

# An Assessment of Neoliberal Coups: the 1973 Chilean Military Coup and the 1980 Turkish Military Coup

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## Abstract

The article attempts to identify the changes caused by military coups, one of the means of spreading neoliberal ideology, on the political economy of countries and discusses the place of the US hegemony in this context. The influence of armies on the political economy of countries is examined based on the examples of the Chilean military coup of 1973 and the Turkish military coup of 1980, and the place of the army element in the histories of these countries is discussed. Even if a hegemon power has enough economic, military and political power to intervene directly, it can use less costly and more legitimate tools for indirect intervention than a direct one. The policy of instrumentalizing local military forces and exporting neoliberalism to countries, which the US hegemony preferred to apply in the Cold War era and generally in the last quarter of the 20th century, is clearly seen in the examples of Chile and Turkey. Therefore, the main topic of this study is the use of armies as a tool by the neoliberal hegemon USA, and it argues that the military coups of Chile and Turkey were indirect foreign interventions, and that they were the products of the US hegemony as events that served to declare the victory of neoliberalism.

## Key words

Neoliberalism, US Hegemony, Chile, Turkey, Military Coups

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This study focuses on the method that the US hegemony developed as a means of indirectly intervening in domestic politics by using the military elements of the countries, sometimes directly and sometimes indirectly. The US sought to spread neoliberal ideology in new areas by establishing multinational companies and international structures there, and to open new markets to the capitalist economy. The study examines the 1973 Chilean and 1980 Turkish military coups as examples, and determines the place of the armies in the economic-political history of these two countries and the level of domestic politics on democracy and democratic consolidation. The USA sees the bottlenecks, gaps and ineffectiveness of the domestic political structures of the target countries as an opportunity and uses the armies of these countries to strengthen its own hegemony and to ensure the continuation of the international system it has built. In this direction, first of all, the concept of hegemony and the features of the international system and neoliberal ideology established by the US hegemony are introduced, and in the following sections, the place of the army factor in this system is discussed together with the examples of Chile and Turkey. There are noteworthy parallels between the democracy interruption experienced by Chile, a country from the Latin American territory right next to the hegemon, seen as the “backyard” of the USA and exposed to thousands of direct or indirect interventions, and the 1980 coup in Turkey which is located thousands of kilometers away near the lands of the Middle East which the US hegemony has its eye on. It seems quite plausible that Turkey is used to regulate the gap between west and east in a way that serves the interests of the western hegemon. Therefore, the introduction takes a close look at the concept of hegemon and the institutional/structural and ideological basis of US hegemony.

Hegemony is defined by Gramsci as the cultural, moral and ideological leadership of an actor, a group, a subject over other actors. Although the concept of hegemony was previously used by Marxist thinkers to emphasize the political leadership of the working class in a revolution, Gramsci gave a deeper meaning to the concept of hegemony in his Prison Notebooks (Anderson, 1976, p. 15-20). Marxism predicted that socialist revolution was inevitable in capitalist societies. However, at the beginning of the 20th century, such a revolution did not take place in the most developed countries, and on the contrary capitalism strengthened its hand. Gramsci argued that capitalism maintains control

not only through violence and political-economic repression, but also through ideology, and he broadened the concept considerably. According to Gramsci, the bourgeois class has established a hegemonic culture in order to spread its own values and norms, and has created domination to turn this set of values and norms into values for the sake of all humanity. The concept of “good” as understood by all groups has turned into the bourgeoisie’s understanding of “good”, and the concept of “bad” has turned into the bourgeoisie’s understanding of “bad”. Thus, revolts that threatened the status quo became “bad” things. It is necessary to oppose the imposition of the bourgeoisie’s own values on every segment of society as natural and normal values. The working class should not corrupt its own culture, and realize that it cannot achieve political hegemony without establishing its cultural hegemony. Gramsci does not believe that any class can become the dominant power simply by advancing its economic interests, and he also emphasizes that it cannot achieve this dominant position simply by coercion. By establishing intellectual and moral leadership, it must achieve consensus through alliances and thus influence various forces. This consensus will persuade the class that establishes hegemony over the unity of forces to its own social order through institutions, social relations and ideas. (Sassoon, 1991, pp. 230-231). When read in this context, the bourgeoisie protects some of the interests of the lower classes and gets their support, and establishes its hegemony in this consent-coercion relationship.

Throughout history, the hegemonic position was first experienced by the Genoese in the 17th century, by the Netherlands in the 18th century, by England in the 19th century, and finally by the USA in the 20th century. The hegemonic center produces cheaply and, when necessary, protects its profits with coercive force. As Giovanni Arrighi explains, the 20th century was a revolutionary period of integrated world market, new developments in technology and information. However, it is wrong to consider the 1970s as the time of the establishment of the integrated single market; indeed, such an integration among markets was witnessed in the 1870s (Arrighi, March-April 2005). As Hobsbawm argues, the English domestic market provided a foundation for the industrial economy and provided incentives for the improvement of transport, the coal industry, and technological innovation. The Industrial Revolution took place after the 1740s, when local economic growth combined with the expansion of the international

economy (Hobsbawm, 1999, pp. 34-78). Arrighi states that British hegemony was not a global blind market. There was a British hegemony in the European balance of power, British leadership in liberalizing trade and empire building in the non-Western world. However, this golden age of British hegemony was undermined by a serious crisis of deflation in 1873-1896. According to Wallerstein, British hegemony ended in 1873 (Wallerstein, 1974b, p. 411). After this date, while the hegemony of America started to rise, Germany was in a worse situation after its defeat in the First World War. After the Second World War, America reached the level that Britain had reached in the 1800s. Due to the Cold War, the USA could not be included in the Eastern European and Chinese markets. Therefore, it focused on Western Europe, Latin America, the Middle East, and Africa (Wallerstein, 1991, p. 28). Since the natural resources of Latin America were no longer in the hands of the British, America turned its eyes to this region for raw material resources.

Since Britain was in debt at the end of World War I, hegemony shifted to the USA. The period of US hegemony was very different from British hegemony. Although the most powerful tool of US hegemony is its military power and it maintains its influence especially in Latin America with the threat of direct intervention, it has been quite successful in intervening with indirect means and using its weight in the international system that it has built. The hegemony of the USA uses many methods such as embargo practices in economic and commercial matters and the implementation of isolation policies by undermining other bilateral relations of the country to which the embargo applies. It changes the economic, political and social structures of countries without opposition through authoritarian rule under army/military regimes. It starts a civil war by supporting local guerrilla elements or conflict groups in many areas such as equipment, education, financing. It changes regimes that it deems "dangerous" by supporting these groups and intervening in governments. It has repeatedly applied these methods, and has made indirect intervention a favorite foreign policy tool, in the belief that indirect intervention will not create opposition in its domestic politics, will not cause social reaction and will be less costly. The military coup in Chile in 1973 and the military coup in Turkey in 1980 are the outcome of the US hegemony's goal of globalizing neoliberal policies, and the next section focuses more closely on examples by examining Chile and the army factor.

## **US intervention: the 1973 Chilean military coup and the army of neoliberalism**

As stated in the introduction, the story of US hegemony's interventionism began many years ago in Latin America and has been experienced more frequently and extensively than anywhere else in the world. It is useful to mention the events in which US intervention in the continent took place using the army factor; the structure of the military coup that Chile experienced in 1973 will be more meaningful in this way. Blockages, conflicts and instability create a very favorable environment for military regimes, and coups are frequently experienced when the legislative-executive organs are locked in function.

Allende in Chile, Belaunde in Peru and Zelaya in Honduras were brought down with a military coup in these unstable environments (Yetiş, 2014, p. 305). In the 20th century, there were five military coups in Argentina, three in Brazil and Chile, nine in Bolivia; between 1968-80, Peru was under a military regime and Paraguay between 1954-93 (Aknur & Durakçay, 2019, p. 70). Although there was no military regime in any country in Latin America in 1990, it was very difficult to maintain limited democracy. In the 21st century, the army still made its presence felt with coups in Venezuela in 2002, Honduras in 2009, Paraguay in 2012, and coup attempts in Bolivia in 2009 and Ecuador in 2010. The army always keeps the threat of a coup fresh and uses this perception to its advantage (Aknur & Durakçay, 2019, pp. 46-47).

When Latin American countries gained their independence in the 19th century, their political structures emerged as oligarchies (Wiarda & Kline, 2007, p. 37). A middle class arose out of tradesmen and small entrepreneurs in the Latin American region, where a commercial dependency was established within the framework of the import of consumer goods and industrial products from North America and Europe. It took a long time for this class to participate in the government of the country and they obtained their voting rights very late. In the 1920s, an inward-looking economic social structure became widespread and workers' rights expanded with military coups, economic bottlenecks and the import substitution industrialization model. Populist workers' parties and coalitions came to power. But these worker-populist governments had an au-

thoritarian tendency towards the landed and property-owning classes and capitalist circles; therefore, there was no movement that provided democratization (Skidmore & Smith, 2005, pp. 43-44).

The import substitution industrialization model eventually created unrest in the political economy and deepened social divisions and inequalities; as a result, in the 1970s, there was a regime change with military coups. In Chile and Brazil, workers' parties were closed down and eliminated with political bans. The political economic structure tended to integrate into the world economy, borrowing from international institutions acquired a chronic structure, and new dependencies emerged through borrowing. The neoliberal free market economy, imposed by the Washington Consensus, emerged in the 1980s as the political economic system that Latin American countries were compelled to follow after borrowing. In order to attract foreign capital within this system, free market conditions had to be provided, and thus the authoritarian oppressive environment had to be abandoned, which led to the emergence of democratization movements. The emergence of the civilian ruling class and efforts to establish democracy were intermittently interrupted by the element of military tutelage in Latin American countries. Latin American democracies, which were very new, naturally fragile and had little confidence due to deepening economic inequality, poverty and corruption, were not consolidated (Skidmore & Smith, 2005, p. 61; Wiarda & Kline, 2007, p. 40). The United States sent a large military force to suppress the military uprising in the Dominican Republic in 1965, after the murder of the fascist dictator Trujillo. Fearing a second Cuban scenario, the USA announced the doctrine that the American nations would never allow this to happen again, and that communism would not be established on the continent (Rabe, 2006, pp. 47-49). The 1960s and 1970s were a time when the military dictatorships of the Latin American countries prevailed, and it was inevitable for the USA to continue its interventionist presence in the region with the influence of these regimes.

The most striking event of this period was the military coup against socialist leader Salvador Allende in 1973. The concerns of the administration of US President Nixon and Secretary of State Henry Kissinger that a socialist regime established in Chile could create a domino effect and influence other countries in the region led the US to carry out a military coup in Chile, which was financed and

directed with a large budget, aiming to weaken and eventually overthrow the Allende government (Lewis, 1975, p. 35; Livingstone, 2009, p. 56; Wise, 1975, p. 181). In this process, the USA gave great support to General Pinochet and Chile, as the country served as an experiment for the formation of a neoliberal state (Harvey, 2007, p. 27). Nicaragua was another scenario that kept the US's fear of communism alive. The overthrow of the Somoza dictatorship with the Sandinista movement in 1979 in the 42nd year of the dictatorship alarmed the USA, and the fact that the FSLN, the Sandinista National Liberation Front, brought the country into a period of radical changes with Marxist reforms as soon as it came to power made the danger of the spread of communism very real for the USA. The US President at the time, Ronald Reagan, planned to suppress the Sandinista regime by choosing indirect means, blaming them for the defeat in Vietnam and other events. For example, the Iranian Revolution and the Nicaraguan Revolution were caused by previous administrations underestimating national security threats, and Reagan saw direct military intervention as political suicide owing to domestic political concerns. The US tried to support the counter-guerrilla movements in the country, i.e. to make a proxy intervention. Accordingly, anti-communist groups were financed, trained and used to overthrow revolutionary regimes (Livingstone, 2009, p. 77). Grenada, which experienced a bloodless revolution with the New Jewel Movement in 1979, paid the price of its new regime with Marxist tendencies, this time with the direct intervention of the USA. Maurice Bishop was overthrown and killed in a coup in 1983, and then the USA landed on the island, justifying this move on the grounds that this would stop the country from falling into the hands of the Soviets, and that order would be maintained.

When we look closely at the military and US relations, it would be quite reasonable to say that the US hegemony carried out a massacre through military coups on Latin American soil; there was no limit to the intervention of the USA using military elements in these lands. In this context, the 1976 Argentine junta is considered the bloodiest in Latin American history. Tens of thousands of workers were massacred in the US and CIA-backed Bolivian junta. In the history of Bolivia, there have been 190 military coups supported by the USA and the CIA since 1825. In Brazil, the US-backed junta of 1964, led to one of the bloodiest periods in the country's history, and the Death Squads, which were established in



partnership with the CIA, massacred thousands of people. In El Salvador, known as the land of murders, thousands of people were killed during the indigenous uprisings, and after 1979 the death squads established by the CIA and the Arena Party killed 70,000 people. In Grenada, the USA overthrew the socialist-oriented government in 1979 and murdered its leaders, and kept the country under occupation until 1985. In Guatemala, the leader of the Arbenz government, which tried to expel US companies from the country and nationalized their assets on its territory, was overthrown by a CIA coup, leading to a period of chaos that lasted for decades. Civil war and death squads killed 100,000 people. The USA, which occupied Haiti in 1915, caused the murder of tens of thousands of people under the juntas it supported in the next period. In Colombia, hundreds of thousands of people were killed by the junta and a series of murders was initiated by the CIA on the demands of United Fruit Company and Standard Oil. The Revolutionary Armed Forces of Colombia (FARC) movement aimed to end the presence of the USA in the country, but the USA called for it to be declared a terrorist organization (Vanden & Prevost, 2002, p. 247). With its direct presence in the suppression of the Mexican Revolution, the US government prevented the country from recovering for many years, with a series of juntas and unstable governments. Nicaragua, which sought independence with the Sandino movement after years of US occupation, was ruled by the US-backed Somoza junta for years, but was overthrown by the 1979 Sandinista movement (Vanden & Prevost, 2002, p. 243). Until 1985, thousands of people were killed by counter-attacks and the entire economy of the country was overturned. Tens of thousands of people were killed in Chile after Dictator Pinochet came to power in 1973 in a CIA coup at the insistence of US multinational companies, and the junta administration ruined the country's economy despite major support from the USA and the IMF. The USA, which was directly involved in the elections in Uruguay with the cooperation of the police and the army, caused the country to experience a series of military dictatorships and massacres from 1964 to 1990 (Yilmaz, 2017, pp. 440-442). In Peru, Panama and other Latin American countries, US interventionism marked the Cold War years and turned the political, economic and social orders of the regional states upside down.

When looking at US-Latin America relations, it should be noted that this is a history of interventionism and control of the Latin American lands. Since



1823, the US has reinforced its role as a hegemon power, exercising interventionist policies in the region from time to time through different tools and changing discourses using every political, economic and social means. It is also tragic that the US justifies this with various manipulations such as the threat of communism, economic instability, drug trafficking, the war on terrorism, and ensuring democracy, so much that the main threat to the region for two centuries has been the US itself.

The 1973 US-backed Chilean military coup needs to be focused on more closely; because of this coup Chile is called the laboratory of neoliberalism. Salvador Allende, who founded the government in Chile in 1970, was a socialist-leaning president who was thought to be uncontrollable by the United States. When the Popular Front (Unidad Popular) coalition, formed by radicals, communists, socialists and left-wing Christian parties, elected Allende as president, the possibility of a second Cuban scenario nearby caused alarm (Debray & Gossens, 1972, p. 48-51).

After a democratic election, Salvador Allende's government embodied its socialist tendencies by making agrarian reform and carrying out expropriation of the copper mines. This caused great concern for the USA, which was quite reckless about exploiting Chile's mines for the USA's own hegemony (Valenzuela, 1995, p. 45-50). These socialist regulations disturbed the economic elite in the country. After Allende came to power, he implemented the program "Chile's Road to Socialism", nationalizing the copper mines in the hands of the USA, putting the banks, health and education systems under state control, and realizing social projects through land reform and redistribution. Real wages increased during Allende's rule, and the wages of blue-collar workers were increased to create a wage equilibrium with white-collar workers; public expenditure also increased (Larrazin & Meller, 1991, pp. 175-180).

The close relations established by the Allende administration with Cuba and the Soviet Union also caused the USA, the exporter of neoliberalism, to feel threatened by communism. In particular, the planned commercial cooperation with the Soviet Union and the investments promised by the Soviets to Chile were a hot topic in the year of the military coup (Mujal-Leon, 1989, p. 357); it was almost obvious that the coup was going to happen, because it was a coup of neoliberalism.

Copper mines were of great importance for the economy of Chile as well as for the USA. Anaconda Copper Mining Co and Kennecott Copper Co companies controlled most of the country's copper mines until the socialist Allende government came to power in 1970. They shared the mines of Chile, from which they had earned 4 billion dollars in 50 years, and operated them in cooperation. Although their investment in the country was not more than 800 million dollars, some of the money were from the country's own resources. Moreover, while earning so much from Chile, they did not spare even one-sixth of its foreign investments to Chile (Galeano, 2020, pp. 189-190). Of course, it was the cheap labor provided by Chilean workers that made production in Chile so profitable. Chilean workers, who worked at only one-eighth of the wages of the US Kennecott refineries, provided these companies with incredible profits (Galeano, 2020, p. 191). The Allende government nationalized the copper mines according to socialist policies, and the USA reacted strongly to this situation. The USA, increasing the flow of training, weapons and money to the Chilean army, used all commercial and diplomatic relations to deepen economic instability and encouraged mass actions by supporting opposition groups and officers who favored a coup in order to sabotage the economic plans of the government (Qureshi, 2009, pp. 85-100).

The socialist government's land reform, nationalization of the mines and the projects of the Allende government to create a fair social income distribution disturbed the landed capital class and US multinational companies that carried the flag of neoliberalism. These two groups tried in every way to sabotage the economy and caused the economy to become unstable with international boycotts. The USA supported these groups and encouraged the opposition group with financial aid (Galeano, 2020, pp. 189-198) and tried every means to undermine the socialist policies of the Allende government; it cut off loans, stopped shipments such as machinery and spare parts, and sabotaged all infrastructure works in industry, agriculture and transportation. Kissinger admits in his memoir, entitled *White House 1968-1973*, that the USA immediately started to prepare a military coup plan against Allende's government. Nixon tried very hard to prevent the Allende government from coming to power and even allocated a budget of 10 million dollars to overthrow Allende (Rojas, 1985, p. 251). Chile's capitalist class boycotted the distribution of food and consumer goods,

and created a black market and long queues so that the government could be blamed for everything. Additionally, these groups stated that national security was under threat from a military coup, that separatist actions should have been prevented, and turmoil should have been suppressed by bringing in soldiers (Rojas, 1985, p. 252).

In 1973, General Augusto Pinochet seized the government in a military coup and suspended constitutional and institutional arrangements by declaring himself the head of state. Allende was killed during the coup, and there was a period of terror in which tens of thousands of people lost their lives; this was primarily because the putschists feared pressure from an opposition organization (Silva, 2002, pp. 454-455). The USA had no hesitation in implementing its neoliberal agenda to the letter, abandoned socialist policies immediately and put the rules of the neoliberal free market economy into play (Ensalaco, 2010, pp. 203-205). All expropriations made were withdrawn. Meanwhile, the United States poured capital into the country and accelerated the transfer of funds in order to keep the economic foundation of the neoliberal ideology solid.

However, the biggest handicap is that the elements such as democracy, democratization, human rights and social stability that neoliberalism claims to support are abandoned in Third World countries, political stability and authoritarian governments are supported through military regimes, and inhumane events are ignored; over time, this situation destroyed the grounds for the legitimacy of US hegemony and caused a great loss of prestige. While neoliberalism constructs a free/liberal game only in the economic field, it provides the political stability required to comply with the rules of this game in an authoritarian, oppressive and non-oppositional manner, and with military regimes whose purpose is only to provide the necessary political stability for the implementation of neoliberal economic policies. Elements such as freedom/free trade, leaving the market to operate of its own accord, privatization, and free entry of foreign investments are the only areas where neoliberal political economy is liberal; in the political arena, all that is needed is stability and a usable administration.

Of course, the people of Chile were the greatest losers in this game, and the supporters of Allende were massacred. Concentration camps were set up in desert lands and Patagonia, and there were horrific human rights violations. Many

Chileans were exiled<sup>3</sup> (Dinges, 2005, pp. 160-175). During the 15-year military regime that lasted until 1988, Chile became a region that fully served the neo-liberal political economy of the US hegemony. In this process, the USA declared Chile as its ally in the region, made the country a member of the Organization for Economic Cooperation and Development (OECD), and made it fully adapt to neoliberal policies through bilateral trade agreements (Dinges, 2005).

One of the important economic elements of the military regime period was the establishment of a technocrat group called the “Chicago Boys” authorized to carry out neoliberal policies. Minimizing the state in the economic field, establishing an export-oriented free market economy and, of course, attracting multinational companies to invest in the country became the biggest goals of the period. Half of the industrial monopolies nationalized during the Allende period were given back to the old companies and half were sold. The Firestone national tire factory and pulp factory were acquired by Parsons and Whittemore (Galeano, 2020, p. 340). During the military regime, Chile was turned into a laboratory where experiments could be carried out easily and presented to the hegemony of the US, the exporter of neoliberalism.

As a result, in the interests of the US hegemony the 1973 Chilean coup was carried out in order to export neoliberalism by overthrowing a socialist government and its practices, and to construct Chile as a step and example on the way to US global hegemony by transforming the country into a neoliberalism experimental laboratory. It is quite clear that the coup was the result of Chile’s use of its national bourgeoisie initially to exert economic pressure, and later to use its army to bring political stability that could ensure the purely neoliberal order.

### **A neoliberal coup: the 12 September 1980 military coup**

The place of coups in Turkish politics is defined as the product of the internal conflicts of the bourgeois class or the suppression of the working class. While May 27 was a coup to solve the internal problems of the bourgeoisie (Savran, 2016, p. 196), March 12 was the direct transmission of the demands of

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<sup>3</sup> “It is estimated that at least 200,000 Chileans left the country after the military coup.” (Lievesley & Ludlam, 2012, p. 306)

the capitalist class to the political power or the reaction of the industrial bourgeoisie (Keyder, 1987, p. 51), while September 12 was the counterattack of the capital (Boratav, 2003, p. 148). When we look at the political and economic history of the Republic of Turkey, it is possible to say that there is a history of transitions between the model in which the state is at the center of the economy and the liberal economic model in which the market is decisive. The system was dominated by the statist economy in the 1930s, which as stated in the previous sections originated from a political-economic basis, and this statist approach continued until the years when the struggle between classes changed weight. After the years of the Democrat Party, which tended towards a liberal economic policy, political economy assumed an import-substituting identity under the rule of the statist elite, in which the military coup promoted a policy in their favor. The breaking point of this was undoubtedly the 1980s, marked by the January 24 Decisions, and the political economy of the Republic of Turkey was built on an export-oriented neoliberal approach in which the market is critical.

When we look at the market-centered liberal economy, the role and influence of the state in the economy is reduced to a minimum and the market is the determining actor. It should be said that this political economy model based on the principle of privatization and the self-functioning of the market tends to get ahead of the public debt of the state (Öniş, 1996, p. 164). With the adoption of the free trade principle, the main feature of the liberal market economy is the abandonment of policies protecting the domestic market and the development of an export-oriented approach, as well as efforts to attract foreign investments to the country and the liberalization of the financial sector, and to bring in foreign capital (Öniş, 1996, p. 163).

In the Republic of Turkey, statist economic policies were implemented until the 1980s, a period in which the importance of international free trade was emphasized with the January 24 Decisions (Başkaya, 1986, p. 251). This is a neoliberal economic model, in which the state does not intervene in markets, stays away from production and marketing processes, and adopts the duty of providing the appropriate environment by removing the obstacles faced by the institutional structure (Harvey, 2005, s. 2). This becomes applicable in an environment of political stability, and the economic stabilization package can only be supported by political stability through a military regime.

In the period up to 1980, four development plans were put into effect, but the last one was left unfinished due to the January 24 1980 Decisions and the subsequent military coup. The period from 1961 to 1976 saw a system in which surplus value was developed in favor of industry and on the other hand, domestic terms of trade favored the agricultural sector, and so the agricultural property owners did not lose profits. The proprietary farmer class became rich, and the claims of the Justice Party that it represented farmers created the perception that the farmers were in power. The industrial bourgeoisie also benefited greatly from the planned policies of the period and became rich through the SPO's resource transfer. The increase in real wages increased the purchasing power of the working class, turning it into a class of consumers under domestic market dynamics. However, this situation later became uncomfortable for the employer-capital circles and they required a political move against the legal regulations of the working class such as organizing and union rights; the 1971 Memorandum was also the product of this tension (Bahçe & Eres, 2019, p. 43).

The import substitution industrialization model was blocked due to the internal tension and nature of the capitalist system, so much so that dependency on imports increased at the end of each plan period and current account deficit became chronic. The balance of payments crisis of the late 1960s brought a new devaluation. The oil crisis of the 1970s, the collapse of the Bretton Woods system and the stagnation of the international system made this period more problematic and Turkey's export market shrank. In this period, when dependency on imports already reached its peak, the contraction in exports increased the current account deficit. The need for external resources reached very serious dimensions.

The CHP, located on the left of center, established the 40th government of the Republic of Turkey in 1977 under the leadership of Ecevit. The bourgeoisie started to voice their demands on real wages and prices and expected a response to these demands from the Ecevit government, which came to power with the support of the workers, seen as political suicide by the Ecevit government (cited by Boratav, Bahçe & Eres, 2019, p. 49). The main reason for this is that if the demands of the bourgeoisie are met, the real wages of the working class will decrease, the purchasing power will decrease, and the commodity prices will rise in the market. The Ecevit government, supported by the working class,

could not afford this situation and before the expectations and demands of the working class could be fulfilled, the government resigned. The major problems of the period, such as the doubling of the foreign debt, the currency crisis, and the second oil crisis, were also the subject of great debate among these class conflicts, and both the January 24 Decisions and the military coup showed that these problems were actually imminent (Bahçe & Eres, 2019, p. 50).

The unsustainability of the import substitution industrialization model emerged with many successive crises, and the new liberalism period began in 1980. The January 24 Decisions, as an economic policy program prepared by the SPO and implemented by people who had undergone SPO training, especially Turgut Özal, were also interesting because they were a program prepared by the state's economic control and supervisory body, aiming to minimize the state control. The demands of the capital-owning environment/bourgeoisie were fulfilled with the decisions to devalue, reduce labor costs, abolish the industrialization program, and transfer public resources to capital groups, and the political economic structure ruled in favor of capital (Ekinçi, 1998, p. 7). The Confederation of Employers' Unions said after the 1980 military coup that if the workers had always been the ones to laugh in the past, now it was the employers' turn, also revealing the relationship between the capitalist class and the military/bureaucratic elite. With the 1982 Constitution, the economic policy area seemed to be arranged for a certain group, with issues such as the narrowing of workers' rights, the limitation of fundamental rights and freedoms, and the prohibition of politics/apoliticization. This statist industrialization and labor promotion environment, which was ensured by the 1961 Constitution in terms of workers' rights and union rights, changed in the 1980s. The 1982 Constitution, in which rights were limited, changed the status of workers and became very restrictive in terms of collective bargaining, strike and union rights. This provided the government with greater legal regulations over the unions, and strengthened supervisory mechanisms.

It is important to examine the structure and political position of the economic elite class in Turkey. While state support was important when the national economy was maturing, and capital owners were formally organized under the Union of Chambers and Commodity Exchanges of Turkey (TOBB) organization in 1971, with the establishment of the Turkish Industry and Business Associa-



tion (TÜSİAD), the balance between the capital groups changed (Alkan, 1998, p. 45). In the private sector, which develops in a state-dependent manner, with the formation of the bourgeois class, and industrialization as the main actor of the state, state-capital group relations have a structure in which the state has a dominant role. The capital group tries to reduce its dependence on the state by promoting economic development through means such as external financial links and foreign partnerships. This situation causes the capitalist circles to tend to minimize the state over time and to separate themselves from the state in terms of running an autonomous agenda. These circles believe that role of the state should be reduced to providing the necessary institutional order for a stable market (Öniş & Türem, 2001, p. 97). TÜSİAD was established in this direction with the aim of creating the agenda of the capitalist circles, which was developed with the encouragement and support of the state, to protect class interests.

As stated above, it should be said that the main purpose of these capital groups is their emphasis and sensitivity towards ensuring political stability in order to stabilize the market. In this direction, in the 1970s, when the import substitution economic approach was adopted, and in the 1980s, when the liberal free market economy was adopted, its basic discourse was based on the need to provide an environment of stability. While defying political authority in situations that would conflict with its class interests, it also followed an approach that supported the interventionist and authoritarian identity of the state against movements aimed at disrupting the status quo (Öniş & Türem, 2001, p. 98).

To summarize, as factors such as the 1974 Cyprus Operation and the oil crisis negatively affected the domestic market, the import substitution industrialization model rapidly made the transition to the neoliberal market. Export-oriented reforms, plans aimed at attracting foreign capital, and prioritizing reducing inflation rates came to the fore. The January 24 Decisions were declared as a rescuing stabilization package that also offered the IMF's support in order to implement this agenda (Aren, 1986, p. 24; Kazgan, 2009, p. 121). The January 24 Decisions, which announced the liberalization of foreign exchange markets, trade liberalization, abandonment of price controls and abandonment of statism (Aren, 1986, p. 31), aimed at an open economy, but they opened the door to a period in which the country fell into the grip of foreign borrowing and financial dependence. This period, in which the public and private sectors grew

with foreign borrowing, saw budget deficits increase (Eğilmez, 2019, p. 152). Within the scope of the stabilization program, devaluation was made, freedom in exports was introduced, incentives such as tax reductions were applied to exporters, namely the capitalist class, support for agriculture was reduced, and the prices of consumer goods were increased. It enabled large capital groups to strengthen their hand to protect their class interests through suppressing political power by swallowing small capital (Keyder, 1983, p. 1072). As a matter of fact, the implementation of the January 24 Decisions by the military regime with the 1980 coup serves as an important indicator when analyzing the relations between the capital class-military, and the capital class-state.

In this context, September 12 can be read as a military/bureaucrat movement that instrumentalized the coup in order to keep economic resources and political power under the control of the elitist capital environment. It is important to look at the military's impact on Turkey's political economy, because the coup of 12 September 1980 was a coup of neoliberalism, in which the military element was used to ensure the political stability necessary for the implementation of the January 24 neoliberal decisions. Under the military coup, the political pillar of the January 24 stability program gained a mechanism that could be easily moved (Gülalp, 1993, p. 41). Therefore, it would be reasonable to emphasize the tension inherent in the liberties of neoliberalism that turn a blind eye to authoritarian regimes and often work with them together in secret. The January 24 Decisions were not important because they announced an environment of political stability, but because political stability was achieved through military intervention in order to implement these decisions. As a matter of fact, the decisions were implemented within the scope of the authoritarian nature of the military regime and a revolutionary movement was created in economic policies. This is why the capitalist class, especially TÜSİAD, supported the coup regime in order to protect their interests in capital accumulation. It is possible to say that the capitalist class, which supports and demands the abolition of the provisions of labor rights laws, union rights, and social rights of the Constitution, does not have a concern for democracy, but only for capital accumulation, and for this reason, it is possible to say that there is no problem in the regime being authoritarian or militarized. For this reason, September 12 is read as a political move that takes into account the economic concerns and interests of the bourgeoisie.

## Conclusion

This study focuses on the 1973 Chile and 1980 Turkey military coups to investigate neoliberal coups and identifies the expansionism of neoliberalism through the military element. It examines the place of the armies in the political economic history of these two countries and the level of domestic politics in democracy and democratic consolidation, and reveals the fact that US sees the bottlenecks, gaps and inoperability of the domestic political structures as an opportunity, and uses the armies of the countries to strengthen their own hegemony and to ensure the continuation of the international system it has built. There are noteworthy parallels between the democracy interruption experienced by Chile, a country from the Latin American territory right next to the hegemon, seen as the “backyard” of the USA and exposed to thousands of direct or indirect interventions, and the 1980 coup in Turkey, which is located thousands of kilometers away, near the lands of the Middle East which the US hegemony has its eye on. It seems quite plausible that Turkey may be used to regulate the gap between west and east in a way that serves the interests of the western hegemon. The policy of instrumentalizing local military forces and exporting neoliberalism to countries, which the US hegemony preferred to apply in the Cold War era and generally in the last quarter of the 20th century, is clearly seen in the examples of Chile and Turkey. Therefore, the main problem of this study is the use of armies as a tool by the neoliberal hegemon of the USA, and it argues that the military coups of Chile and Turkey are an indirect foreign intervention, and that they are the products of the US hegemony as events that serve to declare the victory of neoliberalism.

Considering the political economy experience of both countries, it is seen that the economy had an import substitution/statist approach before the coup. While the Allende government in Chile implemented this in the context of a more advanced socialist policy, in the case of Turkey, there was a system in which statist principles were adopted but capital groups were not excluded. However, the striking factor in both examples is the social classes that intersect at a point when they both disturb these groups and make them stronger. In both the Chilean political economy and Turkish political economy, it is seen that workers’

rights and the rights of farmers who make a living from agriculture have been relatively strengthened, and public expenditures, social policies and real wages have been improved. On the other hand, in both examples, capital groups were disturbed by these practices due to the transfer of public resources to social policies, and the receipt of capital from the private sector through State Economic Enterprises and nationalized resources. The fact is that the state control in the market was quite high and foreign capital could not enter the market for this reason, and they were not satisfied with the economic policies, and demanded changes. Another point where the examples of Chile and Turkey intersect is the military regime as a tool to implement the neoliberal free market economy and make this agenda a state policy. Both coups were carried out by ensuring the political stability of an authoritarian oppressive regime with the aim of implementing a neoliberal agenda, and this neoliberal agenda was implemented to the letter throughout the military rule. Therefore, the 1973 Chilean military coup and the 1980 Turkish military coup, which have many political, economic and social aspects in common, went down in history as coups of neoliberalism.

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