

Middle East Report by Robert Dreyfuss

Behind the Turkish coup

In the military takeover, the International Monetary Fund played a special role.

Was the Sept. 12 military takeover in Turkey backed by the International Monetary Fund? There are numerous indications that this may well have been the case.

Much of the evidence revolves around the figure of Turgut Ozal, the economic adviser to ousted Premier Demirel and the IMF's point man in Turkey. Within hours of the coup, the generals announced that Ozal would be retained as economic czar and that the IMF austerity policies would be adhered to. According to a diplomat quoted by the *Washington Post*, "the generals had very little choice. If Ozal were to quit, they would have had it."

Last week, Ozal was officially appointed to the number two position in the new Turkish administration—Deputy Premier—enjoying total control over economic policy. According to Turkish intelligence sources, all the newly appointed cabinet members have had to agree to the condition that they not interfere with Ozal's running of the Turkish economy.

The irony of the situation is the publicly stated goals of the new military rulers—eradicating terrorism and restoring the nation-building traditions of Kemal Atatürk, the founder of the Turkish republic—are precisely what Ozal has been working against throughout his career. Besides being the agent of the IMF's policies, Ozal is intimately connected with the Islamic

fundamentalist National Salvation Party—a party notorious for its illegal drug-running activities and Muslim Brotherhood terrorist operations. The NSP's leader, Necmettin Erbakan, is expected to be tried in the coming weeks for his efforts to undermine Turkey's secularist orientation. It was Erbakan's revival of militant Islam in Turkey, and in particular his demands for the destruction of secularism, that triggered the coup.

In 1973, Ozal, who is reputed to be a member of the fundamentalist mystical Nursi sect, ran unsuccessfully for a parliamentary seat on the NSP ticket. Ozal's brother Korkut is a top leader of the NSP. Another brother of Ozal's and a son are currently employed by the IMF and the World Bank, respectively, in Washington, D.C.

Ozal's commitment to the IMF is underscored by his declaration last week of a 20 percent price hike for liquid fuels, gasoline, sugar, and fertilizer—all products of Turkey's large state sector. For years now, the IMF has been demanding that Turkey dismantle its state sector enterprises, which produce 50 percent of the country's industrial output, on the grounds that they are "uneconomical." Turkey's state sector—set up by Atatürk as the backbone of a modern Turkish economy—should be replaced by a Friedmanite free-market system, the IMF has been demanding.

In June, the Demirel government signed a stand-by agreement with the IMF, according to which all subsidies to state enterprises were to be cut. Fearful of the public outcry that would have resulted, Demirel, like previous governments, dragged his feet in implementing the measures. In contrast, Ozal, backed by the military, is pushing full steam ahead with the IMF program.

Laboring under a \$16 billion debt, Turkey has been at the mercy of the IMF and its demands for years. The IMF stand-by agreement worked out in June, the latest in a series of IMF austerity packages for Turkey, is a controversial "economic stabilization" scheme designed to bleed Turkey white in the interest of paying off the debt.

In his first public speech, Turkey's new interim Premier Bülent Ulusu pledged to "continue to implement the austerity measures taken at the beginning of 1980," a reference to the IMF stand-by package, whose measures were described as "draconian" by IMF officials themselves.

Last June, following the stand-by accord, the Turkish daily *Cumhuriyet* prophesied the fall of the Demirel government by the armed forces. "All governments that try to implement the IMF's measures fall," wrote *Cumhuriyet*. "In many cases, military governments have to come to power to impose these measures, because of the inability of a parliamentary regime to do so."

The generals, of course, will have more authority than a civilian regime to push through the IMF's measures. But in doing so, they are merely re-sowing the seeds of the very unrest that they sought through their intervention to quell.