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## GOVERNANCE AS AN INTERDISCIPLINARY COMMON STUDY AREA AND A SEPARATION POINT: Transformation of Political Power in Turkey\*

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### Abstract

Neoliberal restructuring process is one of the main discussion topics of the social and political theories. Although the character of this process is mainly related to economic matters, it covers all social, political and administrative areas. In this study, governance, which is one of the most important tools of restructuring process, is examined. "Governance" is now effected and related to almost all academic disciplines, ranging from economics, sociology, political science, international relations to many others. As a result, this concept is enriched due to the contribution of several different academic disciplines. However, with the influence of New Institutional Economics, "the governance model" is advanced in a way giving priority to market approach in many social science disciplines such as management, public administration, political science and sociology. On the basis of separation of politics and policy, agriculture, banking, stock exchange, all of which are the state's most important policy areas are separated from politics.

Within this context, in this study, it is emphasized on the one hand that the place of "governance" in theory is put in the interjunction of many disciplines; on the other hand, in practice, the governance is used as a tool of separating economics from politics and, as well as, separating administration from politics. Concrete examples of this situation are drawn from Turkey, where, especially after 1990, the number of independent regulatory agencies are increased. In this study "governance" is examined in term of restructuring of state in Turkey with "market approach" and the transformation of political power.

**Key Words:** "Governance", Social Sciences, "The Independent Regulatory Agencies", "Political Power"

### Introduction

The ideology of "neoliberal restructuring" loom large to the period after 1980 whole the world. Thus, topics of the topic agenda were products of this ideology. This situation affected the restructuring of academic disciplines as much as it affected the restructuring of the state. "Governance" was one of the most significant instruments of the period of neoliberal restructuring. Today governance takes its place in common study area of many disciplines.

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Governance; have study areas under its influence such as policy, economics, public administration and business administration which are social application areas besides being academic disciplinary areas. Thus, on the one hand the concept is getting richer with the approaches from different disciplines on the other hand, have the duty of carrying the values of neoliberalism to these disciplines. Because governance is a vehicle of neoliberalism. Especially, with the influence of New Institutional Economics, "the governance model" is advanced in a way giving priority to market approach in many social science disciplines such as management, public administration, political science and sociology.

The market approach of governance uses being "an intersection point" function while it is restructuring academic disciplines; uses it as "a separation point" while it is restructuring the state. Governance separates politics, government, economics areas of state. Politics separates from government, government separates from economics, economics separates from politics. According to this, the subject of political area is law and representation; the subject of government is public administration organization, bureaucracy and public policy; the subject of economics area is production and distribution relations. "Governance approach", while restructuring the state, is looming large the market approach of capitalism and defends being ruling in administration process of market actors. On the base of the separation of politics and policy; the most important policy areas of state such as agriculture, banking, stock exchange are left to multinational companies and international organizations via Independent Regulatory Agencies by purifying from politics with 'global governance'.

In this context, it is emphasized that governance takes its place in the intersection point of a large area of disciplines in theoretical area; and in practice it is emphasized that it is used as the basic tool of purifying economics from politics and providing the separation of politics/policy in the study. The independent regulatory agencies which have become prevalent especially after 1990 in Turkey were given as examples of this issue in the study. In this context, 'governance' is discussed from the perspective of the restructuring of state with 'market approach' in Turkey and transformation of political power.

#### **Governance and the Process which Create the Governance**

The world came into period of structuring of a new order by the end of the 20th century. The starting of this process might be put down to two reasons: First, the crisis in the capital accumulation process gone through by the end of the 1970s. This crisis in actual fact is the crisis of "political" area which is based on the class struggle with conceptualizing such as the legitimating and representation crisis of democracy. In more concrete, the crisis of "social state" model which is based on the recovery approach embraced especially in the developed capitalist countries after the World War II. The solution of capitalism for this blockage were elimination of social state. Second one is the collapse of Soviet block in 1989. The collapse of Soviet Union was declared as the "victory of capitalism". These two events have become the determining factors of 21st century and the new world order.

The project forming the new world order is consisted of two bases. According to this, the first base of the project has been finished and the social state was eliminated. After that date it has been focused on the second base, the restructuring of the state. In this period, elimination was superseded with restructuring. The concepts such as diminishing state, minimal state, progovernance/regulatory state, market friendly state were used for qualifying the state of which structuring has begun. Thus, the starting the application of second base of the project must be accepted as the start of transformation process of political power. Among the concepts which come up with the restructuring, maybe the most sympathetic, doubtful thus, the most dangerous, most radical change supporter, most comprehensive one is "governance". Governance seems to be sympathetic, because "governance" mentions about the democratizing of government. At the same time it is doubtful, because context of it is full of uncertainties. Uncertainties result from rationalization about the political economics and the economical restructuring. Above all the significant thing is that for which actors is important the

institutional differentiation and the way of using the power and the rulership (Seabrooke, 2007: 372). The danger in the context of governance results from envisage of a transformation in political power. This transformation is discussed in the scale dimension and actors' dimension. The power of political decision-making mechanism slides from national dimension to local, regional and global dimensions (Harmes, 2006: 725). According to this, now on it is discussed the multi-scaled governance. The political actor dimension of transformation exists with settling of the capital and civil society decision-making mechanism into their shapes.

The governance concept with its presently discussed context were gained to the literature with the definition "the new usage of political power for solution of state stuff" (World Bank, 1989: 60) in a report prepared by World Bank for Africa in 1989 firstly and in the same report the main components of "good governance" were enumerated as accountable, transparency, an effective government, providing the participation/involvement of civil society to decision-making, producing coherence and integrated policies, accordance to rule of law and the existence of independent justice system (World Bank, 1989). As seen the basic principles of governance are related to lots of disciplinary areas. In 1992 also OECD embrace this concept. After 1992 Rio Meeting and 1976 and 1996 "Habitat I and II" meetings of United Nation "governance" concept came to a true picture as "the participating state model of the 21st century".

Governance; is a concept which stands against to being "one acted" with its "decisionmaking together, regulating together, ruling together, controlling together" meanings. From this perspective governance does not see the ruling of the state tool limited with government. In the approach of governance, the government is "haunt place of capital and civil society besides bureaucrats". The term of governance theoretically is also a useful concept which has a functional role between many different disciplines such as political science, administration science, economics, and business management. Thus, governance is also haunted place of "different disciplines" in theoretical area.

All right, where is "governance" gaining the power to bring different actors and disciplines together from? Or who gave this power to it? Who is standing for multi-acted government or interdisciplinary social science? For whose interest is the transformation coming with governance serving? The answers of these questions display the process forming governance. Governance is a product of neoliberal ideology. According to this, governance is a vehicle to reach the interest of which neoliberal ideology is serving for. Governance is a "democracy model" developed according to "regulating state" model of which structuring was started in 1990s by neoliberalism. According to this, "governance" envisages a new type of democracy different from the "representative democracy" envisaged by liberal and social state order.

The application of social state by capitalisms began to be eliminated with the problems handled in the process of his capital accumulation in the end of 1970s. Dependent to this, New Right presenting an aggressive power government in the social Anglo-Saxon geography headed to structuring of a new order after the collapse of Soviet block in 1989. The elimination was replaced by restructurings. The concepts such as diminishing state, minimal state, pro-governance/regulatory state, market friendly state began to be used for defining the state of which structuring has just begun.

### **Neoliberalism and Restructuring of Social Sciences**

Social science is a product of modern world system. It is mostly born in Europe. Even today despite the commonness of social science globally, the most of social scientists are still in Europe. Social science raised as and response to problems of Europe. It has been almost unavoidable as it displays the limitations of the pot in which subject picking, theory, methodology and epistemology of social science are formulated (Wallerstein, 2003: 184). The answer to the questions "Why in West?" or "Why in Europe?" most probably will be "the social scientist were approved and supported socially in Europe". Because social science worked for

capitalism; it has been a vehicle for acceptance and widening of capitalism as a production model.

The division of social science is not coincidental as it's out coming. Social science comes out to cover up the dilemmas of capitalist production system which shaped especially western societies in 19th century and legitimate the superiority of West on East in other words the hegemony of West on the world (Kızılcelik, 2001: 1). From this century in academic area economics, political science and administration science (or public administration) has been developing as different disciplines focused on different processes. Thus with the assumption of no effect of political science on economics, no effect of economics on public administration and no effect of public administration on political science it has been divided into different parts. In this perspective, most of the economists have neglect of the role of political and administrative factors on economical working and policies; most of the political scientists have neglect of the role of economical and administrative factors on political policies and lastly; most of administration scientist have neglect of the role of political and economical factors on administrative policies. The responsibility of this artificial division which is heritage of Modern Western academies mostly belongs to liberalism (Spero, 1990: 2; Henderson, 1998: 237). However, the working system and structure of economical, political and administrative system are mostly dependent on each other. Along the modern history barter and consumption are affected by strategically and diplomatic factors. In the past economic improvement theorists; no matter whether they support Orthodox economic theory or neo-marxist or constructive approach; have the common idea of that the economical improvement pheromone could not happen on its own without political intervention (Duman, 2002: 5).

Social world is capitalism itself and shaping social sciences. Lots of philosophers, especially those who are affected by European hermeneutics traditions, emphasizes that the social world is built up by the aim and decision of the rational individuals. At this point, the function of a social science is commenting and explaining the intelligible one rather than pointing out the reasons of it (Trigg, 2005: 119). Capitalism is the source of participating of everything the social living areas to economics. Thus, capitalism is building up the market society. Capitalism making social life marketable, in the same way is making social sciences marketable and editing it according to the developments, changing of the market. Thus, the market rules are forming the theory.

With neoliberalism which made a make on the era after 1980, the social sciences were put upon a restructuring process. The effect of neoliberalism on social sciences has become the breaking point of artificial division on social science which was tried to be applied with liberalism since 19th century. The main emphasis of neoliberalism on social science is "Everything affects everything. According to this all disciplines affect each other". The neoliberal policies are restructuring social sciences in accordance with market principles. According to this the effect of economical approach which is dominant over political science, administration science, international relations and law is getting greater. Although this tradition was always there since the out coming of social sciences. Moreover, the problems of economics and economical has been dominant on the social life even before the 19th century. However after this time, all social problems and solution offers has begun to be evaluated at the criterions of economy-politics such as "efficiency, active usage, increasing production, enlargement, etc." In time it has been impossible to find a definition of politics independent from social and even moral economics. Accordingly by the end of 19th century, although all social science disciplines have not become prolongations of economics; there have been in an improvement route which is minor to economics.

In this context, in the era after 1980, it has begun to mention about "marketable political science", "marketable administration science", "marketable international relations", and "marketable law". Thus, it could be said that the main feature of restructuring of social sciences by neoliberal policies is a marketable integration.

In this way, it is provided the consistency of theory and application. However application leads the theory instead of the theory leads the application. According to this, it has been discussed a science world which is serving for aims of capitalism and defining its limitations according to market demands instead of an independent science world. In brief, social sciences have become an activity changing according to society rather than changing it. Social science which is the exertion of examining the most complicated of all science, beyond being the queen of science has become the most difficult one with its present form. At the same time, it has become an area of which all science (even natural sciences) deduces the epistemological facts from itself presently. Well, are social sciences ready for such a role? No, it is not in the least. Because lots of social scientists digging caverns to take as shelter instead of exploding outside. Social sciences are fighting against the crisis created by the additions of new expertness areas over and over and the overlapping of these areas with other cross additions (Wallerstein, 2003: 13).

### **An Intersection Point of Disciplines in Neoliberal Era: Governance**

The governance, one of the concepts shaping the new world order has a superior position on other concepts because of effect of it on lots of academic disciplines and in application causing transformation in political power. Governance is feeded by different social sciences and besides this causes transformations in these social sciences. The theory that governance is based on in fact is an economics, business administration, administration science, political science theory. In accordance with this, governance takes its place in the common study area of mentioned disciplines.

The approaches developed around the governance concept argue that the social sciences area has a response to the capitalist state crisis begun in the second half of 1970s with governance model (Bayramoğlu, 2006: 29–30). The approach has an “interdisciplinary” feature theoretically. It should be mentioned that theorists and academicians from disciplines such as political science, public administration, sociology, international relations, economics, and organization studies contribute to literature about subject in their own area increasingly. Governance is still a contested concept. It provides a rather broad research perspective and no clearly defined model or theory. Even promoters of governance in political and administrative science concede that the term is ‘notoriously slippery’ (Pierre and Peters, 2000: 7).

One of the disciplinary branches affected by “governance approach” is public administration. “Governance approach” is supported by ones who are willing the public administration to work with market approach; and makes public administration closer to business administration disciplinary. Governance approach is the last step of the process which has been developing with politics/administration differentiation and administration/business management convergence argument started with Wilson (1887), from this time “scientific administration” of Taylor and after “New Public Management” thesis’s of 1980.

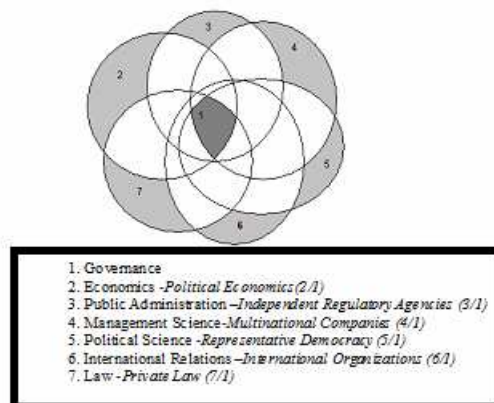
According to this new paradigm form now on study subjects of public administration are not the classic public organizations and bureaucracy but relations between the private markets and state. Thus, the border between public administration and private sector become to getting blurry.

The main effect of governance approach on political science is subjected to democracy issue. In political area, “representative democracy” ideology which is in the liberal and intervenient state era in 19th and 20th century is transformed with neoliberal state. Neoliberalism, presents “governance apprehension” to political science as “participating democracy.” In this process, the transformation which is done in political area by neoliberalism is happening in law and representation tasks. According to Jessop (2004: 209), political representation types forms the articulation models in a given accumulation strategy of capital interests. Representation types could allow superiority to strategies over each other with structural selectivity exists in these kinds of forms.

With the increasing attractiveness of the governance concept, the role of administration as an essential actor in new modes of governance has been 'rediscovered' in the different subdisciplines of political science. Indeed, administrations in international organizations and in the European Union have themselves become an important research field. In Germany, the changing structures of the executive (for example, the creation of independent agencies or the fusion of national and international administrations) play an important role in research on German politics and in state theory. It goes without saying that political scientists have contributed a great deal to analyses on regional governance, public-private partnerships, negotiated policy-making in administration, the impact of modernization of the public sector on citizens and democratic legitimacy, and so on. During the last few years, political science institutes such as those in Erfurt, Hagen and Hamburg, and usually in cooperation with other disciplines, have started teaching programmes focused on governance and it can be expected that public administration will be dealt with as part of these programmes. This all signifies that inside political science, scholars working on public administration profit from the fact that as topics, governance and administration are increasingly recognized as relevant for the different elements of this university discipline (Benz, 2005: 667).

Economics and political science are two disciplinary branches affecting each other. They are separated from each other as academic disciplines like political and economic applications with the effect of liberalism arguing the idea that the "secret hand" of market order would keep the market balance in case of intervention of state to economy. Especially upon the concept of new constitutionalist of Stephen Gill; economy and politics are separated from each other (Harmes, 2006: 725). Governance has rebuilt this relationship which is ignored by liberalism as a necessity of neoliberal policies. The correlative interaction which has been tried to be determined with constitutional economics, political economics and international political economics disciplines formerly; has become clearer with governance.

The relation of governance with economics disciplinary is resulted from the dynamic interaction between "state" and "market actors" in the modern world. From an economist perspective; governance is focused on the problems resulted from coexistence of state and market actors. In this context, the governance researchers have noticed how market and state (over the politicians and bureaucrats) affects each other. Because Orthodox economics theory is inefficient to explain the real dimensions of economics. Despite that Orthodox economics theory shows that the free trade is optimal, in real, covered or declared protectionism is the basic of foreign trade policy of lots of countries. For eliminating the contradictions between theory and application, lots of researcher offers more politic economics models and emphasizes the significance of understanding of determination which policy leads economical stabilization and clearance. Neoliberalism and its most important application tool governance is present in the intersection point of lots of disciplines as seen in the drawing below.



### Neoliberalism and Restructuring of State

Neoliberalism which is produced as a solution to bottleneck in capital accumulation process since 1970s is nothing else from the reproduction of capitalism itself. In this period state was subjected to restructuring contributing to capital accumulation process. "Restructuring" defined as a planned and deliberative 'diversification movement' done for apparent purposes; embraces all activities of state in wide sense. Restructuring is a totalitarian system subject that embraces not only managerial system but also political structure. Restructuring proposes radical transformations in government structure, service choices, personnel regime, transaction of business apprehension and methods, processes of decision making-application-control. In brief, it is worked for the restructuring of state aiming all areas of state would serve for aims of capitalism. The project of restructuring is carried out in the context of concepts such as "clearance in government", "accountability", "transparency", "evaluation of performance", "privatization", "deregulation", "liberalization", "locality", "governance". The final totality of these gives us the neoliberal policies. During the restructuring of state, it acts appropriate to liberal traditions and the areas of politics, economics and public administration is tried to keep separated from each other as a reaction to interventionist social state policies.<sup>2</sup> In this way it is aimed to reduce the effects of politicians on economical decisions and constricting the intervention area of political power.

However, if it is examined the economical history, it is seen that the area of economics is main area of the political arguments. As a result of this, all international economical interactions are regulated to actualize the aim of political power. For example, it is seen that the Mercantilist states stick to the interventional policies to economics for gathering the self adequacy in politics. Especially, the social state which was widely applied after World War II had to stabilize the demand-supply balance by regulating income resources and other areas of social life.

All the applications about restructuring made in context of neoliberal policies of the state since 1980s all over the world could be examined in two steps. First step occurred during 1980s. The subject of economical freedom and privatization of facilities belonging to state was given weight to mostly during the decade. The second decade of this movement –started in 1990s- has given weight to transformation of state functions rather than privatization (Kamarck, 2000: 230–231).<sup>3</sup> In this era named as "deregulation (getting ruleless)" step; public service areas that state works for are constricted; power of public were transferred to private sector. The GATS (General Agreement of Trade of Services) which was opened to signing in 1990s revived this dimension of restructuring, namely the dimension of questioning the state function over the public services.

In this second step, amendments are finished with the transfer of political power. Namely, in economical management, the decision-making power is shared with private sector and civil society. In this process which could be argued as a new step, it is decided that the decisions of areas over which state monopoly is abolished; will be made by public institutions independent from state (autonomous). And that is "governance" in other words "reregulation".<sup>4</sup> Reregulation concept was born from the idea of that "it is impossible to be both player and arbitrator at the same time". The reason of calling the mention state model as pro-

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<sup>2</sup> As known, in the first decade of 20th century as a necessity of liberal state model the direct intervention of state to economics is blocked and the role of state is limited as regulatory of legal frames of economical activities. Because the relation between production and distribution of product is realized by market mechanism not by hand of state. As a necessity of this limited role of state, politics/administration dilemma in public administration has become a dominant saying and it is proposed that it would be allowed to a state device out of politics run according to "management principles". Thus, the basis of idea arguing that in order to public administration would run in a "smart, efficient and effective" way just like private sector, the processes valid for private sector should be applied to public sector; has occurred in this period (Sezer, 1992: 16).

<sup>3</sup> For the resource which determines the public administration reforms as first and second waves of "structural adjustment reforms": See. Güler, 2005b: 161–201.

<sup>4</sup> The term "reregulation" has been employed since the early 1980s by students of regulatory reform in the United States and other advanced industrial countries (Snyder, 2001: 4.)

governance/regulatory state is that market approach. Reregulation decisions means that the decisions made in legislation process would be subjected to the market.

### **In Neoliberal Era the Separation Point of Politics and Policy Areas: Governance**

The main aim of public amendments come into question in 1990s, making economical management go out from the effect area of politics; ruling the economy by the hand of agency with market approach in the name of governance; and transforming political power in this way. With the amendments that is said to be done for making economy out of the effect area of politics, in fact capital is made to be ruling power and politics is made to go under the effect area of economics. The attraction of governance concept which is produced and presented to public by lots of international political/financial institutions such as IMF, OECD, WTO and especially World Bank; is resulted from its bright packaging.

Governance proposes the participation of actor out of government to public decisionmaking and application process. The tools or organizations of this model in which ruling power is shared between bureaucracy, private sector and civil society evenly; are independent regulatory agencies. Governance applies the necessities of market rules to the area of government. Namely, it happens what "abstract rules" of capital accumulation make obligatory for capitalists and what labor market no individual rules makes possible. Thus, governance is one of the ways which lead capitalists to gain the control of state area directly (Wood, 2003: 58). Governance model means the restructuring of state in accordance with the interests of capital and giving the political power to capitalist class. Snyder (2001: 3) argues that neoliberal policies causes the establishing new institutions for market function rather than freeing market powers. It is been a great mistake to see this as spread of political power; to the contrary, in governance model, state locates in a critical point to which all power of the public focused (Bayramoğlu, 2005: 175).

For governance all administration areas are technical and economical areas but the political regime. The basic reason of purifying politics for economy is that needs of market is accepted as the primal aim. The main tools of making it happened in national scale; are "independent regulatory agencies" as "autonomous" and "independent" institutions equipped with legislation, propulsion and justice functions. This process began in the beginning of 1990s with public amendments and spread fast. In this period after the gaining of Central Banks autonomous feature, in the areas which are naturally have monopoly features such as energy and telecommunication autonomous institutions are established.

These amendments which make authority and power of parliament weaker completely; is regulating the area of public administration in accordance with the necessities of market. This intervention to legislation process, lead the most important institution of political area to a inefficient and unessential position. Independent regulatory agencies, according to OECD (Jacobzone, 2005: 19) work as "a miniature government." They are ruling, applying the rules made by them and controlling them.

Briefly, independent regulatory agencies assign themselves as 'regulating' devices in varying sectors in undeveloped countries with the demand of international organizations. The international organizations works as guarantors, followers, conformancers of globalization processes. Thus, governance is an issue that is in the agenda of especially developing countries today. The reason of this is that the developing countries have more centered structures in political, economical and administrative system than developed countries have. This condition is a significant blockage for freeing of capital and go around the world.

Governance has some similarities with especially "pluralism" theory which is the same line of de-Tocqueville-Robert Dahl who was dominant on Western political science literature, and the "network governance" approach which has begun to be dominant in 2000s. First of all, the all three approaches in their basics aim to explain the processes of consisting the public policies (Üstüner, 2003: 50). With these features, all three approaches refuse that public policies



an the decisions about the policy is made directly by bureaucrats who use their own expertness, knowledge and experiences and protect “public interests” in an absolute centered and hierarchic structure (Dixon and Dogan, 2002).

Governance, seen as a coordination form which is based on the dependence of organizations, institutions or actors on each other. Governance sees the relationship between state and society as an inter-evens and correlative dependent relationship. From this point, it differentiates from the “negative state” approach of new right in the beginning of 1980s. According to this governance on one hand makes differentiation of politics/policy over the independent regulatory agencies in application, on the other hand it makes “integration” on a capitalist materialist basis.<sup>5</sup> “Governance approach”, emphasizes the market sense of capitalism and argues the dominance of market actors in administrative process.

Governance occurs in any local, regional and global scale there political power presents. Governance comes to agenda as a political power problem in each of these scales and causes freeing of political power from nation state dimension. The resource of political power transfers from national state scale to local as a lower scale and to regional and global scale as a higher scale. In local scale this transformation is done with “Local Agenda 21” application which has come to agenda after the 1992 Rio meeting of United Nations Development Programme. In regional scale; this transformation, is provided with integration to European Union. In global scale; transformation is provided with international arbitration mechanism and the justice dimension of political power is left to international justice mechanism which are under influence of actors effective in global scale.

#### **Transformation of Political Power in Turkey**

State in Turkey, is being restructuring in the last quarter century with neoliberal policies. The restructuring of state is consisted of different sub-periods which complete each other. Roughly, the first step of this period (1980–1988) is the period of freeing of foreign trade. The second step (1989–1993), is the period in which the international capital movements are freed. This period followed by the third step named as financial crisis and instability period (1994–1999). 1999 and years after is the crisis period that the neoliberal restructuring process cause in institutional structure for Turkey.<sup>6</sup> The neoliberal policies became determining elements for the subject of restructuring between 1980 and 1999. The main feature of this process which began with January 24th (1980) Decisions; is eliminating social state. The crisis or transformation in 1999 defines the differentiation from eliminating line. The main characteristic of transformation in 1999 is that it is based on the principles of “restructuring”, “reregulation” and “governance.” The strategy of restructuring is come into effect by placing of the “governance” model. Because of this, 1999 should be considered as the beginning date of transformation of political power (Bayramoğlu, 2005: 284).

Formulation of governance, came to agenda of Turkey in 2000 with a meeting called “Good Governance in the Way to European Union” held by the partnership of TÜSİAD (Turkish Industrialist and Businessmen Society), OECD, World Bank and European Union loudly. The formulation is mentioned in “Passing to Powerful Economics Programme” of

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<sup>5</sup> Neoliberal policies are restructuring the capitalist political area by moving economical area or principles of market to political and administrative area with formulation of governance. The main feature of the restructuring could be explained with “integration” concept. In other words, all elements of social area are made marketable. Thus, in neoliberal period it is no more possible to mention about a politics-administration differentiation even it is in a narrower meaning. In neoliberal period political and administrative institutions which were separated from each other in liberal and interventionalist period formally; are restructured and integrated in the basis of market principles (Akbulut, 2005: 231–232).

<sup>6</sup> In the era after 1980 the administrative crisis’s happen in Turkey and similar countries have increased the dominancy of neoliberalism and its partner global capital over the administration of nations. From the view of whole society and especially employees, this transformation which seems to be victory for global capital and its national prolongations; means increased unemployment, poverty and being isolated.

Kemal Dervis firstly, after that it is determined in Urgent Action Plan of 58th the Government of the Republic of Turkey as state reform (Güler, 2005a, 4).

After the administration crisis in 1999 international organizations have increased the direct intervention into Turkey economics and administration structure. The present relations of Turkey with IMF and World Bank were started in 1997. The process of 'close watching' begun in July 1998, carried over with the renewal of 'close watching agreement' by 57th government after the 1999 elections. After the accomplishment of the conditions of this agreement in December 1999, it is signed that the 2000–2002 'stand-by' agreement. One of the five conditions of close watching agreement is establishing an independent regulatory agency which controls the banks.<sup>7</sup> For regulating the banking area over progovernance/regulatory state model, in 2000 Banking Regulatory and Control Council were established. Besides this Council, for regulating and controlling the sectors which are vitally significant for state; lots of councils have been established in Turkey. The following could be counted among these councils:<sup>8</sup> Radio and Television Supreme Council, Telecommunication Agency, Capital Market Boards, Tobacco-Tobacco Products and Alcoholic Beverages Market Regulatory Authority, Saving Deposits Insurance Fund.

The duties of these councils which are highly authorized could be counted in a few main topics (State Control Council of Presidency of the Republic of Turkey): (1) To give permit, license, approval and authority to persons and foundations which would have activity in a declared sector; (2) To publish regulatory texts such as specifications, notification, circulars; (3) To do control in the duty area and in accordance with these controls in case of necessity, making crime notices; (4) To apply punishments likely to justice such as money fine, prohibition from activity temporally or permanently; (5) To participate into general administration functions related to duty areas in varying levels.

Briefly, with this new era started in 1999; state goes into social and economical life with a new role. However, it is needed to "*a powerful and efficient public sector*" which would function the duty of regulating, controlling and observation of market operations (TÜSİAD, 2002: 59). However, government organizes the new public regulation in a different way from former one. The main institutions of this process is independent regulatory agencies and with the help of these; multinational company management and international organizations taking the political power. For understanding the formulation intelligibly it is enough to look at chairmanship structure of Sugar High-Committee. Four High-Committee chairmanships out of seven belong to bureaucrats (Ministrations of Treasury, Finance, Industry and Agriculture), two chairmanships belong to private sector (CARGILL- as a multi-national company and Konya Sugar Factory), and one chairmanship belongs to a civil society organization (PANKOBİRLİK).<sup>9</sup> Multinational companies, as in the example of CARGILL, could have their demanded decisions about the activity areas made with help of Committees easily.<sup>10</sup>

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<sup>7</sup> The basic outlines of mentioned regulations could be found in formal documentation of IMF and World Bank (See. <http://www.imf.org>, <http://www.worldbank.org>).

<sup>8</sup> The Law of Public Financial Administration and Control deal with independent regulatory agencies as regulating and controlling agencies in (III) Numbered Table (The Law of Public Financial Administration and Control).

<sup>9</sup> With the 5th item headed Sugar Prices of Sugar Law the intervention of state to sugar sector is abolished: "The prices of sugar beet are determined according to agreement made between real and legal persons who operate sugar factory and producers and/or their representatives each year.... The other raw materials used for sugar production is supplied by companies from producer or market. The sale prices of sugar are determined by real and legal persons who operate sugar factory independently" (Sugar Law).

<sup>10</sup> CARGILL, that represents starch origin sugar producers in the Sugar Regulatory Board has achieved to increase the quota of the starch origin sugars by fifty percent in the 2006-2007 Marketing Year by putting pressure on the Sugar Regulatory Board and accomplishing the USA Government to put pressure on the Turkish Government (Cabinet Decision).

## Conclusion

The sense of capitalism which keeps the values of market above anything is the source of being a part of market of anything in academic and social life area. Thus, capitalism is structuring the market society. Capitalism has been spread to world more, expanded its imperialist nets with neoliberalism which became the name of capitalism adventure after 1980. Neoliberalism affects on academic, political and economical life by "governance" concept. 'Governance' has taken many disciplines from economics to sociology, from political science to international relations under the influence of itself as an intersection concept of disciplinary divisions in academics parallel.

With neoliberalism; social sciences entered into the process of restructuring. On the one hand, the branches of science are separated from each other with sharp lines; on the other hand, it is defined common study areas. In fact, these common study areas are nothing but the flow of principles of main run economics into all the social sciences. "Governance" is one of the most significant tools of the neoliberal restructuring process and neoliberalism flows into social science with "governance" vaccination. By this way, it is provided that the coherence of theory and application. However, instead of leading of theory to application, application leads the theory. Thus, instead of an independent science, it could be mentioned about a serving science to interests of capitalism and defining its limitations according to market demands. Briefly, social science has become an activation area that transforms according to society rather than makes it transform.

In application, governance leaves the most important policy areas of state such as agriculture, banking, and capital market to multinational company managements and international organizations by purifying them from politics in the basis of the differentiation between politics and policy. Briefly, capitalism with neoliberalism has changed scale and dimension. This means changing of scale and dimension of political power also. According to this, the scale of political power is no more nation states. Neoliberalism, is realizing "progovernance/regulatory state" approach in national scale via independent regulatory agencies. The independent regulatory agencies products of approach of "progovernance/regulatory state", on the one hand is degrading state in a level of "regulating controlling state", on the other hand placing capital and civil society represent into political decision-making mechanism. In this context, independent regulatory agencies are transforming political decision-making mechanism. And it does that over the differentiation between politics and policy. Thus, any subject containing production, sharing and distribution relations (such as banking, transportation, energy etc.) is determined as a matter of policy and the decisionmaking authority about these subjects is left to capital and civil society representatives besides the politicians. In accordance with this ideology of neoliberalism, after 1990 independent regulatory agencies are established in almost every area of economics all over the world (especially in developing countries) and very important decisions about economics were made by the hand of these agencies.

In Turkey, the number of independent regulatory agencies has increased, after 1990, depending on the relation with international organizations. Parallel to the practices in the world, in Turkey, these independent agencies are used as a tool for transformation the political power. In addition to bureaucracy, representatives of national and international capital and civil society also take part in these independent agencies. They make decisions in favor of the capital in the most important policy area of a country. Thus, Turkey, through the independent regulatory agencies, is articulated to "global governance".

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