

1980 Coup and Turkish Globalization

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Before the 1980 Coup

In the 1970s, Turkey faced serious economic and social problems. The country's economic model, called import substitution, failed. This failure caused a large amount of foreign debt, high inflation, and growing unemployment. Industrial production slowed down, and people began to lose trust in the economy. At the same time, many university students became very political and active. Workers started organizing strikes to demand better conditions and rights. Meanwhile, many people moved from rural villages to big cities. This migration changed city life and brought new cultural elements like arabesque music, Yeşilçam cinema, and ghetto neighborhoods into urban areas.

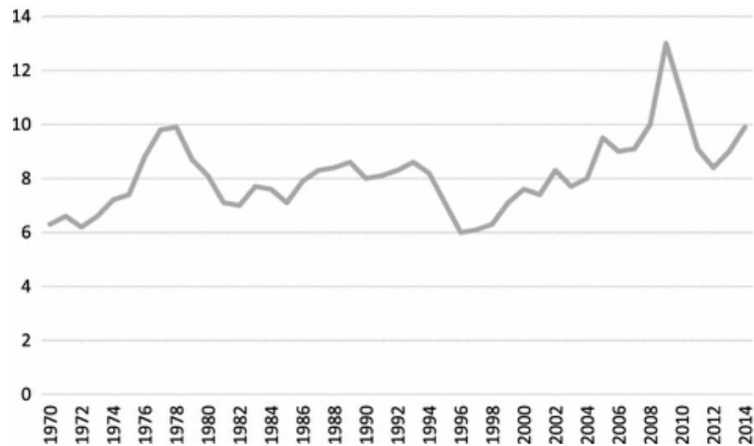
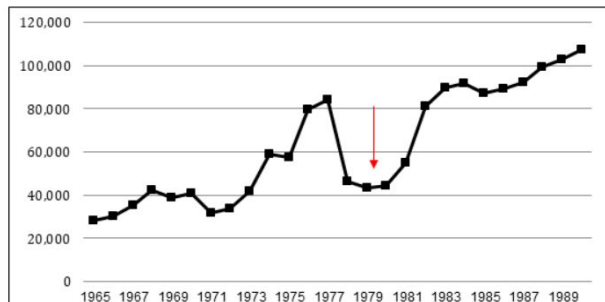


Table 9.1 Macroeconomic Performance of Turkey During the 1970s

	Real GDP Growth (%)	Inflation Rate (WPI) (%)	Current Account Balance (\$ mill.)	Investment (% of GDP)
1972	6.0	18.0	47	20.1
1973	4.1	20.5	534	18.1
1974	8.8	29.9	- 662	20.7
1975	8.9	10.1	- 1,889	22.5
1976	8.9	15.6	- 2,286	24.7
1977	4.9	24.1	- 3,431	25.0
1974-77	7.3	19.9	- 2,067	23.2
1978	4.3	52.6	- 1,595	18.5
1979	-0.6	63.9	- 1,203	18.3
1980	-1.0	107.2	- 3,304	21.4
1978-80	0.9	74.6	- 2,034	19.4

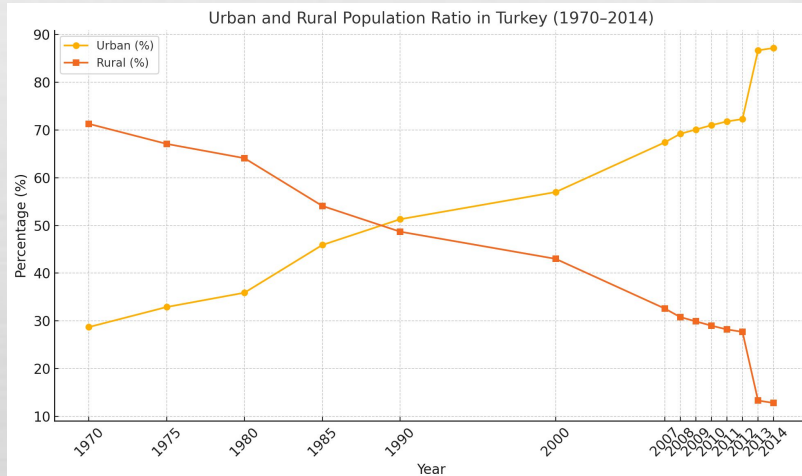
Sources: State Institute of Statistics, State Planning Organization, and the Central Bank.

Figure 1: New enrolments in all higher education institutions in Turkey from 1965 to 1990



Unemployment rates in Turkey-1970-2014 (Annual %)

Sources: Testing for unemployment hysteresis in Turkey: evidence from nonlinear unit root tests



The 1980 Military Coup

On September 12, 1980, the Turkish army took control of the government. General Kenan Evren, who led the coup, said that the army acted to stop the chaos, violence, and political fights in the country. He claimed that the military needed to take action to protect national unity. After the coup, the military closed all political parties, removed the legal immunity of politicians, and suspended the constitution. These actions were not democratic, but the army believed they were necessary to bring order. They used strong control and strict

<https://www.youtube.com/watch?v=bxXpRzUbCXg>



Turgut Özal: The Architect of Liberalism

Turgut Özal became an important figure after the 1980 coup. He came from a civil servant family and studied engineering and economics in the United States. In 1980, he helped prepare the January 24 economic decisions, which started a major change in Turkey's economy. These decisions ended the old system and moved Turkey towards a free market, focused on exports. Özal wanted to mix Western economic ideas with Islamic and conservative social values. This idea later became known as "Islamic neoliberalism." People liked him because he was modern and successful, but still respected religion and traditions.



Period	Government	Cabinet Number	Privatization Revenue (Million USD)
1986–1987	1st ANAP Government	45th Cabinet	2
1987–1989	2nd ANAP Government	46th Cabinet	150
1989–1991	3rd ANAP Government	47th Cabinet	695
1991	4th ANAP Government	48th Cabinet	43
1991–1993	DYP–SHP Coalition	49th Cabinet	827
1993–1995	DYP–SHP/CHP Coalition	50th Cabinet	1,008
1995	DYP Government	51st Cabinet	125
1995–1996	DYP–CHP Coalition	52nd Cabinet	68
1996 (1)	ANAP–DYP Coalition	53rd Cabinet	230
1996–1997	RP–DYP Coalition	54th Cabinet	357
1997–1999	ANAP–DSP–DTP Coalition	55th Cabinet	1,137
1999 (1)	DSP Government	56th Cabinet	18
1999–2002	DSP–MHP–ANAP Coalition	57th Cabinet	3,375
2002–2003	1st AKP Government	58th Cabinet	21
2003–2007	2nd AKP Government	59th Cabinet	21,927
2007–2011	3rd AKP Government	60th Cabinet	11,988

Anatolian Tigers by city

City / Region	Number of Companies
Denizli	35
Gaziantep & Kayseri	32
Balıkesir	16
Konya	14
Kahramanmaraş	9
Çorum	8
Samsun	5
Ünye	4
Kütahya & Niğde & Trabzon	3
İzmir & Afyonkarahisar & Çankırı & Giresun & Isparta & Karaman	2

	Post-Crisis Adjust. 1981–82	Export-Led Growth 1983–87	Exhaustion 1988	Unregulated Financial Liberaliz. 1989–93	Financial Crisis 1994	Post Crisis Adjustment 1995–97
Private Manufacturing (%)	31.0	32.6	38.0	39.6	47.0	41.1
III. Internationalization						
Man. Exports Growth ^c	19.7	12.5	14.0	5.1	18.0	6.3
<i>As % Share of GNP:</i>						
Imports	14.0	15.9	15.8	14.6	17.8	22.7
Exports	8.5	10.8	12.8	9.1	13.8	13.0
Current Account	–2.7	–1.9	–1.7	–1.3	–2.0	–2.6
Foreign Debt	27.1	37.8	44.8	35.1	50.1	42.7



Globalization After the Coup

After the coup, Özal's reforms pushed Turkey to join the global economy. The country left the old economic model behind and started to support exports. The government allowed the Turkish currency and interest rates to move freely and opened trade borders. They also privatized many state-owned companies. These changes made it easier for Turkey to attract foreign investment and become more global. However, this period also had strong political control. While the economy became more open, the government tried to remove politics from daily life and limit people's freedom. The 1980 coup became a major turning point for Turkey, changing both its society and its economy in deep and lasting ways.

<https://www.youtube.com/watch?v=x-Q5DbYB0B8>



Turkey Trade as a Percent of GDP

66.3%

+60.5% (1057.29%) past 63 years



Sources: The World Bank • As of Jan 12, 2025

TAKE

