3.4 Embedding the market rules: the establishment of the National Council of Hazelnuts

As I explained in the previous chapter, the representatives of direct producers called upon the government not to exclude farmers from the decision-making processes, especially regarding those that determine the living standards of farmers, such as prices. In addition to the rise of the bureaucracy and the attempt of the government to further limit the activities of representative actors (e.g. local Chambers of Agriculture), the government established the National Hazelnuts Council. In line with Article 11 of the Law of Agriculture (18 April 2006, No. 5488) the National Hazelnuts Council was established on 5 April 2007 (Regulation No. 26484).

The Council represents 'all the groups which are related to hazelnut production'. It includes members of trade, industry, representatives of occupational groups and direct producers and tradesmen. The constituent bodies are the Trabzon Trade Exchange, the Ordu Trade Exchange,

the Giresun Trade Exchange, the Çarşamba Trade Exchange, the Düzce Trade Exchange, the Trabzon Trade and Industry Chamber, Fiskobirlik, Trabzon Chamber of Agriculture, and some local manufacturing companies. The meetings of the Council were to be chaired by the MARA.

The regulations of the National Council of Hazelnuts describe the responsibilities of the Council. The Council is to: annually report its decision regarding the hazelnut market (price factors such as conditions of production such as rate of oversupply etc.) to the Agricultural Support and Steering Committee. The Council prepares reports on the conditions of the market in light of developments in the world market; gathers data about the hazelnut sector; and formulates a common strategy on the basis of new developments. Furthermore it is to engage in lobbying activities; pursue activities for developing hazelnut production, consumption and trade; cooperate with agents that conduct similar activities, if necessary, establish domestic and foreign affiliates, assess economic conditions; and if necessary, develop urgent measures (see www.ufk.org.tr).

This move of the government could be interpreted as an attempt to create a platform where the demands of different social groups could be reconciled. However, as the farmers explained during the interviews, this platform is considered a 'policy-making tool of exporters'. On the other hand, the heads of big companies have been complaining that the advice of the council has thus far not been taken into consideration in decision making.

The government decides most of the time by itself in the cabinet. I am going to pay a visit to Ankara with the report our council has prepared with a list of suggestions that we have developed a long time ago (Interview, head of a large Turkish firm operating in Ordu, 2008).

6.3.5 Electoral politics and clientelism in ARIP

This section deals with electoral politics and how the transformation of subsidies effected reconciliation between villagers and the ruling party. Although the reform framework envisaged a decoupled subsidy system, in the course of time, it has been transformed to include a combination of subsidies. As such, it can no longer be regarded as a decoupled subsidy system.

From the DIS experience to clientelism

Parallel to depoliticization at the local level with the rising role of the bureaucracy, new clientelistic relations were established between the government and the small farmers with insufficient land. The emerging clientelism of the AKP government has manifested in giving donations to small farmers before the elections. However, it needs to be noted that small farmers as such were not the main target of these donations. The ruling party cast the net wide, targeting those living in the countryside and in poor neighbourhoods. However, the targeting of the poor included small-scale producers needing to diversify their income-generating activities in order to provide for their families.

Clientelism is usually defined as a patron–agent relationship. Here, the client (agent) is the politician's supporter. The patron is the politician who transfers some of the resources obtained through the political process back to the client. Clients are rewarded with public contracts and appointments, not on the basis of merit, but in return for their political support.

The relations between patron and client can be defined as one of 'political subordination' where agents (poor groups) exchange their political rights (their vote) for material rewards (Fox, 1994: 153). These relations are diverse and the extent of domination varies, depending on social context. For example, the case I present here cannot be defined as authoritarian where domination is accompanied by coercion (i.e. vote buying, strict prohibition on collective action, etc.), or direct and personal (e.g. landlord–peasant relations). Furthermore, no special brokers (in the context of the Black Sea region, usually a public officer or village elite close to centre of political power) specifically involved in distribution of material benefits related to the reform programme, could be identified. Instead, as the definition of clientelism denotes, there is a process of bargaining where agents (i.e. villagers) retain some political autonomy (e.g. in voting and collective action) and consensual political relations are embedded in a neo-populist discourse. All these political relations are framed by a competitive electoral regime.

To clarify further, during the ARIP process, two forms of clientelism manifested themselves. One is the uneven distribution of subsidies related to ARIP close to the elections (i.e. DIS payments that were already detached from production). These subsidies were perceived as favours in return for votes, because they were distributed by the state just before

the elections and they were unrelated to agricultural production activities (awarded unconditionally irrespective of what and how much villagers produced). A second form of clientelism can be observed in the gifts given to villagers by the AKP before the elections, which is mostly found in Mediterranean countries such as Italy (see Powell, 1970).

Direct Income Support and its transformation

In 2006, five years after the start of the reform, DIS still occupied the highest ranking in budget expenditures on agriculture. However, the DIS component of ARIP has been in a state of transformation since the beginning of its adoption. As mentioned, in the beginning, the World Bank envisaged an incentive-free, decoupled instrument. An additional objective of this component of ARIP was to achieve 'simplicity and transparency and eventually reduce the number of support instruments' (Akder, 2007: 15). From the very beginning, MARA officials and the Chambers of Agriculture involved in representing the interests of farmers criticized the DIS, arguing that subsidies should remain linked to specific products or inputs. Their reasoning was that instruments such as DIS cause alienation between farmers from what they produce; the link between the payment and what and how much is produced is severed. Furthermore, they objected to the reduction, not only of the number of subsidy instruments, but also of the total amount of subsidies. Contrary to other countries, where the share of DIS in the total of subsidies is limited (i.e. the EU and the US), the version of DIS to be implemented in Turkey was to replace all subsidies.

All policies formulated before the reform period exhibited continuity within the existing policy instruments framework. ARIP was a breaking point in this context of policy formulation as it envisaged to eliminate almost all input subsidies, price subsidies and attempted to replace them by DIS (Akder, 2007). However, this project started to fail by 2004 and the government introduced several new subsidies:

Farmers were offered additional DIS conditional upon the certification of certain activities or input uses. There are now additional DIS payments for fuel, energy (electricity for pumping) and chemical fertilizer expenditures. Those who practice organic farming and who have let their soil be analysed (for more efficient fertilizer use) will also benefit from additional payments. Thus, it becomes increasingly difficult to argue that DIS is an incentive-free and decoupled instrument. (Akder, 2007: 16)

The size to qualify for DIS payments also changed over the course of the reform:

In the government's view, it was politically undesirable to make the payments to landowners although they may capitalize any subsidy by raising rents. Actually, paying out landowners turned out to be more convenient according to the tests of the pilot programme. Besides the vast majority of farmers in Turkey own their land. The positive impact was that the informal contracts between the landowner and farmer have become written, officially approved contracts. At the outset only a farm up to a maximum of 20 ha of land received DIS, assuming that larger farms do not require a subsidy and very small farms were subsidised by a lump-sum amount that meant a higher rate DIS per unit of land. This caused further fragmentation, a quite undesirable effect. Farms with more than 20 ha tended to split up among relatives in order to receive higher amount of payment. Soon the higher rate for small farms was removed and the eligibility for the subsidy increased up to 50 ha. 'Cross compliance' meant 'to cultivate the land' and this also included fallow land; no one assumed that DIS could increase productivity or function as a protection without border measures. (Akder, 2007: 15)

From 2001 to 2004, the number of farmers who applied for DIS rose from 2.18 million to 2.75 million (Akder, 2007). Likewise this period reflects a rise in the total hectare of lands that were supported under DIS from 11.8 million to 16.6 million ha (1 hectare is 10,000 square meters; one dekar is 1,000 square meters) (Akder, 2007). Many small farms, however, remained unregistered despite the prospect of qualifying for direct payments. The high costs in obtaining the required documentation played a central role in this. In general terms, registration became troublesome for farmers because of their inheritance and cadastre related problems (Akder, 2007).

In theory, DIS was promoted on the grounds that it was going to facilitate Turkey's adjustment to the EU's Common Agricultural Policy (CAP). This expectation had become less optimistic as DIS payments were increasingly related to farmers' expenditures on land (Akder, 2007: 15). For instance, when a farmer announced his expenditure on fuel and fertilizer, he would have right to additional 'direct payments'. As a result, the additional payments were linked to the size of the farm and the number of livestock (Akder, 2007). The DIS did not only cause reaction amongst farmers but also within government organizations. Indeed, as

Akder (2007: 15) notes, ‘a very general subsidy reduces the functions of the old support organizations and their staff’, whilst ‘a differentiated subsidy with many instruments enhances their status’.

Table 6.5
Direct income support payments during ARIP

	Number of farmers (m) in Turkey	Total size of land DIS is applied (m ha) in Turkey	Unit DIS (TL/da)	Size of land subject to payment (da)	Date
2001	2.18	11.8	10	200	May 2002
2002	2.60	16.2	13.5	500	July 2003
2003	2.75	16.5	16	500	August 2004
2004	2.77	16.6	16	500	January 2006
2005	2.77	16.6	10	500	August 2006
2006	2.77	16.6	10	500	June 2007
2007	2.77	16.6	7	500	August 2008
2008	2.77	16.6	7	500	February 2009

Source: TKB and TZOB data. Table adopted from Günaydın (2010:173).

As Table 6.5 shows, DIS for 2003 and 2004 was 16 TL/da and was reduced to 10 TL/da in 2005 and 2006 and to 7 TL/da in 2007. The difference between these years was paid to farmers in the form of payment for fertilizer and fuel oil, again based on land size. However, it has to be noted that fuel oil and fertilizer subsidies were provided not on the basis of production but when it was financially possible.

In this system of subsidies where input and output subsidies were abolished, farmers could not create any link between the subsidy and production. Furthermore, farmers experienced a sense of disconnect, since the timing of payments was usually unpredictable and the amounts paid did not correspond with expenditures. As a result, they were not able to form a coherent opposition to this component. On the contrary, the farmers were constantly trying to make sense of which payment was for what, as the payments were made at least one year late.⁹ (Günaydın, 2010:174)

The total share of DIS in the agriculture budget was 78.6 per cent in 2002 and it increased to 83 per cent in 2003. In 2004 the share of DIS fell to 80 percent, and in the following years to 63.4 per cent, 55.8 per cent, 44.3 per cent and finally in 2008 to 34.1 per cent (Günaydın, 2010: 174, see also Appendix 8).

6.3.6 Elections of 2007 and clientelism

As a result of heavy frosts in the winter of 2004, farmers in the Black Sea region lost a total of 300,000 tonnes of hazelnut. The loss to the Black Sea region's economy was about 1 quadrillion (1000 trillion) Liras. According to MARA data, the total damage in the provinces of Giresun, Ordu, Samsun and Trabzon was 626 trillion Liras. MARA announced that it would compensate 46.6 per cent of the damage. Some 15 per cent of the compensation was paid in 2004. The rest, 247.8 trillion Liras, was not paid until the eve of elections. The same applies to DIS payments.

The dilemma farmers faced was whether to continue to resist, and thus punish the ruling party in the elections of 2007, or accept the government's concession of appointing TMO and vote for the same party.

Gifts of coal in the run-up to the elections

A landlord in Giresun, also a member of the administrative board of the Chamber in Giresun, described the emerging clientelistic relations between the government and the small farmers:

There are people living in worse conditions than I. These people are in need of one pack of coal, one plate of food. He has 300-500 kg of hazelnuts, he has four kids – they all have to go to school. The state gives them money; the state gives them 10 packs of coal. What is coal?! Are you going to make me a beggar? Instead of giving me coal, find me a job. Let me work with my pick and shovel. Don't give me food or bread, give me a job, and let me work... This government has brought nothing to my village. Electricity came during Özal. Roads were constructed during DYP. The current government did not contribute anything to our village¹⁰. There are four mosques in my village; all four of them were built thanks to the villagers. We built our own primary school. My kids work on the land. Those kids, don't they have any rights? Here is the sea, but we are barely able to go there for a picnic. All our profits went to those wage labourers coming from the East, to pesticides and fertilizers... Do you know what they say? [The people receiving coal gifts] They say: even if the govern-

ment gives 1 lira for hazelnuts, I shall vote for them. We had arranged that meeting, sent buses. They did not bother to come to join the protests. (Interview, farmer's house, Giresun Village, 2008)

He was saying that people accepting gifts stop fighting for higher prices or agricultural policies. Similarly, another farmer said:

The villagers say one thing one day, and something different the other day. They get a pack of coal and they accept the price of hazelnuts. Do you know who these people are? They are those who somehow get their gain from the government. The prime minister is clear in his 'take it or leave it' approach, he said 'this is the price, if you want, go and sell it, if not, leave it to the tradesmen, it is not my concern'.

Do peasants really vote for the party in power in return for gifts of coal, casting aside their (long-term) political/economic interests? Giving a positive answer to this question outright would be too simplistic, as this behaviour needs to be interpreted within the broader context of Turkish state–society relations. Secondly, the above statements cannot be taken at face value, as it could be seen as an extension of the nationalist bloc's argumentation to explain the political behaviour of rural electors. However, the quote above gives some important hints about the general political process.

In this study, I follow the dictum of Mouzelis (1978) which says that however strong clientelist relations are in a society, the political process is in fact greater than these networks. As Yıldırım (2009) demonstrates in her study, the populism of the AKP employed both ideological and financial strategies to curtail the struggle of the Turkish working class whilst successfully executing neo-liberal reforms in the country. When larger political processes are taken into consideration, the charitable-solidarity image of the government is supported by new and different social networking mechanisms. These mechanisms (i.e. health services, social aids) aim to compensate the losses of masses due to their exclusion from the national social security system brought about by privatization and flexible working arrangements of employers. Support in all these areas, Yıldırım (2009: 89) says, is supplied by means of budget transfers to local administrations. These budget transfers are so large that they could exceed traditional public expenditures (i.e. in justice, security, defence, education, health and environment). This leads us to the conclusion that the amount of money spent during the previous period (na-

tionalist developmentalist) in order to secure public services (through the central budget) has been transferred to local administrations.

Does this trend of decentralization of social services together with changing forms of social security we have described serve to empower the civil society, and create a more pluralist democracy? Moreover, what would this suggest in terms of centre/periphery relations in Turkey? Could this be interpreted as periphery (masses) finally connected to the centre (elitist state)?

Some (e.g. Boissevain, 1966; Powell, 1970) for example, have argued that clientelism could be in fact interpreted as a step forward in political development, in that it connects the centre to the periphery, serving to increase political consciousness (Güneş-Ayata, 1994: 19).¹¹ Furthermore, in Mexico, Fox (1994) observes that some social policy programs paved the way for associational autonomy (that is respect for pluralism) in the countryside to flourish and somehow empowered the civil society; when social groups profited from cracks within the state elite and pushed through political mobilization for further decisional autonomy within these programs.

However, we have observed in the case of the ARIP that new networks for small-scale farmers to be involved in policy formulation process were not established. Furthermore, the National Hazelnut Council that was established following the protest movement was criticized by most farmers as being dominated mainly by business circles and big farmers rather than small-scale farmers.

From a different perspective, scholars from the strong state tradition literature in Turkey (see chapter 2) have suggested that the electoral victories of the AKP in two subsequent elections in 2002 and 2007 could be interpreted as periphery (i.e. rural populations) being finally connected to the centre, an indication of a political consciousness of masses. According to this literature, the civilizing and secularist mission of the state elite during the first years of the Republic did not reach rural areas and created dual worlds usually excluding each other, as the state elite did not adopt the realities of the periphery to its development project (Güneş-Ayata, 1994: 50). The rest of Republican history is dominated by the same kind of state versus civil society relation. The 1980 coup is interpreted in line with the authoritarian tendencies of the state.

Things changed when the AKP came to power in 2002. This was interpreted as a backlash of the peripheral masses against the elitist strong state system in the direction of building a democratic society free from domination conducted by clientelist relations:

The election result (in 2002) can be interpreted as a reflection of the popular anger and feeling in Turkey that the ineffective and undemocratic governing structure with its economic populism, clientelism and corruption-based organisation had to be replaced by a strong government with societal support to make Turkey a democratically stable country. (Keyman, 2005: 46)

Furthermore, the leader of the AKP Erdoğan presented himself as one of the 'people' and, in so far as it was believed to be true, this became the reality in the minds of millions (cf. Yalman, 2002). Being one of them distinguished him from an oppressive state elite that had never understood the peasantry. This opposition between masses and the state elite is a central tenet of the strong state tradition literature in Turkey which holds that the expansion of civil society requires a lean state. The transferral of the state budget to local administrations and the state assuming a charitable, paternalistic role¹² to replace existing social security mechanisms may have created an impression of a shrinking state paving the way for an expanded civil society.

However, from a different analytical view, this development could be regarded as part of an ongoing populism (established during previous governments since the DP in the 1950s), which has taken this specific form in this specific period of state–society relations in Turkey. Yıldırım (2009) shows that next to the aid provided to rural populations there were off-budget contributions provided to domestic business networks. Put differently, closer scrutiny of state expenditure exposes the contradictory face of state policies, favouring business instead of the poor masses. Indeed, the transfers to local administrations and the decisions of state regulatory agencies show that domestic capital was favoured most. The deregulation of rural agencies paved the way for business networks to benefit directly from budget donations and indirectly from new business opportunities, new state policies created (Yıldırım, 2009: 89). From this perspective, the argument of rise of the periphery becomes mere rhetoric strengthening populist strategies to curb political

resistance in rural areas (Bedirhanoğlu, 2009; Yalman, 2002; Yıldırım, 2009: 90).

To return to the focus of this section, the political behaviour of small-scale hazelnut farmers during the elections of 2007 makes better sense from the latter perspective. The gifts of coal provided to petty peasants just before the elections may not have had a direct impact on the political nature of peasant struggle (cf. Fox, 1994). However, they certainly contributed to the material welfare of poor villagers (including small-scale farmers) as well as the popularity of the political party in power. Still, that petty peasants voted for a political party responsible for the impoverishment of agricultural producers is better explained by placing it within the wider context of neo-populism and the ongoing depoliticization of the peasantry instead of the narrow confines of patron–client relations. Thus, small-scale producers are confronted with state policies that do not support peasantry in real terms. At the same time, these state policies did not lead to the complete disappearance of the peasantry (total dispossession as a result of the increased presence of capital in the countryside). In fact, in view of terms of trade (see Table 6.2), impoverishment would have been more severe had the protest not taken place. It is thus possible to argue that farmers regarded the concessions just sufficient not to punish the government in the elections, in a context supported by neo-populism.

The state has to produce and re-produce such strategies at normal times, when the peasant struggle does not pose a direct challenge to the power of the state. As Das (2007) notes, the so-called demise of state authority in the rural sphere opens up space for capital to get organized: ‘While it has withdrawn from welfare provision for poor peasants and workers in rural areas, the state has taken active steps to promote agrarian and agribusiness capital accumulation at all levels, from local/regional to national/international’ (Das, 2007: 353).

In the meantime, the petty peasantry receives just enough support to survive. Three reasons can be advanced for this. Firstly, as Kautsky (1988) notes, the expropriation of peasant property is not in the interest of agrarian capitalists, because the industry needs the labour power that is produced socio-economically within the peasant family farm. Peasants serve industrialists in that they form a reserve army of labour (Das, 2007: 358). Secondly, the peasantry is important when it comes to elections, simply because it still constitutes a major part of the population. Finally,

the existence of petty peasantry is a 'source of legitimacy' for private property in the capitalist system and provides in this sense, the ideological basis for state actions (Das, 2007: 358).

Nevertheless, the consent of masses is secured through the production of a new regime that not only creates new networks of distribution allowing villagers just enough to survive, as we have described, but also supports this network by an ideological structure which is closely related to the socio- cultural traits of the countryside:

This government ruined us, the peasants, by smashing agricultural production. But I believe the Prime Minister has been doing great things for this country. After all, I believe this is what matters. (Interview, Samsun, Çarşamba Village, 2008)

When asked what those 'great things' were, I was given various examples from newspapers about the wide range of conservative and successful domestic-international political activities of the government of that period (2008). Answers of this kind remind us of Laclau (1977, 1985) on the nature of neo-populism. The main objective of neo-populist strategies is to divert the masses' attention away from economic crises and existing contradictions between different political coalitions of social groups supporting the state, thus allowing capitalist accumulation to continue undisturbed.

A final important point remains to be made regarding the voting behaviour of the petty peasantry in the Black Sea. It has to be emphasized again that my research in the Black Sea villages revealed that villagers see the election process as belonging to the sphere of politics. At the same time, not all aspects of the reform process were considered political. Furthermore, considering the fact that my interviewees refused to talk about certain topics and their negative associations with politics suggest that not all peasant groups consider the struggle we have been describing as directly related to electoral politics. Such reasoning appears consistent with the artificial separation of politics and economics following the coup of 1980, and the priority given to economics, which was reinforced with catchphrases like 'there is no alternative' (TINA). With the 1980 coup, any alternatives for development were considered unfashionable, and discussion thereof discouraged (Arsel, 2005: 21). The dominance of TINA seems to have prevailed in the 2000s (Cizre and Yeldan, 2005), affecting the voting behaviour of the Turkish masses (Yalman, 2002).

6.4 Conclusion: Sleeping Political Giant?

This chapter discussed the relations between the hazelnut producers and the state following the protest. The local dynamics of resistance, analysed on the basis of data collected during fieldwork conducted in 2008 in four Black Sea towns, namely Ordu, Giresun, Samsun and Düzce, have several implications for the politics of the reform process.

Firstly, some of the ideas legitimating the reforms, based primarily in the separation of politics and economics, could be observed at the village level. For instance, politics is understood in negative terms as something political parties engage in, and which is characterized by confrontation. Consequently, villagers were reluctant to discuss topics like Fiskobirlik and the protest meeting. However, both participation in the resistance and taking a stand on it was a calculated decision. As Harrod (1987) emphasizes, reticence does not necessarily imply that social groups are unaware of their interests. This certainly applied to the villages I visited. The production process and the ongoing struggle between exporters and small tradesmen were well defined. Furthermore, the ongoing antagonism between different groups within the village and between the village and external actors of production was evident.

Secondly, the countermovement of the government to the protest was to take measures which further depoliticized direct producers. The government further institutionalized the reform process through the establishment of new bodies (such as National Hazelnut Council) in support of exporters and bureaucratizing village life by placing TMO in charge of hazelnut purchases and the provision of technical expertise. These changes were accompanied by the diminishing role of the bankrupt sales cooperative union Fiskobirlik and the Chambers of Agriculture.

It could be argued that the actions of the state were an attempt to overcome the contradictions and tensions that marked hazelnut production. However, it has to be noted that the efforts of the state in overcoming the contradictions ended up creating new contradictions. From this point of view, it can be argued that the state did not overcome them but reproduced them in a new form with an objective to delay the potential tension they carry.

As shown, a number of Chambers of Agriculture employed big farmers. Small-scale farmers viewed these chambers as representatives of the

interest of big farmers. Moreover, many small-scale producers viewed the chambers as political organizations (in the pejorative sense they perceive politics), most probably due to the propaganda of the government against the organizers of the protest. In this context where alliances for resistance were broken, the state accommodated small-scale farmers by establishing clientelistic relations with them and in return getting their consent (for the time being) for future activities related to reform process.

Notes

¹ My translation from its Turkish original.

² TMO eventually rented some of the storage facilities from Fiskobirlik. Normally, TMO has no infrastructure suitable for hazelnut storing.

³ It is important to be aware that it was an unexpected, improvised move to appoint TMO to enter to the hazelnut market. This can be observed in statements made by interviewees in Samsun working in TMO who said they were shocked to learn the news on the radio on their way home. This was confirmed by a high-level officer at the headquarters of TMO in Ankara. He also said that it was a temporary move before a permanent solution would be presented. By solution, he explained, he meant a measure consistent with the functioning of a liberalized market with no intervention from the state. This implied that at some point in future, neither TMO nor any similar agency would be playing the role Fiskobirlik used to play.

⁴ It is interesting that instead of referring to the German chocolate industry, this time Italy is brought up. This may be because Ferrero is one of the leading buyers of Turkish hazelnuts. Also, it has to be noted that Italy is a hazelnut producing country itself. Please see Appendix 6.

⁵ For confidentiality reasons, name and position of this person are not given here.

⁶ 'Haksız rekabeti, haksız kazancı yeniden inşa ediyorsunuz'.

⁷ The year I conducted the interviews (2008) the average tradesman's price was half of the TMO purchasing price.

⁸ See ARIP PAD document, World Bank (2001).

⁹ My translation from its Turkish original.

¹⁰ 'Bu köyümüzde mevcut hükümetin çakılı bir tek çivisi yoktur'.

¹¹ Whilst some Marxist approaches consider clientelism as a factor hampering formation of class-based autonomous organizations; other non-Marxist approaches consider the development of such relations as an opportunity for the development of interest-based individualistic politics (e.g. Boissevain, 1977).

Mouzelis (1978) on the other hand, adopts an in-between approach and suggests class-based politics and clientelism can get along depending on different social contexts.

¹² Güveloğlu (2004) notes that the personalized political relations during the period following the 2002 elections are based in the separation of aid and support policies, the latter of which is grounded in rights-based relations between individuals and the state. Aid takes the form of charity and is structured by paternalist relations. These actions are part of and parcel of populist strategies and vital to secure the neo-liberal accumulation process.

7

Conclusion: Peasant Struggle Through the Prism of State–Society Relations

This study has analysed and discussed state–peasant relations with reference to hazelnut production during the implementation of the World Bank-designed Agricultural Reform Programme in Turkey (2001–2008). It enquired why the political impact of the resistance remained limited despite all the efforts of hazelnut producers to present their demands.

The quest for understanding the relations between state and society in general, and resistance and domination in particular, led us to engage theoretically with this question from a perspective that views the relation between state and society in reciprocal terms. Unlike studies that view state–society relations as a one-way relationship (either from state to society or from society to state), the present study makes the case that this relationship is to be viewed as reciprocal and interactive and therefore, to be studied accordingly. Specifically, this approach, supplemented by an agency–centred historical approach (that studies peasant politics with a special focus on the agency potential of groups of farmers) provided a good framework to understand why agricultural policies were changed in a certain way following the overt political action of farmers.

Viewing the relationship between state and society as a dialectical one required disaggregating the state and studying different institutions and agencies in relation to society and vice-versa. Disaggregating the state was helpful for discovering the different ideas and politics around reform during the policy formulation process. Hence, it was possible to observe different institutions' relations with social groups whose interests were at stake during the reform. By looking at political society, juncture points between different institutions and social groups could be observed. Different groups involved in hazelnut production pressed their claims as well as preserving some autonomy in the existing conditions of production through institutions that exist in the political society, like the parastatal sales cooperative Fiskobirlik or organizations representing in-

terests of farmers and exporters. Finally by complementing these findings with village studies, it was possible to discuss the socio-economic basis of resistance *vis-à-vis* the state agencies and other social groups (e.g. tradesmen, business).

The analysis reveals that state policies are not a direct reflection of demands from society; rather, state policies are selective and biased depending on the balance of social forces in society. Furthermore, reforms are a result of ongoing relations between different agencies within the state and the world order. Some bureaucratic groups or agencies may gain significance in line with global socio-political trends and the ideology that prevails. At the same time some other groups in various state agencies may favour different ideas or policies which may be a reflection of their socio-economic background combined with ideas retained from previous developmental eras and older institutional traditions. As the study of ARIP formulation process illustrates, the state provides a social arena where different actors struggle to defend and realize their ideas and interests.

Nevertheless, the picture remains incomplete without looking at peasant politics and forms of resistance and domination in society. Indeed, one cannot assess why state policies follow a certain direction and not another without tracing the anatomy of active resistance, power relations in the market and village and political linkages between different social groups involved in production (cf. Fox, 1993; Migdal, 2001). In other words, without studying the power relations that shape the relations between the state and society at village level, it is hard to understand why the state adopts certain policy changes rather than others. Studying these power relations and the political consciousness of different groups in political society also provides a good basis for assessing why certain (economic) deprivations lead to collective action whilst sometimes don't (McAdam, 1982; cf. Tilly, 1984), or why resistance takes a particular form and not another (cf. Tarrow, 1998). Villagers' perceptions of and relations with farmers' organizations, sales cooperatives and the state offered an important basis for understanding different forms of resistance and domination.

7.1 Peasant Struggle and Structure

This study has, through an agency-centred historical approach, illuminated a dramatic interlude in the adoption and implementation of neo-liberal policies. This required situating the agricultural reform process and social groups involved in hazelnut production in a broader structural framework marked by historically determined power relations.

The starting point of this study was that the Agricultural Reform Implementation Programme was part of a socio-political project that reflected the emerging hegemonic project of transnational agro-business corporations in alliance with politicized farmers in developed countries. At the national level, this project coincided with a transition of the Turkish state – from a developmental state to one adopting policies of trade liberalization in agriculture and privatization of agricultural organizations. In terms of state–society relations, this implied a severance of the alliance between the agricultural bureaucracy, which was rooted in the developmentalist tradition, and small-scale farmers. The socio-political implication of this project for hazelnut production in Turkey was that the small-scale farmers of the Black Sea region faced a future of having to contend with the large multinational corporations of the chocolate industry in Europe. A predictable consequence of this process was further impoverishment in the villages.

The engagement of different groups of hazelnut farmers in the political struggle during the reform process was discussed both at the institutional level, in the case of the Hazelnut Sales Cooperatives' Union (Fiskobirlik), and state level, in terms of how they negotiated at the level of state especially with state agencies and the government when the crisis of Fiskobirlik escalated. The ideological features of this struggle from the perspective of representative Chambers of Agriculture in four towns, namely Ordu, Giresun, Samsun and Düzce were further explored. In overall terms, the study sheds light on the contradictions and tensions inherent in hazelnut production in the context of the reform process, which reveals itself as a reciprocal process.

As the analysis has shown, the transformation that the reform programme has envisaged posed several challenges in the existing socio-political context within which hazelnut production relations were organised. I have argued that this transformation required both structural and ideological attunement in the face of existing power relations. As ob-

served in the Fiskobirlik crisis, these challenges triggered the peasant struggle to become apparent in political society; first at the institutional level, then in the public space. Nevertheless, as this study argues, the crisis was resolved within the basic contours and mechanisms of the old structure, without significantly changing either the way relations have been already organized between state and peasants, or the dynamics of peasant struggle thus far experienced in the villages. This may seem as a paradox because the government made use of discursive elements of the reform project in order to argue against the demands of farmers in Fiskobirlik to increase prices. The fact that the government in the end appointed a new state agency in charge of subsidy purchases suggests that the government had diverted from the broader reform framework, in this case, for the sake of consolidating its political power.

There are several other important points to be discussed in regard to peasant struggle and the socio-political context. Even though it was not the objective of this study, it is nevertheless possible to state here that the fact that objectives of the reform were not met seems to be due to the failure of reformers (i.e. policy-makers in state agencies and WB officials involved in reform programme design) in reading state-society relations in Turkey. More specifically, it seems they had missed the fact that institutions are determined by (or embedded in) wider social, political and economic relations.

As for the peasant struggle, arguably, because it did not fundamentally challenge the lingering paradigm that framed the reform with an alternative project, its political impact and effects over the existing structure remained limited. However, it has to be noted that the structure was attuned by the dynamics of peasant struggle we have observed in this study (in Chapter 5 and 6). Having said that, it is also important to add that “structure” (in this context, the way production and power relations are organized and related ideas) cannot be considered as fixed before the reform project (and the peasant struggle that emerged in reaction) but it is always in a state of transformation.

In the following section I argue that the fact that the alliance of differentiated farmers did not propose an alternative project is mainly due to their fragmented position they hold in Turkish political society. Nevertheless, it is hard to conclude that the peasant struggle *per se* was ineffective. Indeed, as I discussed, the alliance was able to reverse the immediate effects of the reform programme. Arguably, if the protest had not

taken place, small-scale farmers would have been in worse conditions after the Fiskobirlik crisis. The alliance had obtained what all differentiated farmers in villages were asking for; higher prices accompanied by the state support. What was perhaps missing in this peasant struggle is that the long-term political/economic interests of differentiated farmers were not emphasized, particularly those of small-scale farmers. Indeed, the long-term interests are closely linked to the fragmented position of peasant groups in political society which was challenged by the formation of the political alliance but was not resolved.

7.2 Reform and Resistance

The reform process highlighted a number of contradictions and tensions inherent to state–society relations in general, and state–peasant relations in particular. I argued that the political character of the reforms was undemocratic, avoiding theoretically and methodologically the matter of social resistance from societal groups. Not only were farmers' representatives in the state apparatus and other societal groups who were critical of the reforms excluded from the reform formulation process, but the process was also framed by specific conception of the relation between politics and economics, and the state and society.

The discursive elements of the reforms consisted of the artificial separation of politics and economics which took shape following the 2001 financial crisis in Turkey. Local agents also adopted some of the assumptions regarding state–society relations that dominated the crisis atmosphere and the Structural Adjustment Programme (1999). Secondly, during the reforms the developmental bureaucracy of the Ministry of Agriculture and Rural Affairs (MARA) was replaced by technocrats dealing with the technical details of agricultural reform. As the reform envisaged a transformation in the state apparatus, particularly in the MARA, the resistance of the developmental bureaucracy was eventually broken. Thirdly, the local agents who adopted the discourse separating economics and politics were not limited to the state apparatus and included business associations, academics, as well as an important section of the media. Through these groups' adoption of the doctrine of the separation of economics and politics, it became a social reality.

The contradictions inherent in hazelnut production surfaced during ARIP with the restructuring of the Union of Hazelnut Sales Coopera-

tives, Fiskobirlik. Since its establishment in 1938, the Turkish state has been providing price support to hazelnut producers through the parastatal institution. Once it became an autonomous institution as required by the reform programme, Fiskobirlik attempted to set a higher price than expected by exporters. This attempt was punished by the government which had been trying to take over control of the Fiskobirlik administrative board. As the government was refusing to back Fiskobirlik in its new pricing policy, Fiskobirlik declared its bankruptcy. The resistance of Fiskobirlik administration was followed by a big protest meeting of the Black Sea farmers in the city of Ordu (2006).

A closer look at the protest of the farmers, its discursive elements and participants suggested that in relation to the state, the peasant struggle during ARIP took the form of an alliance relying on the existing nationalist bloc in Turkey. This bloc consisted of Chambers of Agriculture, some bureaucrats (both on local level and centrally, in Ankara) from the Ministry of Agriculture and Rural Affairs and big landowners also active in local Chambers of Agriculture. Furthermore, an intra- and inter class alliance could be also observed within the nationalist bloc formed during the protest. For instance, local commercial groups and different groups within the peasantry supported the protest. As a result, the protesters' demands were raised above class interests, highlighting instead the national interests of the country.

However, it has to be taken into account that it was the well-to-do farmers who assumed the intellectual and moral leadership of the hazelnut producers' protest. Indeed, the discourse adopted by the protesting farmers from diverse backgrounds was developed by the well-to-do farmers, an act which reflects their dominant position. Both due to the fact that this was a political alliance between different social groups involved in hazelnut production and that the political leaders were well-to-do farmers, class was glossed over. This class-neutral tone reveals the presence of some populist elements such as an appeal to people instead of different interests of groups and hazelnut as a national asset rather than a product of survival means of small farmers.

A further point that supports the fragmented position that farmers occupy could be observed in regard to their relation to the state. Especially following the protest, the peasant groups were subject to the counteraction of the government which consisted of highlighting the contradictions stemming from class struggle, tensions and antagonisms

intrinsic to hazelnut production. As observed in the villages, both during the Fiskobirlik crisis and during the post-protest phase further efforts were made by the state to depoliticize villagers. The government appointed a state agency for hazelnut purchases within which the hazelnut farmers have no representation, established a national hazelnut council representing all social fractions within hazelnut production, excluded both Fiskobirlik and the Chambers of Agriculture, and reregulated their financial management procedures. These state strategies paved the way for the consolidation of neo-liberal policies in the hazelnut sector.

I argued that the ideological basis of the new political strategies of the state resonated in the villages as villagers conceived economics and politics as two separate spheres. Political struggle and tension could be observed among groups of peasants and other groups (i.e. exporters and tradesmen) in villages. However, because of the negative associations with politics, as a sphere where political parties which involved confrontation between political parties, villagers refused to adopt an explicit political stance which would invite such confrontation. At the same time, economic issues of any other kind became the subject of intense debate – such as whether to resist giving hazelnuts to tradesmen or not.

Overall, this analysis has revealed that besides material conditions, peasant politics in the Black Sea region is determined by perceptions of the outside world, and shared meanings regarding relations of production and daily life in the village. It could be argued at this point that villagers' exposure to and engagement with global policies at the village level renders the village no longer a 'peripheral community' but places it right at the heart of politics. It is thus possible to conclude from this discussion that the struggle of farmers takes on different forms in the market, village and organizations/institutions. Furthermore, the differences in interests amongst allying groups are also somehow politicized at different levels in society, especially locally (e.g. tea houses, local chambers of agriculture).

Finally, the research conducted in the villages of the four Black Sea provinces revealed that both smallholders and the local leaders of the nationalist agricultural bloc (small and big landowners in the Chambers of Agriculture) were aware that the state would very often serve the interests of dominant groups, but it was believed that it had to (and could) remain benign. This suggests that the slogans shouted during the protest and the demands of farmers' representatives generally reflected the ex-

pectations of villagers. However, the government attempted to break this alliance and the resistance of the nationalist block in various ways. The government used the small-scale farmers' discontent with the Chambers of Agriculture to weaken the alliance, and established relations of a populist and clientelistic kind with smallholders, as could be observed in the payments of direct income support.

7.3 Food for Thought: The Future of Peasant Resistance in Hazelnut Production

This study has attempted to contextualize a transition phase in the relations between the state and the peasantry during the implementation of the agricultural reform programme designed by the World Bank. This programme along with structural adjustment programme of the IMF aimed to transform the policies inherited from the developmental state policies of Turkey adopted in the mid-1940s.

At the time this research was conducted (2008) the state agency appointed by the government (TMO) following the protest was still active in the hazelnut market. Nowadays (since 2009), TMO no longer purchases the hazelnuts of Black Sea producers and hazelnut prices are determined in the market. Farmers also no longer sell their hazelnut to Fiskobirlik which is still unable to pay its debts of previous years to farmers. It is being reported that thus far, prices have not declined dramatically.

Changes in relations between the state and the peasants of the Black Sea region have certainly affected, and will in future affect, the power relations as I have described them in this study. At the time I conducted my research, there was a strong belief that the state would somehow protect the interests of farmers. This must have affected the behaviour of farmers. Now that this has changed, the dynamics of resistance may take a different shape. Indeed, as I described in Chapter 5, antagonisms both within the villages and towards external actors were expressed in strong terms. However, the way peasant politics is expressed in the villages is in the form of everyday resistance which does not necessarily translate into overt action. Precisely how these relations will shift and how resistance will manifest in future therefore remain to be seen.

Much of the discussion in this study has in some way been concerned with the essential question of the nature of the political in society. The

point of departure of the analysis was that politics is present throughout society, also in the economic sphere. Yet it was not clear how different social groups in the Turkish Black Sea region experienced the political. Is the political in society a space consisting of freedoms? Or is it shaped by power, conflict and antagonism? The evidence presented in this study suggests that it is the latter that better defines the political. For instance, Chapter 6 illustrated that conflict is an important feature of daily life in the village, even after the protest, when the state initiated a new institutionalization process based on 'compromises'. This finding suggests that the compromises reached during policy formation processes need to possess a certain quality. That is, solutions adopted need to appeal to and reflect the interests of all social groups involved. Therefore, it would appear that, for a more democratic formulation and implementation of state policies, political questions cannot be considered as technical ones to be solved by experts. Solutions to political questions are by definition conflictual. The alternative solutions should therefore be discussed by those affected. Finally, all the discussions around 'the best way to solve problems in agriculture', in this case hazelnut production, should openly be recognized as political in nature.

Appendices

Appendix 1 Number and Size of Landholdings in Turkey and Black Sea Towns Subject to Research

NUMBER AND SIZE OF LANDHOLDINGS / SIZE OF LAND				
TURKEY				
Size of Holdings (Da)	Total Number of Holdings	%	Total Area	%
Total	3.022.127	100,00	184.348.223	100,00
-5	178.006	5,89	481.987	0,26
5-9	290.461	9,61	1.952.471	1,06
10-19	539.816	17,86	7.378.022	4,00
20-49	950.840	31,46	29.531.619	16,02
50-99	560.049	18,53	38.127.032	20,68
100-199	327.363	10,83	43.884.395	23,81
200-499	153.685	5,09	42.075.497	22,82
500-999	17.429	0,58	11.218.554	6,09
1000-2499	4.199	0,14	5.476.930	2,97
2500-4999	222	0,01	695.541	0,38
5000+	57	0,00	3.526.175	1,91

NUMBER AND SIZE OF LANDHOLDINGS / SIZE OF LAND				
GİRESUN				
Size of Holdings (Da)	Total Number of Holdings	%	Total Area	%
Total	60.379	100,00	1.567.077	100,00
-5	7.000	11,59	19.443	1,24
5-9	10.446	17,30	68.209	4,35
10-19	17.785	29,46	239.661	15,29
20-49	18.406	30,48	541.350	34,55
50-99	3.824	6,33	244.077	15,58
100-199	2.401	3,98	307.664	19,63
200-499	517	0,86	146.673	9,36
500-999	-	-	-	-
1000-2499	-	-	-	-
2500-4999	-	-	-	-
5000+	-	-	-	-

NUMBER AND SIZE OF LANDHOLDINGS / SIZE OF LAND				
ORDU				
Size of Holdings (Da)	Total Number of Holdings	%	Total Area	%
Total	73.762	100,00	2.133.606	100,00
-5	2.236	3,03	7.051	0,33
5-9	7.176	9,73	47.201	2,21
10-19	20.544	27,85	273.447	12,82
20-49	33.144	44,93	995.134	46,64
50-99	8.823	11,96	570.999	26,76
100-199	1.773	2,40	225.242	10,56
200-499	66	0,09	14.532	0,68
500-999	-	-	-	-
1000-2499	-	-	-	-
2500-4999	-	-	-	-
5000+	-	-	-	-

NUMBER AND SIZE OF LANDHOLDINGS / SIZE OF LAND				
SAMSUN				
Size of Holdings (Da)	Total Number of Holdings	%	Total Area	%
Total	86.128	100,00	3.760.438	100,00
-5	1.793	2,08	5.344	0,14
5-9	6.748	7,83	47.159	1,25
10-19	17.233	20,01	234.976	6,25
20-49	33.802	39,25	1.051.254	27,96
50-99	18.811	21,84	1.278.623	34,00
100-199	6.994	8,12	896.519	23,84
200-499	726	0,84	191.874	5,10
500-999	1	0,00	737	0,02
1000-2499	18	0,02	20.614	0,55
2500-4999	-	-	-	-
5000+	2	0,00	33.338	0,89

NUMBER AND SIZE OF LANDHOLDINGS / SIZE OF LAND				
BOLU				
Size of Holdings (Da)	Total Number of Holdings	%	Total Area	%
Total	23.951	100,00	1.100.017	100,00
-5	205	0,86	415	0,04
5-9	1.062	4,43	7.633	0,69
10-19	4.295	17,93	63.320	5,76
20-49	10.241	42,76	328.034	29,82
50-99	6.051	25,26	417.659	37,97
100-199	1.954	8,16	248.775	22,62
200-499	143	0,60	34.181	3,11
500-999	-	-	-	-
1000-2499	-	-	-	-
2500-4999	-	-	-	-
5000+	-	-	-	-

Source: Turkish Statistical Institute, 2001 General Agricultural Survey

Appendix 2
Population Cities and Villages Compared (1990 and 2000)

Population	1990			2000		
Region	Total	City	Village	Total	City	Village
Mediterranean	7.026.489	4.051.596	2.974.893	8.723.839	5.239.500	3.834.339
Eastern Anatolia	5.348.512	2.285.798	3.062.714	6.147.603	3.267.692	2.879.911
Aegean	7.594.977	4.344.471	3.250.506	8.953.375	5.517.724	3.435.651
South Eastern Anatolia	5.517.160	2.873.801	2.283.359	6.604.205	4.154.558	2.449.647
Central Anatolia	9.913.306	6.412.910	3.500.396	11.625.109	8.046.723	3.578.386
Black Sea	8.136.713	3.337.392	4.799.321	8.439.355	4.143.669	4.295.686
Marmara	13.295.878	10.350.307	2.945.571	17.351.417	13.739.470	3.611.947

Region	Annual Population Increase Rate (Per Thousand) 1990-2000		
	Total	City	Village
Mediterranean	21,64	25,71	15,81
Eastern Anatolia	13,92	35,74	-6,15
Aegean	16,45	23,91	5,54
South Eastern Anatolia	24,73	36,86	7,03
Central Anatolia	15,93	22,70	2,20
Black Sea	3,65	21,64	-11,09
Marmara	26,62	28,33	20,39

	Population	Bolu	Samsun	Giresun	Ordu
1990	Total	262.919	1.161.207	499.617	826.886
	City	107.551	527.362	223.678	348.028
	Village	155.368	633.845	275.939	478.858
2000	Total	270.654	1.209.137	523.819	887.765
	City	142.685	635.254	283.316	416.631
	Village	127.969	573.883	240.503	471.134
Annual Population Increase (Per Thousand) 1990-2000	Total	2,90	4,04	4,73	7,10
	City	28,26	18,61	23,63	17,99
	Village	-19,40	-9,94	-13,74	-1,63

Source: Turkish Statistical Institute, 2001 General Agricultural Survey

Appendix 3
Immigration Rates Compared

A COMPARISON OF IMMIGRATION RATES AND REGIONS								
PERIOD	TYPE OF IMIG'TION	REGION						
		Med.	Eastern Anatolia	Aegean	South Eastern Anatolia	Central Anatolia	Black Sea	Marmara
1970- 1975	Inbound	595.769	389.886	301.516	1.132.171	500.044	399.152	102.491
	Outbound	504.713	417.306	330.522	573.669	563.757	627.741	111.587
	Net	91.056	-27.420	-29.006	558.502	-63.713	-228.589	-9.096
1975- 1980	Inbound	426.864	337.656	225.236	935.197	398.841	299.016	88.439
	Outbound	414.904	360.228	327.034	566.480	431.921	491.059	110.134
	Net	11.960	-22.572	-101.798	368.717	-33.080	-192.043	-21.695
1980- 1985	Inbound	479.710	368.216	240.986	963.755	432.917	329.803	75.876
	Outbound	-451.752	-371.645	-348.398	-598.014	-471.959	-520.791	-123.511
	Net	27.958	-3.429	-107.412	365.741	-39.042	-190.988	-47.635
1985- 1990	Inbound	487.276	238.865	520.611	242.817	670.035	380.374	1.525.195
	Outbound	-356.159	-671.255	-390.311	-369.175	-813.502	-780.228	-684.543
	Net	131.117	-432.390	130.300	-126.358	-143.467	-399.854	840.652

A COMPARISON OF IMMIGRATION RATES AND CITIES				
PERIOD	Bolu	Giresun	Ordu	Samsun
1970-1975	4388	-2.202	-29.942	-12.617
1975-1980	-466	-17.509	-20.570	-10.994
1980-1985	-4.871	-19.945	-24.202	-13.660
1985-1990	-4.149	-34.828	-42.910	-31.222

Source: Turkish Statistical Institute

Appendix 4

Number of Households and Occupations People Have in the Black Sea

Number Of Household Members Having One Or Two Occupations In Agricultural Holdings Turkey			
Employment Status People Whose Main Occupation Is/Are	Number Of Employees	Percentage of Employees (%)	Average Number Of Worked Days In Main Occupation
Agriculture But Not Having Additional Occupation	7566613	86,324	205
Agricultural Activity And Having Additional Occupation	598834	6,832	217
Non-Agricultural Activity And Not Having Additional Occupation	240519	2,744	260
Non Agricultural Activity But Having Additional Occupation In Agriculture	357091	4,074	245
Are Non Agricultural Activities.	2273	0,026	211
TOTAL	8765330	100	209

Number Of Household Members Having One Or Two Occupations In Agricultural Holdings Bolu			
Employment Status People Whose Main Occupation Is/Are	Number Of Employees	Percentage of Employees (%)	Average Number Of Worked Days In Main Occupation
Agriculture But Not Having Additional Occupation	51783	70,658	229
Agricultural Activity And Having Additional Occupation	13468	18,377	241
Non-Agricultural Activity And Not Having Additional Occupation	3355	4,578	291
Non Agricultural Activity But Having Additional Occupation In Agriculture	4681	6,387	238
Are Non Agricultural Activities.	-	-	-
TOTAL	73287	100	234

Number Of Household Members Having One Or Two Occupations In Agricultural Holdings Giresun			
Employment Status People Whose Main Occupation Is/Are	Number Of Employees	Percentage of Employees (%)	Average Number Of Worked Days In Main Occupation
Agriculture But Not Having Additional Occupation	164079	91,781	141
Agricultural Activity And Having Additional Occupation	5936	3,320	146
Non-Agricultural Activity And Not Having Additional Occupation	2289	1,280	211
Non Agricultural Activity But Having Additional Occupation In Agriculture	6469	3,619	276
Are Non Agricultural Activities.	-	-	-
TOTAL	178773	100	147

Number Of Household Members Having One Or Two Occupations In Agricultural Holdings Ordu			
Employment Status People Whose Main Occupation Is/Are	Number Of Employees	Percentage of Employees (%)	Average Number Of Worked Days In Main Occupation
Agriculture But Not Having Additional Occupation	202407	86,054	224
Agricultural Activity And Having Additional Occupation	19440	8,265	173
Non-Agricultural Activity And Not Having Additional Occupation	925	0,393	308
Non Agricultural Activity But Having Additional Occupation In Agriculture	12438	5,288	257
Are Non Agricultural Activities.	-	-	-
TOTAL	235210	100	222

Number Of Household Members Having One Or Two Occupations In Agricultural Holdings Samsun			
Employment Status People Whose Main Occupation Is/Are	Number Of Employees	Percentage of Employees (%)	Average Number Of Worked Days In Main Occupation
Agriculture But Not Having Additional Occupation	300129	86,054	186
Agricultural Activity And Having Additional Occupation	29765	8,534	199
Non-Agricultural Activity And Not Having Additional Occupation	913	0,262	285
Non Agricultural Activity But Having Additional Occupation In Agriculture	17963	5,150	229
Are Non Agricultural Activities.	-	-	-
TOTAL	348770	100	190

Source: Turkish Statistical Institute, 2001 General Agricultural Survey

Appendix 5
Employment Status of People Whose Main Occupation is Agriculture

Employment Status Of Household Members Whose Main Occupation is Agricultural Activity in Agricultural Holdings Turkey		
EMPLOYMENT STATUS	PERCENTAGE OF THE NUMBER OF PEOPLE	
	Male %	Female%
Salaried	0,084	0,016
Daily Paid (Seasonal)	0,803	0,474
Employer	1,112	0,218
Self-Employed	57,186	6,475
Unpaid Family Worker	40,815	92,817
TOTAL	100	100

Employment Status Of Household Members Whose Main Occupation is Agricultural Activity in Agricultural Holdings Bolu		
EMPLOYMENT STATUS	PERCENTAGE OF THE NUMBER OF PEOPLE	
	Male	Female
Salaried	0	0,016
Daily Paid (Seasonal)	0,029	0,474
Employer	0	0,218
Self-Employed	67,303	6,475
Unpaid Family Worker	32,668	92,817
TOTAL	100	100

Employment Status Of Household Members Whose Main Occupation is Agricultural Activity in Agricultural Holdings Giresun		
EMPLOYMENT STATUS	PERCENTAGE OF THE NUMBER OF PEOPLE	
	Male	Female
Salaried	0	0
Daily Paid (Seasonal)	0,155	0
Employer	0	0
Self-Employed	55,641	8,762
Unpaid Family Worker	44,204	91,238
TOTAL	100	100

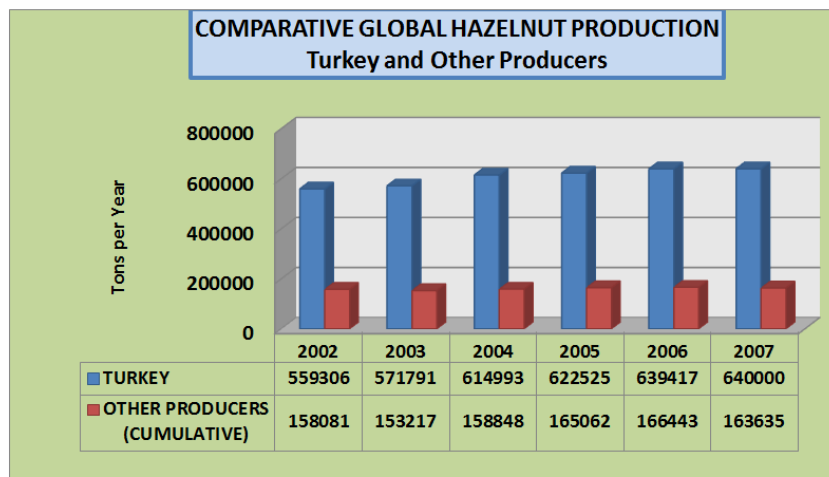
Employment Status Of Household Members Whose Main Occupation is Agricultural Activity in Agricultural Holdings Ordu		
EMPLOYMENT STATUS	PERCENTAGE OF THE NUMBER OF PEOPLE	
	Male	Female
Salaried	0,234	0
Daily Paid (Seasonal)	0,533	0,069
Employer	0	0
Self-Employed	53,991	3,090
Unpaid Family Worker	45,242	96,841
TOTAL	100	100

Employment Status Of Household Members Whose Main Occupation is Agricultural Activity in Agricultural Holdings Samsun		
EMPLOYMENT STATUS	PERCENTAGE OF THE NUMBER OF PEOPLE	
	Male	Female
Salaried	-	-
Daily Paid (Seasonal)	0,316	-
Employer	0,097	-
Self-Employed	45,064	13,430
Unpaid Family Worker	54,523	86,570
TOTAL	100	100

Source: Turkish Statistical Institute, 2001 General Agricultural Survey

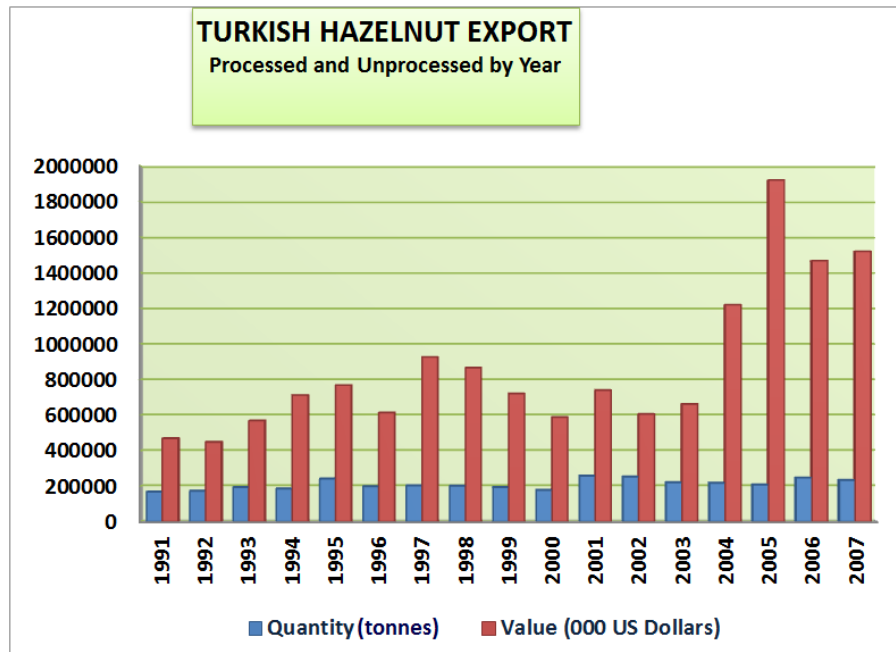
Appendix 6
Hazelnut Production in Turkey and Other Countries Compared

<i>World Hazelnut Producing Countries (tonnes per year)</i>						
	2002	2003	2004	2005	2006	2007
TURKEY	559306	571791	614993	622525	639417	640000
ITALY	68742	68113	67506	67743	69685	68288
SPAIN	22397	21583	20590	20343	20000	20000
AZERBAIJAN	17646	17812	17971	18228	17397	17397
USA	11817	11331	11493	11453	11453	11500
GEORGIA	8000	8000	4600	9000	9000	7700
OTHER	29479	26378	36688	38295	38908	38750
TOTAL	717387	725008	773841	787587	805860	803635



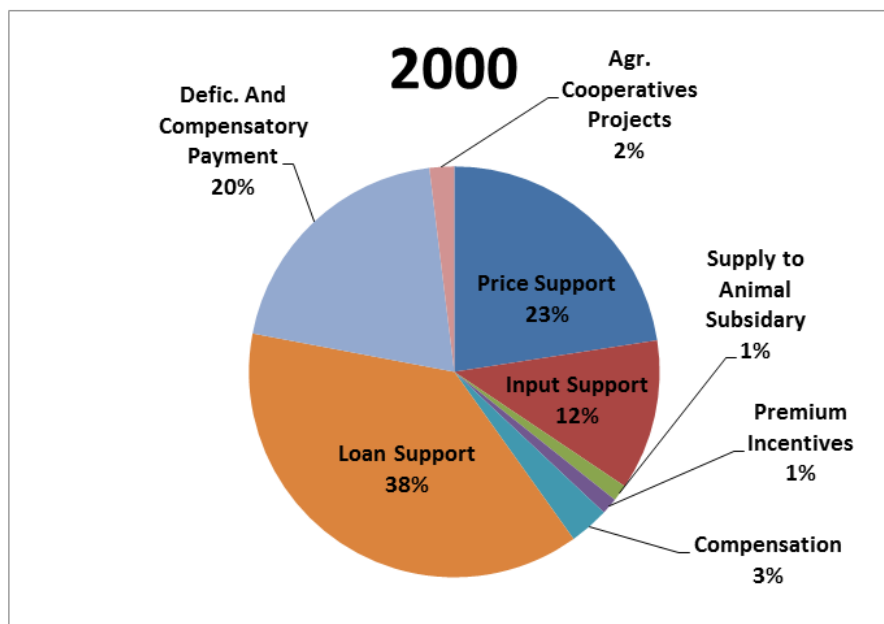
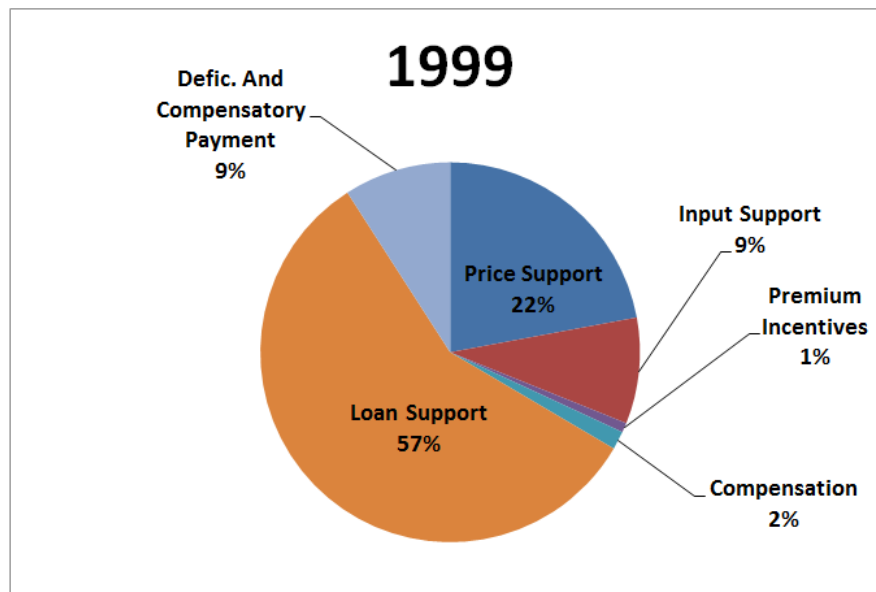
Source: FAO

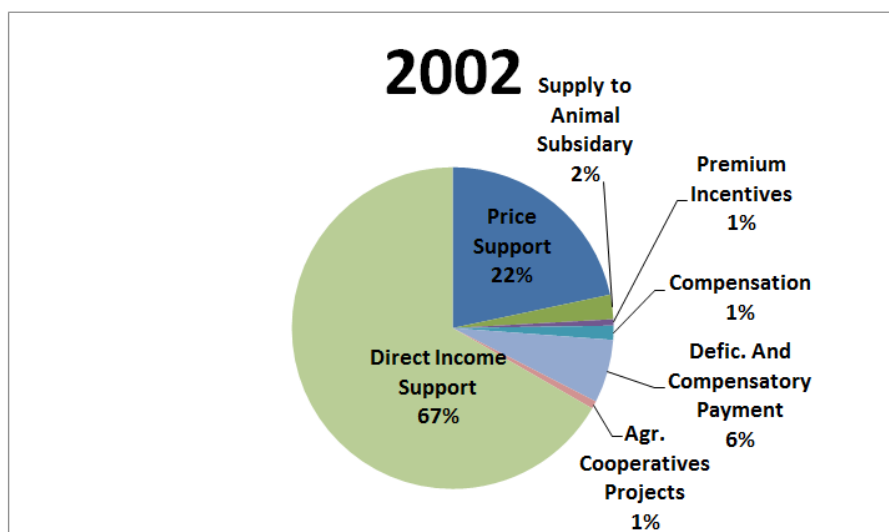
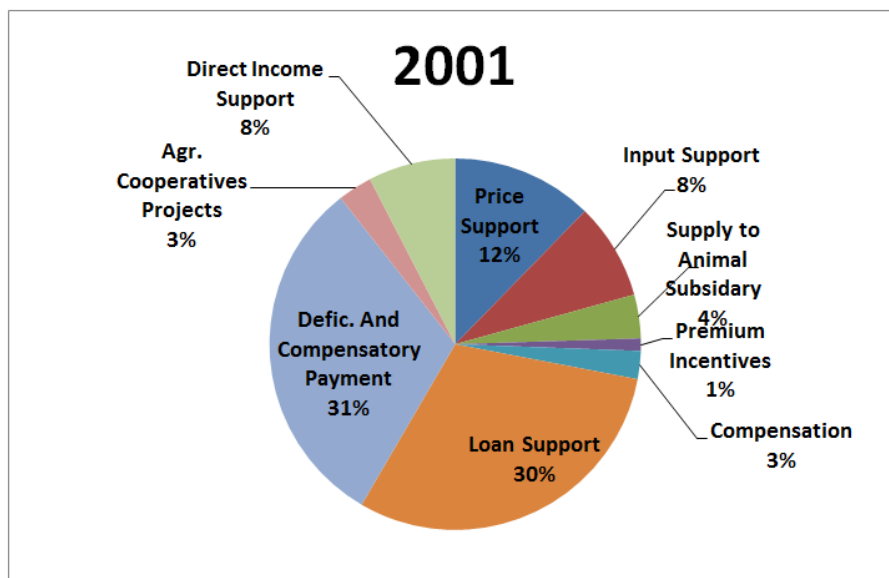
Appendix 7
Turkish Hazelnut Exports

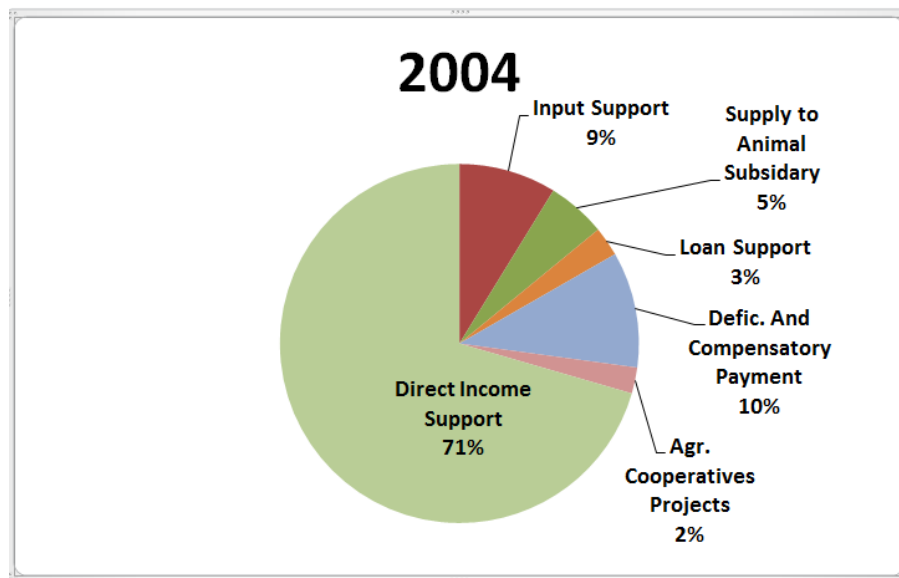
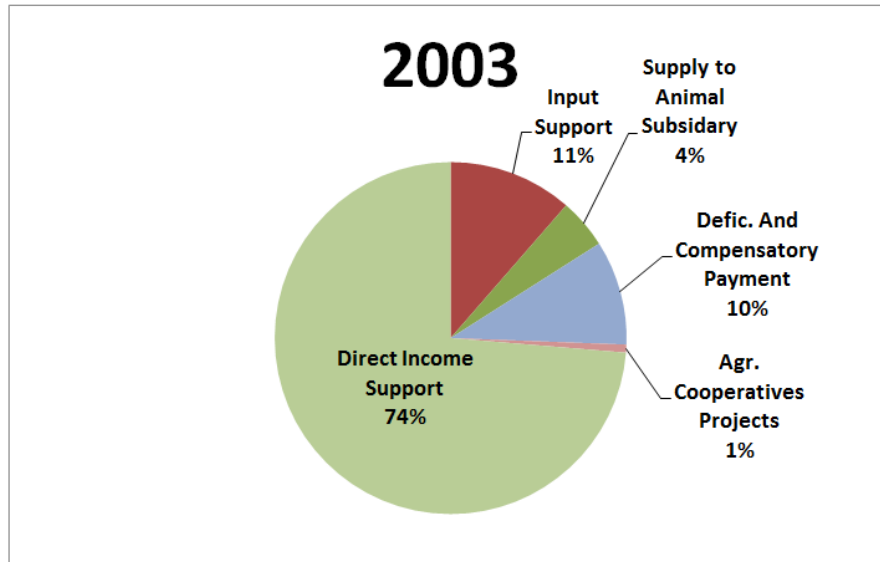


Source: Istanbul Hazelnut and Product Exporters' Association

Appendix 8
Distribution of Agricultural Subsidies by Type during ARIP



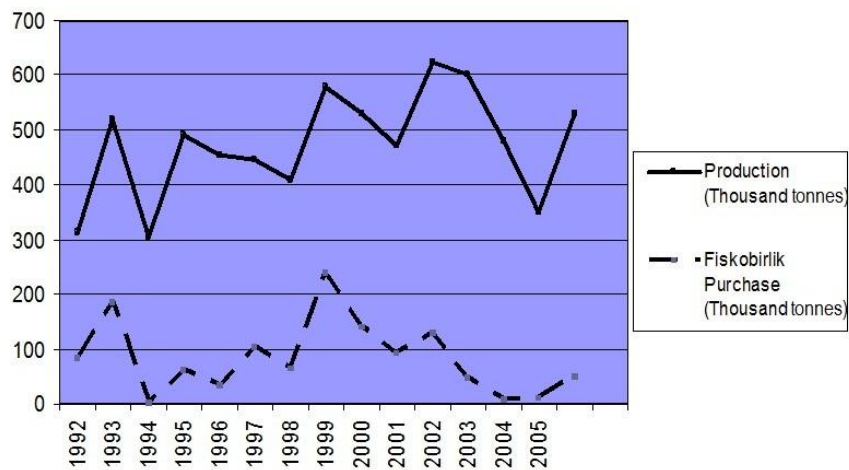




Source: State Planning Organization, 2005.

Appendix 9
Hazelnut Production and Fiskobirlik Purchases (1990-2005)

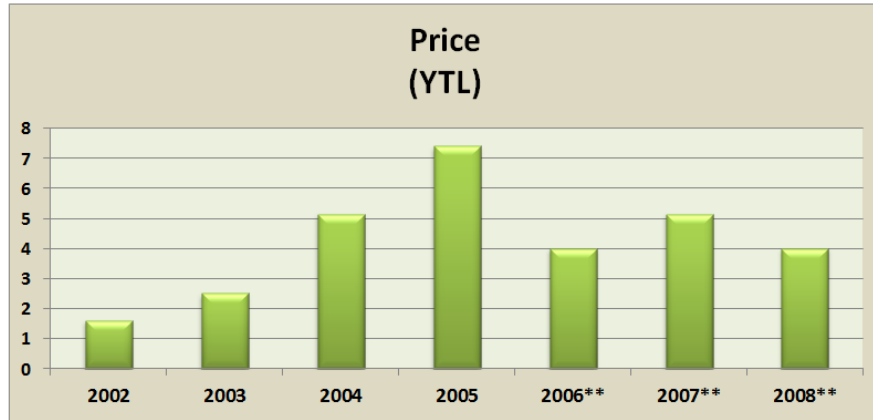
Hazelnut Production & Fiskobirlik Purchases			
Year	Production (thousand tonnes)	Fiskobirlik Purchases	
		Tonnes (thousand)	Share (%)
1990	375	130	34,6
1991	314	85	27,1
1992	520	186	35,8
1993	305	2	0,7
1994	490	63	12,8
1995	455	34	7,5
1996	446	105	23,6
1997	410	65	15,1
1998	580	239	41,0
1999	530	142	26,4
2000	470	92	19,5
2001	625	129	20,6
2002	600	48	8,0
2003	480	8	1,6
2004	350	12	3,4
2005	530	51	9,6

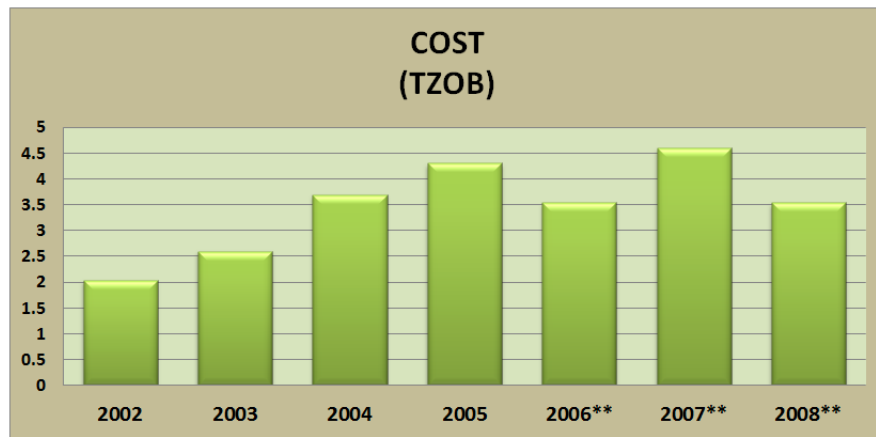


Source: Turkish Statistics Institute and Development and Planning Agency of Turkey

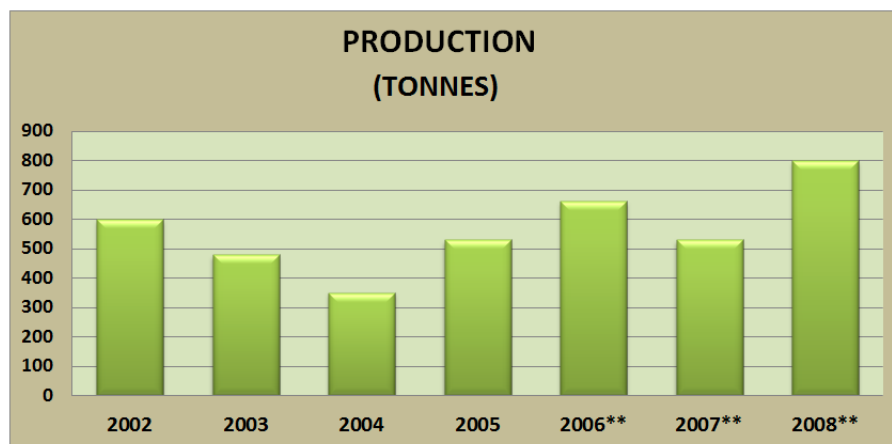
Appendix 10
Changes in hazelnut price, cost and production during ARIP

Year	Price YTL	Increase (%)	Cost* YTL	Production (Tonnes)
2002	1.61	-	2.04	600,000
2003	2.50	54,80	2.60	480,000
2004	5.15	102,0	3.69	350,000
2005	7.40	47,50	4.30	530,000
2006**	4.00	-46,30	3.54	661,000
2007**	5.15	26,25	4.59	530,000
2008**	4.00	-22,33	3.54	800,000





** TMO Purchase Price



Source: Fiskobirlık, TMO

Notes: Prices are for Giresun Quality Hazelnut

*: TZOB **: TMO Purchase Price



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