



Citizen-Centered Approaches
to State and Market



Turkey: Constructing a Modern State 1918-1938

2009

Institute for State Effectiveness

600 New Hampshire Ave NW
Suite 900
Washington DC 20037

+1 (202) 298-5959
info@effectivestates.org

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I. Introduction

Turkey's impressive achievements can be traced to the foundations that were laid in the two decades from 1918 to 1938. At the time Turkey was almost universally considered a hopeless case- "the sick man of Europe", with few economic prospects. Yet, within a few short decades Turkey proved itself as a model of institutional and economic change despite an extraordinarily difficult set of circumstances. In addition to the devastation wrought by World War I and foreign occupation, the new Turkish state was created in the midst of the Great Depression. Turkey shaped its destiny through a self-reliance which created a secular, developmental Republic with a modern constitution and elected National Assembly.

The achievements of the period include:

- Women's legal position transformed; a new civil law of 1926 provided for:
 - equality before the law
 - civil marriage to replace religious marriage – and polygamy made illegal
 - equal inheritance rights.
- Universal suffrage for women, and their right to stand for election, gained in 1934
- Completion of a railroad network which united the country
- Doubling of per capita national income, from 1923 to 1938
- Doubling of national literacy rates

II. Background

At the end of World War I, Turkey's situation was difficult. Many Ottoman territories had already broken away or fallen under occupation during the war. At the Mondros Armistice of 1918, the victorious Allied powers imposed heavy conditions on the vanquished Ottoman Empire. The Sultan's government in Constantinople was in disarray and unable to defend its territory or sovereignty. On 10 August 1920, it signed the Treaty of Sevres which carved up Anatolia and created a rump state under the virtual condominium of Britain, France and Italy. Nationalist struggles against external occupation did not only save the heartland territories in Anatolia and Thrace from dismemberment; it also provided the nationalist leadership with the legitimacy and moral authority to shape Turkey's future domestically and internationally. The country they fought hard to preserve was in need of serious reform. Quite different from its European counterparts, the Ottoman Empire has alternately been characterized as a patrimonial state, oriental despotism or a bureaucratic state in which power was centralized in the hands of the Sultan and a small coterie of loyal bureaucrats who were responsible for the administration of the vast and diverse empire. The Lausanne Treaty of 1923 reversed Turkey's status as a semi-colony under the Sevres Agreement and brought international recognition to the nationalist government which had been established in Ankara in April 1920.

III. State Transformation

The new state was patterned after the European nation-states. It was constructed under the strong guidance of a small nationalist elite and was based on ideas of reform that had evolved during the Ottoman period. While aspiring to be a "people's state", the republic did not reflect the realities, traditions and aspirations of the country's overwhelmingly rural, illiterate, poor and war-weary Muslim population. Ataturk and his supporters understood the great gap between their aspirations and the country's realities. Thus, the next fifteen years were devoted to sustained and radical reforms to align state and society in order to consolidate the foundations of the republic and to secure Turkey as a modern

state. Initiated and implemented under a single-party tutelary regime, these reforms included, among others:

- i) **State as Nation-Building.** For almost two decades under Ataturk, there was little deviation from this overall vision despite many domestic as well as foreign challenges. Subsequently termed as the “Kemalist” ideology, the guiding vision and approach of the Turkish project was to create a “nation-state”. In reality, the Turkish case is an early example of the inverse “state-nation” model whereby the state became the instrument for nation-building. First, the “state” needed to be constructed afresh with new institutions, instruments and policies to embody the national will. In turn, the state became the agent for creating the “nation” through extensive social, economic and cultural reforms to ensure that the country would join the “march of civilization”. As a result, virtually no aspect of public (or private) life remained outside the ambitious Kemalist project.
- ii) **Establishing National Sovereignty.** Two key agreements provided the new regime with the international guarantees to secure peace as well as its political survival. The first was the 1923 Treaty of Lausanne which recognized the new regime as the legitimate authority within the country’s new borders and reversed the heavy conditions that had been imposed at Sevres. Meanwhile, cordial relations with the Soviet Union (starting with a Treaty of Friendship in 1921 and followed by a Non-Aggression Treaty in 1925) secured Turkey’s eastern front while serving as a safeguard against the European powers. On other fronts, with Turkish leaders formally renouncing claims to territories beyond the borders of the National Pact, the main sources of conflict with regional neighbors were largely allayed. Adopting the slogan “peace at home, peace abroad,” Ataturk pursued a non-irredentist and non-aggressive foreign policy in order to consolidate the new regime and to focus on his domestic agenda.¹
- iii) **Consolidating Security.** Concurrent with its war of independence, the new state faced a range of internal security challenges to its authority and to the implementation of its domestic agenda. There were a series of local rebellions, insurgencies and common banditry, as well as heavy military desertions throughout the 1920s. The government used force against these security problems, but the regime maintained civilian control. The Law of Fundamental Reorganization of January 1921 (which served as a provisional constitution) had declared that the Turkish state would be ruled by the Government of the Grand National Assembly which enjoyed full legislative and executive powers. The new Assembly was empowered to declare war, make peace and conclude treaties.² While honored for its military achievements, the army was gradually removed from the mainstream of the country’s social and political life, and in September 1920, military officers below the rank of general were prevented from serving in the Assembly. In October 1924, the remaining military officers in the Assembly were asked to resign which served the dual purpose of eliminating political competition and removing the military from politics.
- iv) **Socio-Cultural Reforms.** Unlike its Communist counterpart, the Kemalist revolution did not attempt a radical transformation of the socio-economic order. Instead, it set out to create a modern, cohesive nation out of the diverse groups that had co-existed under the multi-ethnic Ottoman state. The adopted approach was universalist, radical and far-reaching. Even in retrospect, the range of social and cultural reforms launched by the Kemalist regime is dazzling. From changing the mode of dress to adopting the Latin alphabet, the Gregorian calendar and Western civil law, the new state intervened in virtually all aspects of public life. While each was symbolically and substantively significant, collectively these reforms aimed to re-make Turkish

¹ For a short overview, see: William Hale, *Turkish Foreign Policy: 1774-2000* (London: Frank Cass, 2000)

² Umit Ozdag, *Ordu-Siyaset Iliskisi: Ataturk ve Inonu Donemleri* (Gundogan, Ankara 1991); Metin Ozturk, *Ordu ve Politika* (Ankara: Gundogan, 1993)

society under the tutelage of a vanguard modernizing elite. Among those, three reforms fundamentally changed Turkey's social and cultural fabric: adoption of secularism; education and alphabet reform; and emancipation of women.

IV. Market-Building

Kemalist ideology had a progressive social agenda but lacked a viable economic base and a clear economic program. Although Atatürk repeatedly affirmed that the new state would be an economic not a conquering state, its leaders came primarily from the Ottoman officer corps or the bureaucratic elite. They did not have a strong background in economic affairs; nor did they have a particular economic doctrine. The legacy of Ottoman economic decline and the extensive privileges obtained by foreign powers from the weakened state were instrumental in shaping the new state's jealous protection of economic independence, self-reliance and, eventually, state-control of the economy. Although the Republic's economic policies changed over time, initially the new regime grappled primarily with post-war economic recovery and was largely guided by liberal principles based on private property. By the end of the 1930s, however, Turkey had come to adopt a new economic doctrine, *etatism*.

An Economic Congress in 1923 led to the Economic Pact as a counterpart to the National Pact. Through the Pact, the Congress endorsed the principle that "the task of the state begins where the activity of the private enterprise ends." The new state's economic policies initially targeted a market-based strategy. From the Izmir Congress in 1923 until 1930, the government experimented with various economic concepts and policies. The Organic Statute of 1924 declared private property and free enterprise as the basic principles of the state. It also set forth the major targets of government policies, including protecting producers, national industries and workers as well as foreign trade; exploiting domestic raw materials for industrial development; improving transportation; raising rural standards; balancing the budget; and avoiding foreign aid with unfavorable terms. In 1927, the Superior Economic Council was established to provide technical input and guidance. While private enterprise was supported through legal and financial measures, the state also started some economic activities. The government saw its main role in putting public finances in order, balancing the budget, balancing foreign trade, increasing internal revenues and avoiding debt increase. Indeed, the government was gradually able to reduce budget deficits and had a small surplus in 1928/29 due to increased tax collection and limited expenditures.

During the Great Depression, Turkish leaders were influenced by Western protectionist trade policies and increased government activity in the economy on the one hand, and the Soviet model of centralized planning on the other. The result was the state's new economic policy of *etatism* which resulted from the inadequacy of private capital and enterprise, the crisis of capitalism, the impact of the Soviet planning system and a strong belief in the national role of the state. During the 1930s the main targets of statism were economic independence and reliance on domestic resources, rapid development through increased industrial production, higher living standards through economic growth and agrarian as well as social reforms and improved balance of payments. The government employed a range of instruments as part of its new economic policy. These included the five-year plans, economic legislation, creation of state banks and state economic enterprises, and the gradual nationalization of foreign-owned enterprises (especially in transportation and public utilities) with compensation.

Despite a grave shortage of expertise, the range of initiatives, reforms and laws that were undertaken during this early period is impressive. In particular, two reforms—with direct financial implications—merit attention. Firstly, abolition of the Asar (tithes). The tithe had been a heavy burden on the peasants but an important source of revenue for the state. Abolition of the tax shifted the tax burden from the peasants to the state monopolies, landlords and townspeople. However, it was considered essential to ease the peasants' tax burden while securing their loyalty. Similarly, the government attempted to reform land ownership first by adopting the Swiss code in 1926 to unify and modernize the system of land tenure, and subsequently through a series of laws for land distribution in 1927 and 1929.

V. Key Factors.

A number of key factors underpinned the Turkish transition during this period:

- i) **Authority and Leadership.** Once the end of the Ottoman Empire became evident, the Republic's primary architect Ataturk and his close collaborators had a grand vision of the nation-state they hoped to establish which they implemented through radical top-down reforms under a paternalistic, tutelary regime. For almost two decades under Ataturk, there was little deviation from this overall vision despite many domestic as well as foreign challenges. Subsequently termed as the "Kemalist" ideology, the guiding vision and approach of the Turkish project was to create a "nation-state". Ataturk is usually known today as a radical modernizer and westernizer. The description is true, but insufficient. He imported Western practices in order to bring his country into parity with the richest countries of the world, most of which were to be found in the West. But his aim was not imitation but participation in a universal civilization, which, like the thinkers of the European Enlightenment, he saw as the onward mark of humanity, regardless of religion and the divisions it caused. He was an anti-imperialist only in the sense that his ideal was a universal commonwealth of civilized people. While Ataturk's background, personality and vision were central for the nation-state he created, he did so with the support of a small, dedicated group of nationalists many of whom were former Ottoman military officers and civil servants. In turn, they relied on sympathetic supporters from the Ottoman elites as well as local power holders—the "*esraf*", the religious leaders, the landowners and other local notables.
- ii) **Consensus Building and National Ownership.** The Turkish experience was truly a nationally-led, nationally-directed, and profoundly political process and was rooted in the country's unique social fabric and political dynamics. Even though the republic was constructed by a small elite based on the Western nation-state model, ultimately the country's leaders gained legitimacy by creating new institutions, laws and policies to sustain the new state over time. The fact that the new regime survived Ataturk's death through an orderly succession process is powerful proof of the importance of institutionalization. While Ataturk's Turkey was paternalistic and authoritarian, it drew its legitimacy from the people—first through the national struggle and secondly through the institutions and policies which expressed national sovereignty. Turkey was largely left to its own devices in implementing its radical reform process and received minimal foreign technical or financial assistance—although Turkish leaders reached out to foreign advisors and experts whenever they could. It is likely that being shielded from close international scrutiny might have facilitated the regime's authoritarian practices; however, it also allowed national rejuvenation and self-reliance.
- iii) **Building Systems.** Ataturk saw the importance of adopting a National Pact as the overarching framework for national sovereignty while establishing parallel institutions in Ankara to act as a counterweight to the government in Istanbul. The new state inherited centuries' old tradition of civil obedience to central state authority which greatly facilitated its task. The key institutions of the new state were designed to promote representative government through a new constitution, regular general elections, the National Assembly, independent judiciary and political parties. The Constitution declared that the Assembly represented the nation and exercised legislative and executive authority in the name of the nation. As a result, there developed an experienced republican political class which competed intensely for recognition and power. Indeed, the fact that the political system continued uninterrupted upon Ataturk's death is testimony to the strong foundations that were established during the single party regime. Meanwhile, the regime relied heavily on the Kemalist ideology as well as a powerful communication strategy and social-cultural policies to consolidate itself. Ataturk was keen to promote citizenship and was involved

in the development of a civics textbook in 1930. Entitled *Vatandaş İçin Medeni Bilgiler* or “Civic knowledge for the citizens”, it introduced the principles of government and ways of securing public trust through the new state institutions.

VI. Conclusion

When internationally-supported norms and institutions such as human rights, gender equality, democracy and secularism clash with traditional values, local interests and structures in the construction of effective and viable states, the Turkish example provides an invaluable laboratory to understand the dynamics of internally-induced change. The Turkish government has articulated a vision to become the world's 10th largest economy by 2023- the 100th anniversary of the Turkish republic- and in large part this goal is possible because of the basis laid through reform in the 1918-1938 period.