

NEO-LIBERAL TRANSFORMATION OF AGRICULTURE IN TURKEY?
A CASE STUDY WITH OLIVE PRODUCERS IN AYVALIK

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Abstract

Nurcan Aytemur, “Neo-Liberal Transformation of Agriculture in Turkey? A Case Study with Olive Producers in Ayvalik”

Based on a close study of the olive sector in Turkey, this thesis demonstrated how neo-liberalism consists of contested political processes. Recognizing the uneven and multi-dimensional character of neo-liberalism as a political economic project, this thesis narrates the political contestations in the implementation of neo-liberalism in the olive sector by taking into consideration the experiences of Turkish olive producers of different scales in the Ayvalik region, which is Turkey's olive production and marketing center.

Focusing on various neo-liberalization processes, such as privatization, commercialization, commodification and liberalization, and analyzing the positions and statements of a wide range of actors (olive producers, cooperatives, unions, politicians, etc.), this thesis discusses three politically contested issues in the olive sector in order to illustrate the extent to which neo-liberalization is occurring on the ground. First, the process of privatizing and commercializing the Olive and Olive Oil Cooperative - Tariş is looked at. Next, the contestations surrounding the Domestic Processing Regime (DIR) regulation in encouraging or discouraging the liberalization of the olive trade are explored. Last, the different modalities of commodification in the olive groves are taken into consideration based on the ongoing political contestations between the stakeholders in both the olive and mining sectors, as well between the Ministry of Agriculture and Rural Affairs and the olive stakeholders. On each occasion, various stakeholders have systematically contested these neoliberalization pressures proving once again that neoliberal transformation in Turkey is far from homogenous and is highly contextual.

Tez Özeti

Nurcan Aytemur, “Türkiye Tarımında Neo-Liberal Dönüşüm? Ayvalıklı Zeytin Üreticileri ile bir Saha Çalışması”

Bu tezin temel argümanı neo-liberalleşmenin siyasi mücadeleler içeren çok yönlü ve çok boyutlu süreçlerden oluşmasıdır. Zeytin sektörünün bu neo-liberalleşme hikayesi içinde kendine özgü yerini anlamlandırmayı amaçlayan bu tezin konusu, zeytin sektörünün içindeki siyasi mücadelelerdir. Tez genel teorik çerçevesinde neo-liberalizmi inişli çıkışlı ve çok boyutlu bir ekonomi-politik projesi olarak ele almıştır. Bu çerçevede neo-liberalizmin zeytin sektörü üzerindeki spesifik etkisini tüm dereceleriyle tartışmak amacıyla, zeytin üretiminin ve ticaretinin merkezi olan Ayvalık'ta farklı ölçekte zeytin üreticileri ile röportajlar yapılmış, zeytin sektöründe var olan siyasi mücadeleleri anlamak için bir çok farklı aktörün (zeytincilerin, Tarış Kooperatifinin, Birliklerin, Ticaret Odasının, Politikacıların, İhracatçılar Birliğinin) görüşlerinden ve duruşlarından yararlanılmıştır. Tez boyunca özelleşme, ticarileşme, metalaşma ve libereleşme gibi neo-liberalleşme süreçlerinin teorik çerçevelerine dayanarak zeytin sektöründeki üç siyasi mücadele irdelenmiştir. Öncelikle, Tarış'ın özelleştirilmesi ve ticarileşmesi süreci irdelenmiş, ardından DIR düzenlemeleri etrafındaki tartışmaların zeytin ticaretinin liberalleşmesine etkisi tartışılmıştır. Son olarak zeytinlikler üzerindeki farklı metalaşma süreçleri incelenmiş; bir yandan zeytin ve maden sektöründeki aktörler ile diğer yandan Tarım ve Köyişleri Bakanlığı ile zeytincilerin arasındaki siyasi tartışmaların metalaşma sürecini nasıl şekillendirdiği üstünde durulmuştur. Özetle, neo-liberalizmin zeytin sektöründe, nasıl da aktörler arasındaki siyasi mücadelelere göre şekil alan, homojen olmayan ve bağlamsal olarak ilerleyen bir süreç olduğu bu araştırma boyunca ele alınmıştır.

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ABBREVIATIONS

- AKP: Justice and Development Party (*Adalet ve Kalkınma Partisi*)
- ARIP: Agricultural Reform Implementation Project
- ASCUs: Agricultural Sales Cooperative Unions
- AZUD: Ayvalık Olive Manufacturers Association (*Ayvalıklı Zeytin Üreticileri Derneği*)
- BPSM: Basin Production and Support Model (*Havza Bazlı Üretim ve Destek Modeli*)
- CHP: Republican People's Party (*Cumhuriyet Halk Partisi*)
- Çiftçi-Sen: Farmers' Union
- DIR: Domestic Processing Regime (*Dahili İşleme Rejimi*)
- DIS: Direct Income Support (*Doğrudan Gelir Desteği*)
- EGEÇEP: Aegean Environment Platform (*Ege Çevre Platformu*)
- EIA: Environment Impact Assessment (*ÇED*)
- EU: European Union
- EZZIB: Aegean Olive and Olive Oil Exporters Association (*Ege Zeytin ve Zeytinyağı İhracatçıları Birliği*)
- GMİD: Young Mining Operator Association's (*Genç Maden İşletmecileri Derneği*)
- IMF: International Monetary Fund
- IOC: International Olive Council
- MARA: Ministry of Agriculture and Rural Affairs (*Tarım ve Köyişleri Bakanlığı*)
- Marmarabirlik: Union for Marmara Region
- MENR: Ministry of Energy and Natural Resources (*Enerji ve Tabii Kaynaklar Bakanlığı*)

Olive Law 3573: the Law on the Improvement of Olive Growing and the Grafting of Wild Plants (*Zeytinciliğin Islahı ve Yabanilerinin Aşılattırılması hakkında Kanun*)

SAPs: Structural Adjustment Programs

Tariş Inc: Incorporation of Agricultural Sales Cooperative for Olive Producers

Tariş: Agricultural Sales Cooperative for Olive Producers

TBMM: Turkish Grand National Assembly (*Türkiye Büyük Millet Meclisi*)

TNCs : Transnational Corporations

UZZK: the National Olive and Olive Oil Council (*Ulusal Zeytin ve Zeytinyağı Konseyi*)

WC: Washington Consensus

Zeytin-Sen: Olive Union

CHAPTER I

INTRODUCTION

The main purpose of this thesis is to analyze the political contestations in the implementation of neo-liberalism on the ground by taking into consideration the experiences of the Turkish olive producers. Since neo-liberalism is a politically contested process and the outcomes of this process are quite uncertain, this research aims to explore the degrees of neo-liberalization in the Turkish olive sector by discussing the olive sector's position within the neo-liberal transformation of agriculture.

The transformation of Turkish agriculture began in the 1980s with the Structural Adjustment Programs (SAPs) encouraged by the Turkish state and sped up with the introduction of the Agricultural Reform Implementation Project (ARIP), which was designed by the IMF in 2001 and lasted until 2008. When the ARIP ended, Basin Production and Support Model (BPSM), designed by the Turkish government, was implemented with the aim of encouraging the production of specific crops in certain areas of agriculture. Overall, these restructuring policies illustrate how neo-liberalization involves multi-faceted processes of several degrees. Although the details of these projects are not the subject of this thesis, whether these projects transformed all areas of agriculture to the same extent is the starting point of this research. Accordingly, this research discusses the consequences of these projects in olive production, which will likely illustrate the degrees of liberalization in the olive sector.

Why is the olive sector so interesting and what makes it distinct in the agricultural transformation process? In order to explain this, it is first necessary to describe how the other crops were impacted as a result of the neo-liberalization process in Turkish agriculture. While the components of the ARIP had harmful impacts on several crops, including tobacco and cotton production, due to the elimination of the support system and the restructuring of the quasi-governmental Agricultural Sales Cooperative Unions (ASCUs), the number of cotton and tobacco producing households declined dramatically from the year 2000 onward.

For example, in the case of tobacco, when TEKEL, which was the quasi-governmental ASCU for tobacco and alcohol, was privatized, it was taken over by British American Tobacco, a large multinational corporation. After this change, many employees were fired, leaving them unemployed. The tobacco producers experienced difficult times, not only because of the privatization of TEKEL, but also because of the state's policies. For example, according to the BPSM, instead of encouraging tobacco production, in 2010 the state encouraged the production of alternative crops via product subsidies. These policies discouraged tobacco production and resulted in a decrease in tobacco farming.

Similarly, the cotton producers have had difficult experiences because of the neo-liberal policies in Turkish agriculture. The cotton producers had to deal with high input costs, but since the state eliminated subsidies for cotton production with the ARIP and the international prices were very low making them to compete with (cotton producers in the EU receive better subsidies), the cotton producers were neither able to integrate into the world market nor they were able to continue domestic production at the level it was before the 1990s. As a result, Turkey had to import cotton in order to meet the demands of several industries, and the amount of domestic cotton production decreased dramatically in the 2000s.

However, the olive producers did not experience similar processes. In contrast to the decrease in production experienced in the cotton and tobacco industries, the number of olive producing households did not decrease after the implementation of the ARIP. Despite there being some problems in the production and marketing of olive oil, which paved the way for several political contestations on the ground, there are still a significant number of small and medium scale olive producers in the Aegean region. What is the reason for the distinctiveness of the olive sector? Firstly, the production mechanism of the olive is slightly different from that of other crops. For example, it is possible to grow olives with little water and on somewhat dry land. Therefore, it is possible to argue that the olive producers have relatively lower input costs than the other agricultural producers. Because of this, although the ARIP project eliminated state subsidies and privatized the ASCUs including the olive cooperative, at first glance the consequences of the ARIP project seem less harmful for the olive producers.

Secondly, when the BPSM was put into practice, the state did not discourage the olive producers or push them towards alternative production; instead, it encouraged olive production by increasing production subsidies. As will be mentioned in chapter two, the subsidies for olive production have slightly increased over the last four years. Therefore, in spite of the neo-liberalization process in agriculture, it seems that the neo-liberalization policies in agriculture have damaged the olive producers less than in the other areas of production because of the distinctiveness of the mechanisms of olive production.

Additionally, in contrast to the general trend of internationalization in Turkish agriculture which began with the implementation of the ARIP, both table olives and olive oil continue to be produced domestically due to the current import regime, which is called the Domestic Processing Regime (DIR). Even though recently some

of the Turkish olive oil exporters have begun to sell their products internationally in a boutique way, according to the DIR regime the importation of any type of olive oil to the Turkish market is prohibited. This means that Turkish olives (table olives/olive oil) are neither a completely competitive commodity in the domestic market nor a protected crop in the international market.

Based on these premises, this research contends that since none of the other crops in Turkey have similar characteristics in terms of the import regime and the impact of the ARIP and BPSM on the olive sector, the olive sector has a unique place in the story of agricultural liberalization. It has neither been internationalized nor has it disappeared. However, according to these findings, it is not possible to say that the olive sector is a completely deviant case in the history of Turkish agriculture. The neo-liberalization process in agriculture has had harmful ramifications on the olive producers as well. The olive producers are aware of several challenges which have forced them to either sell their trees or rent their trees out to larger producers. This is due not only to the consequences of the ARIP which transformed the product subsidies and the ASCUs, but also because of the pressure inflicted by the stakeholders in the mining industry and the internationally-based olive producers which resulted in the local olive producers experiencing contradictory processes.

Besides the protectionist policies in olive production, the challenges perceived by the olive producers illustrate how neo-liberalism consists of various political processes on the ground in the olive sector. It explains how the general progress of neo-liberalization is driven by uneven political contestations, the consequences of which are quite uncertain. To this extent, this research aims to explore the political processes throughout the neo-liberal transformation of agriculture by taking into consideration the local dynamics of olive production. For this purpose, it will discuss the range of neo-liberal policies in the olive sector by

analyzing Ayvalık, the olive production and marketing center of Turkey.

In this regard, this thesis takes into consideration the roles of several actors in the ongoing political contestations in order to describe the neo-liberalization process in the olive sector. In the second chapter, which analyzes the privatization process in Tariş (Olive and Olive Oil Producer Cooperative), the statements made by the current chairman of Tariş and the president and former president of the Ayvalık Tariş Cooperative are focused on. Besides the actors which support Tariş, the other significant actors mentioned in chapter two are the olive producers and boutique-type olive merchants in Ayvalık. Next, when the DIR issue is discussed in chapter three, the two sides of the ongoing political contestation over the DIR regulation will be explored. On one side are the internationally-based producers, which are represented by the Aegean Olive and Olive Oil Exporters Association (EZZIB). On the other side are the locally-based olive producers and boutique merchants who are members of the National Olive and Olive Oil Council (UZZK), the Ayvalık Chamber of Commerce, the Ayvalık Olive Manufacturers Association (AZUD) or Zeytinsen (Olive Union).

In the last chapter, to analyze the contestation between the stakeholders in the mining and olive industries, the positions of the mining parties, the Young Mining Operator Association, the Chamber of Mining Engineers, the parliamentarians in the AKP government and the Ministry of Energy and Natural Resources (MENR) will be used to illustrate the stance of the actors on the mining side. The Ministry of Agriculture and Rural Affairs (MARA) will be taken as the main actor during the contestation between the two sides, and it is also one of the parties in the contestation with olive the stakeholders. On the side of the olive producers, statements issued by UZZK, the Ayvalık Chamber of Commerce, Tariş, AZUD, Zeytinsen, and parliamentarians mainly from the opposition parties will be used to explain the

position of the olive stakeholders. Moreover, the local olive producers and olive merchants will also be significant actors in this chapter.

As neo-liberalism is used as the broader theory in this research, it is necessary to conceptualize it and define its main parameters. Neo-liberalism will not be viewed as a hegemonic project or a uni-linear concept in this study; rather, it will refer to a theory of political economic practices, including discrete dimensions, as the critical literature describes. In this research there are also some definite analytical parameters which describe both the neo-liberalization process in the agriculture sector and the ongoing political contestations within the olive sector. These parameters are privatization, commercialization, marketization and commodification, which will be discussed throughout the chapters.

In order to take into consideration these parameters in this thesis, the impact the ARIP had on the olive producers will be the first point of reference. As part of this project, fertilizer subsidies were cut and temporarily replaced with direct income support (DIS) until 2008, and when BPSM put into practice, DIS replaced with production subsidies. However these subsidies were also different from the previous ones, because producers are entitled to take it if they produce convenient crop according to BPSM, as well as according to their level of production. Furthermore, with the aim of restructuring the ASCUs, the state introduced new legal regulations with law number 4572, which privatized the ASCUs, including the olive cooperative Tariş. As a result of this policy, political contestations emerged among the partners in Tariş.

On the one hand, some olive producers argue that Tariş lost its public role when it began to set its purchasing prices to be competitive with the market prices. It also commercialized the products of its partners, by introducing redecorated stores which showcased the partners' products in a very attractive manner. On the other

hand, as a significant number of partners (80,000) still belong to Tariş, this shows that Tariş still seems to play a significant role for the olive producers.

These contested arguments regarding the role of Tariş will be discussed throughout this research in order to analyze the degree of liberalization in Tariş. In order to do so, this research will explore the degree of commercialization and privatization in Tariş. Although on paper one of Tariş's aims is to protect small-scale producers, law number 4572 which re-regulated the ASCUs transformed it to an autonomous entity and made it economically independent. Based on this account, as the state no longer supports Tariş, whether it is able to continue to support the producers is one of the questions examined in this research.

To answer this question, how the market pressures shape both the mechanisms of olive production and the relations among the producers and Tariş will be discussed. For this purpose, commercialization and privatization, two significant concepts of neo-liberal theory, will provide the main framework for this analysis. Here commercialization refers to the changes in both olive production and the selling mechanisms. When the partners in Tariş started to produce and sell their olives or olive oil according to the market imperatives, due to the purchasing mechanisms of the cooperative, the olive producers' products seem to be commercialized. Parallel to this process, Tariş is more likely to play a private role, much like a company, in terms of its relations with the producers. As a result, this process is transformed into a trade relationship between the merchants and the producers. This demonstrates the commercialization of Tariş and explains how law 4572 practically privatized the olive union. In addition to law 4572, the establishment of Tariş Inc. on behalf of all the partners in Tariş is another significant point for understanding Tariş's role in the olive sector.

Based on these premises, the first critical question is the extent to which Tariş is able to support small or medium scale producers after becoming an independent new company. Secondly, it is also necessary to explore whether Tariş can act as a political agency which supports the olive grower's rights and demands when they clash with the neo-liberal policies. By asking these questions directly to the olive producers, this research aims to determine whether Tariş protects the producers from the difficulties related to olive production, which mainly emerged due to the liberalization of agriculture.

The other contested issue in the olive sector is the DIR regulation for the olive trade. As it was mentioned earlier, the olive is a unique crop in terms of its import regime since according to the current trade regulations – the DIR – the importation of both table olives and olive oil is prohibited. This means that neither packed nor bulk olive oil is able to legally enter the country. However, some Turkish olive oil exporters sell their products internationally in a boutique way. Although Turkish olives (table olives/olive oil) are not entirely a competitive commodity in the domestic market, they are also not a protected crop in the international market either, which puts them in a special position. The problem for this regime is the fact that some of the internationally-based producers have pressured the state authorities to change the DIR regulation in terms of the olive trade, which was defined by the Undersecretariat for Foreign Trade in 2006. According to this notice, the importation of both olives and olive oil is forbidden. Since these producers would like to sell their products internationally, they argue that they need to import cheaper olive oil in order to find more areas to export to abroad and to compete with international prices.

In contrast to the internationally-based olive producers, the local producers, who are usually also local merchants, are worried about the exporters' demands. They fear that if the state allows olives and olive oil to be imported, cheaper crops, i.e.

table olives and olive oil, will be able to enter the country, making it impossible for them to compete with these cheaply produced crops in the domestic market.

Furthermore, the local producers emphasize that the total amount of olives produced is sufficient for the Turkish population, which makes the importation of olives quite senseless.

To this extent, the local producers want to trade the olive in the domestic market only and yet others – the internationally-based producers – aim to liberalize the olive trade through attempts at international marketization. According to this, while the local olive producers are against the liberalization of the olive trade, they are also against the internationalization of the olive trade, which is a significant pillar of agricultural neo-liberalism. Based on these problems with the DIR regulation, this research takes into consideration the price mechanisms and subsidies for olive production in order to determine the extent to which the state protects the local olive producers from the pressure of the internationally-based olive producers, who are inspired by agricultural liberalization and want to use table olives and olive oil as a more valuable cash crop in the international market.

The olive producers are not only affected by the neo-liberal policies; they also face strong pressure from the stakeholders in the mining industry, which aims to take hold of the olive producers' land and then extract valuable metals and minerals from these farming areas. In order to achieve this goal, the mining lobbies have pressured the state authorities-both the MENR and MARA to amend law number 3573, which forbids any non-farming activities within three kilometers of the olive land. In spite of such lobbying efforts which took place from 2004 onward, the olive law has not been changed yet but the lobbying activities are still continuing.

During the clashes between these two parties, the olive producers introduced a new motto, “olives are more valuable than gold”, to the public in order to emphasize the social value of olive production. With this motto, the producers aimed to prevent the transformation of the olive lands into more valuable commodities. When the stakeholders in the mining industry employed a political campaign to pressure the MENR to amend the law in favor of the miners in order for them to be able to use the olive groves for profit seeking purposes, the olive producers reacted to this by counteracting this commodification process. The olive producers fear that if the MARA amends the law which protects olive production in the contested regions that they will be more likely to lose their land, which could result in the dispossession of the olive producers and olive production being replaced with mining. In this regard, this research will try to determine the extent to which the state allows olive production to be controlled by the market rules rather than by protecting it via laws and regulations. Or, in other terms, this research aims to analyze whether the state encourages or discourages the commodification process in the olive groves influenced by either the mining sector or the olive sector.

Finally, as three of the contested issues in the olive sector have shown, this research explores the varying political processes throughout the neo-liberal transformation of Turkish agriculture by taking into consideration the local dynamics in olive production. For this purpose, it discusses the degree of the neo-liberal policies in the olive case based on the ongoing political contestations on the ground. In this regard, the level of commercialization and privatization of Tariş will first be discussed in order to determine the degree of agricultural liberalization. Next, the political contestations between the internationally-based producers and the local producers will be analyzed regarding the DIR issue. Lastly, the extent to which the state protects the olive producers from the mining companies’ pressure will be taken

into consideration. As a result, this research will show the levels of commodification in the olive land. The answer to these questions will shed light on the place of the olive sector in the overall story of agricultural liberalization in Turkey and will also illustrate some of the degrees of liberalization in the olive sector.

Methodology

At the very beginning of this research, I conducted a literature review in parallel with my preliminary research in the olive sector. While conducting the literature review, the theories of neo-liberalism and the mainly critical literature of D. Harvey, Beck, Tickell, Brenner, and Theodore helped me to conceptualize the main theory of the research, and Marxist historian E. M. Wood's writings allowed me to understand the political economic developments in the history of capitalism. After deciding on the broadest theory related to this research, the literature on the liberalization of Turkish agriculture helped me focus on the liberalization process in Turkey's agriculture sector. The studies conducted by Z. Aydın, Mine Eder, and Halis Akder allowed me to analyze the agricultural liberalization story from a political economic lens.

When I moved on to the empirical research concerning the olive sector, I made use of different sources in order to locate as much data as possible. Firstly, in order to determine the current situation of olive production in Turkey and to compare it to the other olive producing countries, I used the International Olive Council's (IOC) databases. Additionally, the National Olive and Olive Oil Council's (UZZK) database, resources from Tariş, some journalistic research and newspaper articles as well as articles from websites which focus on the olive industry (such as Zeytinsen and Karasaban) and olive-related mail groups (like Zeytin Portalı and Zeytinaagacı)

all helped me follow the recent developments in the olive sector. From these resources, I was able to discern some of the press releases made by some of the leading actors in the olive industry, such as the press releases put out by Cahit Çetin, the chairman of Tariş, Mustafa Tan from UZZK, Rahmi Gençer of the Ayvalık Chamber of Commerce, and Ali Nedim Güreli from the EZZIB. These press releases described the ongoing contestations in the olive sector.

Since the theoretical framework of this research is based on the levels of neo-liberalization on the ground in the olive sector, these contestations allowed me to interpret the olive sector from a political economic perspective, as is introduced in the critical literature. Accordingly, as neo-liberalism is a contested political process and the outcomes of this process are quite uncertain, I explored the liberalization process in the olive sector by looking at these political contestations. Based on these premises, this research aims to analyze the political contestations in the implementation of neo-liberalism on the ground in the olive sector by taking into consideration the experiences of the Turkish olive producers as well as the experiences of the merchants and officers in olive-related associations. In order to do so, this thesis is designed as qualitative research and an ethnographic study, including a field study in the center olive producing region, Ayvalık.

In this regard, the interviews conducted became the most significant part of the method. Constructed or semi-constructed elite-interviews¹ were conducted with scholars² who have done research on olive production and olive producers. In addition, the people in charge at Zeytinsen were interviewed,³ as were the chairmen

¹ Please see the Appendix for a list of the semi-constructed interview questions.

²Renan Tunalioglu, Adnan Menderes University, Telephone and e-mail interview, 12 Apr. 2010; Mücahit Taha Özkaya, Telephone interview, 14 Apr. 2010.

³Hasan Cengiz Yazar at Zeytinsen.

of the Ayvalık Tariş Cooperative⁴ and the Ayvalık Chamber of Commerce⁵ in the Ayvalık region. Lastly, open-ended interviews were conducted with small and mid-scale olive producers in different parts of Ayvalık helped me understand the main dynamics of olive production as well as the olive producers' approaches to the ongoing contestations. In these interviews, the producers' answers regarding Tariş's role, the pressure from the mining companies, and the import regime clarified the extent to which the olive producers have internalized the neo-liberalization process and their experiences in the politically contested neo-liberal transformation on the ground in the olive sector.

Regarding the mining contestation, the stakeholders in the olive sector and the arguments made by the mining stakeholders were compared in order to determine the demands and problems of both parties. In this regard, the Young Mining Operator Association's (YMOA) website was useful in helping me locate the draft amendment of the mining law. The website of the Chamber of Mining Engineers contained some documents which allowed me to determine why the stakeholders in the mining industry demand that the mining law be amended and their opinion of the olive law. Lastly, I analyzed the parliamentary debates regarding the proposed amendment to the mining law which also concerns the olive stakeholders. For this purpose, the positions of both MARA and MENR helped me to analyze the ongoing political contestations. During this analysis, examining the speeches made by deputies in both the opposition parties, who opposed the amendment, those of the ruling party helped me evaluate the process from an objective viewpoint.

In addition to the press releases, parliamentary debates and interviews, I also scrutinized some laws and regulations that were subject to the contestations in the

⁴Hasan Anık, Chairman of Ayvalık Tariş Cooperative.

⁵Rahmi Gençer, Chairman of Ayvalık Commerce Organization.

olive sector. In this regard, olive law 3573 (the Law on the Improvement of Olive Growing and the Grafting of Wild Plants), mining law 3213, the DIR regulations, subsidy regulations, law amendments, and ASCU law 4572 were used throughout this research.⁶

In order to determine the extent of neo-liberalization in the olive sector, each chapter in this thesis discusses a political contestation related to the processes of neo-liberalization. The first chapter explains what is meant by neo-liberalization and conceptualizes the main parameters of the processes of neo-liberalization processes, including the neo-liberalization of Turkey's agriculture. The second chapter looks at the privatization and commercialization processes in Tariş. Next, the contestations surrounding the DIR regulation and how the contestations encourage liberalization in the olive trade are examined. Lastly, the commodification process in the olive groves according to the ongoing political contestation between the stakeholders in both olive and mining sectors is taken into consideration.

⁶The text of some of these legal documents can found in the Appendix.

CHAPTER II

THE NEO-LIBERALIZATION PROCESS IN THE OLIVE SECTOR

“Actually Existing Neo-Liberalism” Versus the One Size Fits All Model

The fundamental concern of this chapter is to conceptualize the contemporary neo-liberalization processes in order to explore the degrees of neo-liberalization in the Turkish olive sector and to discuss the position of the olive sector within the neo-liberal transformation of agriculture in Turkey. During the conceptualization of neo-liberalism, the first goal of this thesis is to challenge the mainstream theories of neo-liberalism (neo-liberal doctrine) which have left unexplained the political contestations and fail to address the “actually existing” processes of neo-liberalism in their “one size fits all” model. Based on the critical literature which emphasizes the contextual embeddedness of the neo-liberal restructuring projects, this thesis highlights several degrees and contestations throughout the neo-liberalization process. While recognizing the uneven and multi-scalar character of neo-liberalism as a political economic project, the goal of this research is to explore the degrees of neo-liberalism in the Turkish olive sector, as well as the sector’s distinction in the story of the liberalization of Turkish agriculture. In order to do so, the ongoing neo-liberalization processes in both Turkey’s agriculture and olive sectors with the concept of “actually existing neo-liberalism” will be described.

In theorizing the neo-liberalization process, this chapter will also describe some of the significant parameters of liberalization such as privatization, marketization, commercialization and commodification, which are the discussion points regarding the political contestations in the olive sector. Subsequently, this chapter will take into consideration the story of the liberalization of Turkish agriculture and discuss the consequences neo-liberalization has had on Turkish agriculture. Lastly, according to the literature on “actually existing neo-liberalism” and agricultural neo-liberalization in Turkey, this theoretical chapter aims to highlight the extent to which the contestations in the olive sector comply with both the overall story of neo-liberalization and also in the Turkish agrarian context. Accordingly, in the following chapters, this thesis will continue to analyze the circumstances in which the olive producers have experienced “actually existing neo-liberalism” in the several contestations in the olive sector.

In the mainstream literature, neo-liberalism has been taken for granted as a uni-linear ideology where competitive and unregulated markets are free from any kind of state interference as Hayek and Friedman introduced in the 1970s.⁷ This ideology is defined as the one size fits all model in the literature. However, in the critical literature, David Harvey highlights that neo-liberalism is a contested and contextual process and describes it as such: “neo-liberalism is an unstable and evolving regime of accumulation rather than a fixed configuration of political economic power”.⁸ In parallel to Harvey, Brenner and Theodore introduce the methodological basis of the term “actually existing neo-liberalism” in order to emphasize the contextual embeddedness of the neo-liberal restructuring projects.

⁷N. Brenner and N. Theodore, *Spaces of Neoliberalism: Urban Restructuring in North America and Western Europe* (Oxford: Blackwell, 2002) 1-2.

⁸D. Harvey, *Spaces of Global Capitalism: Towards a Theory of Uneven Geographical Development* (New York: Verso Press, 2006) 29.

They argue that unlike is assumed in neo-liberal ideology, market forces do not operate according to immutable law regardless of the social and political consequences.

According to the premises of “actually existing neo-liberalism”, scholars explore the “path-dependent” and “contextually specific interactions” in the neo-liberalization processes.⁹ Moreover, they point out that since the social relations of capitalism are separated through conflicts, the historical geography of capitalism is unstable, and the development of capitalism is quite uneven geographically, the neo-liberalization processes are also uneven. In this regard, it is possible to argue that in parallel to capitalism’s uneven geographical development, the process of neo-liberalization is permeated by contestations, conflicts and has taken place in unstable historical geographies, which has caused it to develop unevenly.

These considerations have lead to a conceptualization of the contemporary neo-liberalization processes that have occurred thus far. In order to clarify how the market works in a capitalist system, E. M. Wood’s work on the historical development of the capitalist system is helpful for this thesis. According to Wood, since all economic practices depend upon the market in the capitalist system, relations between producers and appropriators are mediated by the market in rural areas.¹⁰ In her reading of the history of the development of the capitalist system, the transformation of the peasant population in England is a critical case within the agricultural history of capitalism. When the peasants failed in the competitive conditions of the market, which was either imposed by the landlords in the sixteenth and seventeenth centuries or even facilitated by the state, the “market” gained more and more influence over the land and among the landlords and merchants which

⁹Brenner and Theodore, 4.

¹⁰E. M. Wood, *Empire of Capital*, (New York: Verso Books) 10.

complicated the production conditions of the peasants. In this regard, according to Wood, the state also supported this market-dependent system which rendered the peasants property-less in the history of agricultural capitalism.

Based on these turning points in the history of the capitalist system in general and in agricultural capitalism in particular, Wood states that not only did farming become market-dependent, but subsistence agriculture was also replaced by specialization in cash crops for the export market was encouraged by state initiatives from that period onward.¹¹ In this regard, in Wood's studies the capitalist system is defined as a “dominant mode of appropriation” which is based on the “dispossession of the legally free direct producers” whose surplus labor is appropriated by purely economic means.¹² Thus, according to Wood, since the direct producers lost their land in this system, they began to sell their labor in return for a wage, which led the capitalist society to produce all sorts of commodities for the market and transformed the producers into wage-workers on the land which formerly belonged to them.

According to Wood's reading of history, this story can be used to describe the history of marketization and commercialization and is also the starting point in the dispossession of agrarian lands due to market pressures and the commercialization of agricultural production. Using this description of the transformation of agricultural history, it is possible to conclude that a new system of property relations emerged in the seventeenth century in England, which spread to the rest of the world, in which both the producers' accession to the land and the means of production became market-dependent. As a result, agricultural products began to be produced for the market, and these products became commodities or cash crops. In other words, agricultural production was commodified.

¹¹Wood, *Empire of Capital*, 11-21.

¹²E. M. Wood, *The Origin of Capitalism*, (New York: Verso Books, 2002) 70.

Production mechanisms were not the only thing commodified; agrarian land was also commodified in the history of agricultural capitalism. The peasants lost their land when subsistence agriculture was replaced by specialization in cash crops for the export market.¹³ The surplus labor of the direct producers was appropriated by purely economic means¹⁴ which resulted in the commodification of the agricultural land.

In order to provide a more up-to-date analysis of today's agrarian policies, in addition to Wood's historical reading on agrarian capitalism, how capitalism operates with neo-liberal policies today should also be taken into consideration. In this regard, Harvey's interpretation of the connection between the capitalist system and neo-liberal theory can be very helpful for analyzing today's political economic relations. Explaining the relationship between the capitalist system and the development of the neo-liberalization processes, Harvey states that since the capitalist system includes a large amount of capital accumulation and has been associated with neo-liberal theory since the 1970s, an organic relationship between the increased production and the complex process of dispossession has shaped the historical geography of capitalism as well as today's political economic relations.¹⁵ He explains that "capital accumulation is not only about the production and circulation of surpluses as surplus values; it is also about appropriation of assets of others". That is why, according to him, "any theory of uneven geographical development under capitalism must incorporate accumulation through dispossession as a fundamental force if it is to be any general validity and utility".¹⁶ Here, Harvey uses the term "uneven geographical development" in order to emphasize the unevenness in both the capitalist system and

¹³Wood, *Empire of Capital*, 11-21.

¹⁴Wood, *The Origin*, 70.

¹⁵D. Harvey, *The New Imperialism* (New York: Oxford University Press, 2003) 141-142.

¹⁶ Harvey, *Spaces*, 95.

in neo-liberal theory, which is embedded in the capitalist system.

In theorizing neo-liberalism and conceptualizing its relation with the capitalist system, Harvey also references Marx's theory of capital accumulation, in which commodity is the very basis of production relations. Harvey substitutes the term "capital accumulation" with his own words: "accumulation by dispossession".¹⁷ According to Harvey's reading of history, capitalism always needs access to assets. If there is no empty land available for use, it is necessary to create such land by either dispossessing it from the land owners or by privatizing publicly-owned assets. Marx described this process as "primitive accumulation" which he explained as the "commoditization and privatization of land [which] refers to the forceful expelling of peasant populations and the conversion of forms of property rights into exclusive private property rights".¹⁸

Furthermore, in Harvey's discussion of Marx, he uses the term "latent", which means those "who have not been proletarianized" to describe production relations today. Although in Marx's time this term referred to the peasant population which had not yet been integrated into the wage-labor system, according to Harvey, after the destruction of the indigenous subsistence agricultural system, the rural population was proletarianized. Afterward, the category of "latent" grew to include the petty-bourgeois independent producers and artisans who were "displaced by large-scale capital and forced into the labor market".¹⁹ The shift in the meaning of "latent" also depicts the story of subsistence agriculture. When the agricultural producers are obliged to leave their land, they either become petty-bourgeois independent producers or artisans who are "displaced by large-scale capital and forced into the

¹⁷Harvey, *The New Imperialism*, 144.

¹⁸Ibid., p.145.

¹⁹D. Harvey, *A Companion to Marx's Capital* (New York: Verso Press, 2010) 278.

labor market or proletarianized rural producers”.²⁰

Harvey continues explaining the story of displacement through his interpretation of Marx’s *Das Kapital*. He discovered that the expropriation in the agricultural population occurred in parallel to the process of proletarianization. Since as Marx stated, “the appropriation of the land was the primary means to dispossess the peasantry”, Harvey analyzes the peasants' stories using their stories of dispossession. As he explains, the tenant farmers began to pay the landlords after the dispossession process; this may explain the monetization and commodification in the agricultural land. As a result of this process, fewer people were able to subsist on their own.²¹

Based on these references, it is possible to conclude that from the seventeenth century onward; a new system emerged in which capital became the main tool of the community. For this reason, as Harvey explains, capital became a tool of social power which was used to create large landed estates or large farming enterprises. As a result, new class alliances emerged as did a bourgeoisie class, composed of landed capitalists, merchant capitalists, and finance capitalists.²² In such a system, Harvey emphasizes the importance of the generation and appropriation of surplus value: “the rise of the capitalist class did not depend initially upon its capacity to generate surpluses. It rested, rather, upon its ability to appropriate them, treat them as their own private property and launch them into circulation in search of further surpluses.”²³

²⁰Ibid., pp.278-280.

²¹Ibid., p.297.

²²Ibid., p.294-295.

²³Harvey, *Spaces*, 90.

To this extent, accumulation through dispossession may be taken as the vital mechanism for the survival of capitalism.²⁴ Although Harvey agrees that appropriation occurs in a variety of ways and on multiple scales, he also stressed that, “uneven geographical development was built around agricultural productivity”. For this reason, land was taken as a main commodity and a target for appropriation throughout the history of capitalism. That is why merchants, states, and multinational corporations gradually appropriated the agricultural assets in attempt to seek more profit.²⁵

Regarding the situation today, Harvey is of the opinion that all the features of primitive accumulation in Marx's theory are still present within capitalism's historical geography. In this sense, according to Harvey, the displacement of the peasant population and the recent formation of a landless proletariat in Mexico and India are some examples of accumulation via dispossession.²⁶ When the Mexican state adopted privatization policies, which were one of its neo-liberal practices, in return for financial assistance (when the capital accumulation crises emerged) in the 1980s, the state also abandoned its responsibility to the peasant population.²⁷ What Harvey underlines here is that since the neo-liberal state apparatus can create conditions favorable for profitable capital accumulation today, it is possible to say that the state can also facilitate the neo-liberalization process through its privatization policies.²⁸ Harvey describes this process as follows:

²⁴Ibid., p.92.

²⁵Ibid., pp.92-93.

²⁶Harvey, *The New Imperialism*, 146-147.

²⁷Ibid., p. 154.

²⁸Harvey, *Spaces*, 11-25.

The neo-liberal state is particularly hard-working in seeking the privatization of assets as a means to open up fresh fields for capital accumulation. Sectors formerly run or regulated by the state are turned over to the private sphere or deregulated. Since the free mobility of capital between sectors and regions is regarded as crucial to reviving profit rates, all barriers to that free movement have to be removed.²⁹

Much like Harvey, Brenner and Theodore also emphasize the role of the state in the development of capitalism: “states provide a relatively stable regulatory landscape within which capital’s locational dynamics are articulated.”³⁰ Contrary to the mainstream neo-liberal ideology (neo-liberal doctrine), these scholars highlight that both during the development of capitalism and the spread of the neo-liberalization process, the state plays a crucial role in privatization policies, in dispossession processes, and in the commercialization of production and the commodification of land.

Additionally, in this neo-liberal order, in order to enhance the accumulation of capital, the state and businesses cooperate in public-private partnerships.³¹ For this reason, Harvey does not think that neo-liberalism made the state or certain state institutions irrelevant; instead, a radical reconfiguration of the state institutions and practices took place.³²

This literature review has so far conceptualized the neo-liberalization process within the historical development of the capitalist system. It also described the main parameters of the neo-liberalization process in the agrarian capitalist system. As a result, some of the significant parameters of liberalization such as privatization, marketization, commercialization and commodification were defined. In the next

²⁹ Ibid., p.25.

³⁰ Brenner and Theodore, 6-9.

³¹ Ibid., p.27.

³² Ibid., p.28.

section, literature on the neo-liberalization process in Turkish agriculture and the distinct development of the olive sector will be looked at in order to analyze the extent to which the aforementioned parameters of the neo-liberalization process have been implemented on the ground in the olive sector.

The Neo-liberalization of Turkey's Agriculture Sector

In this literature, as far as the Turkish agrarian political economy is concerned, neo-liberalization mainly refers to the changes in production subsidies and price supports, the restructuring of producers' organizations, the reduction in export subsidies, and the liberalization of agricultural trade which were implemented by the Turkish government from the 1980s onward through SAPs. In the 2000s, when the ERP and ARIP³³ gradually started to function with significant liberalization parameters (i.e. DIS, the BPSM, deficiency payments), a more complex picture of the agrarian context emerged.³⁴ In this picture, the big agricultural companies, which are mostly Transnational Corporations (TNCs), penetrated the domestic agrarian market which forced the farmers to either abandon their land and take up non-agricultural activities or to start to produce alternative or subsistence crops.

To illustrate the big picture, it may be meaningful to discuss the cases of tobacco and sugar as examples of the dramatic outcome of the recent liberalization movement in Turkey. In these cases, due to the liberalization of agricultural trade, the

³³Project Appraisal Document to the Republic of Turkey for an (ARIP) Agricultural Reform Implementation Project/Loan. Report No: 21177-TU. 6 June 2001.

³⁴Z. Aydın, *The Political Economy of Turkey* (London: Pluto Press, 2005) 161.

privatization of the Agricultural Sales Cooperative and Unions (ASCUs) and the Agricultural Products Office (APO) and the elimination of product subsidies on these crops, the farmers were left helpless and could not continue to produce these products.³⁵

Although the olive case is quite different from these cases because neo-liberalization has shaped the olive agenda in a different way, in order to understand the differences it is necessary to briefly summarize the general Turkish context. By referring to the current developments as “neo-liberal orthodoxy”, Öniş and Şenses put emphasis on the domain of the market and the decrease in state's domain in the economy through the neo-liberal reforms, which were implemented under the guidance of the Bretton Woods Institutions (IMF, World Bank Group, and WTO). They argue that although this shift in policy started in Turkey in the 1980s with the Washington Consensus (WC), the term “post-Washington Consensus” (PWC) emerged in the 2000s which favors the liberalization of the economy and greater reliance on the market and views states and markets as complementary rather than as substitutes for each other in the post-2000 period.³⁶ In terms of the impact on the agricultural sector, according to these scholars, the policy shifts from the 1980s onward (WC and PWC) created an “unfavorable environment for small-farmers”.³⁷

It is important to analyze the impact of such developments on small farmers in Turkey because, as Karapınar illustrated in three case studies, the general agricultural census conducted between 1980 and 2001 shows that more than sixty percent of households own less than five hectares, and thirty-seven percent of

³⁵Ibid., pp.74-178.

³⁶Ziya Öniş and Fikret Şenses, “Rethinking the Emerging Post-Washington Consensus,” *Development and Change* 36.1 2005: 275-283.

³⁷Ibid., p.310.

employees in the agricultural sector live below the national poverty line.³⁸ Based on this data, an important question today is how policies affect the small farmers. Because of this, even in the World Bank reports, significant attention is given to local land rights. In one report, the Bank aims to develop seven voluntary principles, including the protection of the rights, livelihood and resources of the local people (who are mainly small-scale farmers) in the agrarian regions in order to facilitate agro-investments.³⁹

Despite the World Bank's specific attention to small farmers here, both the outcomes and purposes of these principles are challenged by several scholars in the literature because of their potential harmful impacts on the life of a small farmer. Zülküf Aydın, for instance, even admits that integration into the global economy was promoted under the guidance of the IMF, World Bank, and WTO in Turkey,⁴⁰ and agriculture was the main channel for integration;⁴¹ he underlines the harmful consequences of agro-investments.⁴² According to him, internationalization under the control of the TNCs or international financial institutions (IFIs) means that international agencies encourage the commercialization and commodification of agricultural production, which will likely create unfair competition between small and big producers.⁴³ Based on these points, the scholars in the literature determined that the recent agrarian reforms in Turkey were less beneficial for the small-scale

³⁸B. Karapınar, "Rural Transformation In Turkey 1980–2004: Case Studies From Three Regions," *Int. J. Agricultural Resources, Governance and Ecology* 6.4 (2007): 491-492.

³⁹"Can Large-scale Investment Create Benefits for Local Populations?" *Rising Global Interest in Farmland, Can It Yield Sustainable and Equitable Benefits?* Washington, D.C.: 7 Sept. 2010. 34-43.

⁴⁰Aydın, *The Political Economy of Turkey*, 22.

⁴¹*Ibid.*, p.26.

⁴²*Ibid.*, pp.138-139.

⁴³*Ibid.*, pp.139-149.

farmers and more favorable for the agro-businesses.

In this regard, in order to clarify what neo-liberalization refers to in Turkish agriculture, the consequences of the ARIP World Bank Project should be briefly evaluated.⁴⁴ Implemented between 2001 and 2008, this project included significant liberalization parameters such as changes in the production subsidies and price supports, the restructuring of the producers' organizations, reductions in export subsidies, and the liberalization of agricultural trade. During this period, instead of production subsidies, DIS was the main guideline of the ARIP. Some scholars found these parameters helpful for Turkish agriculture, such as Halis Akder who views DIS as a tool necessary for the restructuring of the agriculture sector.⁴⁵ In their joint research, Akder and Kasnakoğlu state that DIS may be an efficient tool for producers because it could take on the burdens of the producers, and rest of the parameters of the ARIP may encourage the farmers by establishing independent unions and facilitating the marketization of products freely and cooperatively.⁴⁶

There are also challenges to these assumptions. According to Zülküf Aydın, in addition to DIS, the recent laws (4572⁴⁷ which restructured the ASCUs, 5200⁴⁸ which restructured APOs, and Agrarian Law 5488⁴⁹), which were enacted during the implementation of ARIP (2004-2006) have had critical consequences on Turkish agriculture. Aydın stresses that all of these changes provide an opportunity for big

⁴⁴The World Bank Project, Project Brief, 24 Mar. 2008. 6 May 2011.

⁴⁵H. Akder, "Policy formation in the process of implementing agricultural reform in Turkey," *International Journal of Agricultural Resources, Governance and Ecology* 2007, 522-530.

⁴⁶H. Kasnakoğlu and H Akder, *H Tarım politikalarında yeni denge arayışları ve Türkiye*, (İstanbul: Türk Sanayicileri ve İşadamları Derneği, 1999).

⁴⁷Republic of Turkey, Grand National Assembly. *4572 Tarım Satış Kooperatif ve Birlikleri Kanunu*. 1 June 2006.

⁴⁸Republic of Turkey, Grand National Assembly. *5200 Tarımsal Üretici Birlikleri Kanunu*. 29 June 2004.

⁴⁹Republic of Turkey, Grand National Assembly. *5488 Tarım Kanunu*. 18 Apr. 2006.

agro companies to penetrate the agrarian land and put the small farmers at risk due to the possible internationalization of agricultural production. In this way, agribusiness companies will be more likely to monopolize the agricultural market and create farmers who are dependent on them.⁵⁰ In addition to DIS and the laws which restructured the ASCUs and APOs, the recent law which promotes the BPSM⁵¹, which aims to increase land productivity by reducing the size of the production areas,⁵² is critically evaluated by Aydın who examines whether it will make the small farmers more vulnerable and dependent on the private sector and corporate interests.

Political Contestations during the Neo-liberalization Process of the Olive Sector

Although the discussion so far has not mentioned any specific risks for the olive sector and has not described what is happening on the ground, the larger picture of Turkish agriculture where neo-liberalism has gradually begun to transform the agrarian context via ARIP has been presented. Moreover, the different viewpoints put forth in the literature show that neo-liberalism is a multi-faceted process that combines ambiguous and contradictory terms together. As a result, in order to understand the impact of the contested liberalization movement on the olive sector, it

⁵⁰Aydın, *The Political Economy of Turkey*, 173-174.

⁵¹2009/15173 number published enactment as a law to determine the Turkish agricultural basins (Grand National Assembly. 29/6/2009 tarihli 5488 sayılı Tarım Kanunu, 14. Maddesi. Türkiye Tarım Havzalarının Belirlenmesine İlişkin Kanun hükmünde Kararname).

⁵²G. Demir, “Türkiye Tarımda Havza Bazlı Üretim Modeline geçti” (A shift to basin-based agricultural production model in Turkey), TOBB Ekonomik Forum, August 2009: 50-58.

is necessary to analyze the specific information about the olive sector while taking into consideration what has occurred in the agriculture sector as a whole.

As mentioned previously, with the implementation of ARIP, new laws were introduced to integrate the agricultural sector into the market economy. However, apart from law number 4572⁵³, which aimed to restructure the ASCUs and privatized the olive cooperative Tariş, the majority of these laws did not directly impact the olive sector. Besides this law, there are two other legal documents which play a significant role in the production, marketing, and trade of olives. Firstly, olive law number 3573 is supposed to regulate olive production and marketing, since it protects the olive groves from non-olive farming activities. Secondly, the DIR⁵⁴ regulation is another important legal document which regulates the olive trade by not allowing the importation of olives or olive oil. Based on these legal regulations and the current political contestations taking place in the olive sector, the following chapters will discuss the significant parameters of the neo-liberalization processes by examining the degrees of privatization, commercialization, marketization and commodification in the olive sector.

Keeping in mind these processes of neo-liberalization, this chapter questions how the theoretically defined parameters of neo-liberalization in agrarian areas can be observed in the olive sector and the extent to which market-dependent relations exist among the olive growers and sellers in the olive-growing regions. Accordingly, one aim of this research is firstly to analyze the extent to which Tariş was affected by the market imperatives, and how law 4572 which privatized Tariş transformed its structure. Until the 1980s, Tariş was a kind of producers union. When law 4572 was

⁵³Republic of Turkey, Grand National Assembly. *4572 Tarım Satış Kooperatif ve Birlikleri Kanunu*.

⁵⁴Republic of Turkey, Ministry of Agriculture and Rural Affairs, Undersecretariat of The Prime Ministry For Foreign Trade. *İhracat 2006/12 sayılı Dahilde İşleme Rejimi Tebliği, Tarım Ürünlerine İlişkin Dahilde İşleme Rejimi Genelgesi*.

amended in 2001,⁵⁵ Tariş was also restructured and turned into a cooperative sales company.⁵⁶ Moreover, in order to deal with the market competition, the union associates preferred to establish a company (Tariş Inc.).

Established as a company, Tariş's position in the marketplace seems to have been transformed. While it previously publicly marketed the crops of the olive producers and played a social role in society, after Tariş became a company it began to function like part of the private sector, and its role became much more economic, driven by market imperatives. Paul Bohannan and George Dalton describe this process: “market places differ according to the purpose of trade; in highly commercialized industrial societies the market place no longer plays important social, political and other roles in addition to its economic function.”⁵⁷

Based on these developments in the recent history of Tariş, Harvey’s conceptualization of privatization process also seems quite meaningful:

The neo-liberal state is particularly hard-working in seeking privatization of assets as a means to open up fresh fields for capital accumulation. Sectors formerly run or regulated by the state are turned over the private sphere or deregulated. Since free mobility of capital between sectors and regions are regarded as crucial to reviving profit rates, all barriers to that free movement have to be removed.⁵⁸

The state’s role in the privatization of Tariş can be evaluated according to Harvey’s words. It is possible to say that in order to revive profit rates and integrate into the market, the state may have encouraged law 4572, which privatized Tariş and paved

⁵⁵Republic of Turkey, Grand National Assembly. 4572 Tarım Satış Kooperatif ve Birlikleri Kanunu. 1 June 2006.

⁵⁶Tarım Satış Kooperatifleri A.Ş.

⁵⁷Bohannan and G. Dalton *qtd. in* Ildiko Beller-Hann and C. M. Hann, *Turkish Region: State, Market, and Social Identities on the East Black Sea Coast*, (Oxford: School of American Research Press, 2001) 67-68.

⁵⁸Harvey, *Spaces*, 25.

the way for the company to be established by its stakeholders. In this case, not only is the privatization process crucial, but the commercialization of the olive products is important as well. As Wood explained, when agricultural products began to be produced for the market, and these products became commodities or cash crops, this marked the starting point of the commercialization of agriculture. Similarly, by establishing a company, the stakeholders in Tariş seem to aim to sell their crops as cash crops in the domestic market. In the next chapter, the details of the processes of privatization and commercialization in Tariş will be discussed.

Furthermore, in addition to the Tariş case, the ongoing contestation between the internationally-based producers and the local producers over the DIR is a contextual process in the neo-liberalization of the olive sector. According to the current trade regulations,⁵⁹ it is prohibited to import table olives and olive oil. Thus, neither packed crops nor bulk olive oil is able to legally enter the country. However, some Turkish olive oil exporters sell their products internationally in a boutique way. Although Turkish olives are not entirely a competitive commodity in the domestic market, they are also not a protected crop in the international market either, which puts them in a special position. The problem is that some of the internationally-based producers have been pressuring the state authorities to change the legal notice of the DIR regarding agricultural crops, including olives and olive oil, in order to be able to import cheaper olive oil and resell it internationally.

In contrast to the demands of the internationally-based olive producers, the local producers are opposed to the liberalization of the olive trade. They emphasize that domestic olive production is sufficient for the Turkish population; thus, importing olives is quite senseless. Based on these disputes regarding the DIR regulation, this thesis takes the subsidies for olive production into consideration in

⁵⁹See the Appendix for more information.

order to understand the extent to which the state protects the local olive producers from the pressure of the internationally-based olive producers, who have been inspired by agricultural liberalization and want to use table olives and olive oil as a more valuable cash crop in the international market. As a result, it is possible to determine how the olive sector is distinct from the neo-liberalization trend in Turkey's agriculture, as described by Z. Aydın. According to him, due to the neo-liberalization of agriculture, agribusiness companies will more likely to monopolize the agricultural market and create farmers who are dependent on them in Turkey.⁶⁰ In order to understand the extent to which this argument is relevant for the olive sector, the state's olive policies will be described briefly.

The Ministry of Agriculture and Rural Affairs (MARA) recently introduced a strategic plan which aims to increase both olive production and consumption. In order to do so, the Ministry is using subsidies to encourage farmers to plant new olive trees.⁶¹ In addition, the Ministry had increased production subsidies from thirty *kuruş* to fifty *kuruş* per kilogram in 2001, and fuel subsidies to six Turkish liras per decare.⁶² These developments in the olive sector show the government's approach to the promotion of olive production. As the DIS system was removed after 2008, when the ARIP was ended, agricultural production began to be supported by production subsidies, according to the BPSM. Meanwhile, as will be detailed in the appendix, production subsidies increased for olive and olive oil in by a significant amount after 2008. Subsidies rose from nineteen *kuruş* per kilogram in 2008, to twenty five *kuruş*

⁶⁰Aydın, *The Political Economy of Turkey*, 173-174.

⁶¹Republic of Turkey, Ministry of Industry and Trade. Teşkilatlandırma Genel Müdürlüğü. 2010 Yılı Zeytin ve Zeytinyağı Raporu, August 2010, May 2011.

⁶²*Karar Sayısı: 2011/1430 Ekli "2011 Yılında Yapılacak Tarımsal Desteklemelere İlişkin Karar"ın yürürlüğe konulması; Tarım ve Köyişleri Bakanlığınının 11/2/2011 tarihli ve 1430 sayılı yazısı üzerine, 5488 sayılı Tarım Kanununun 19 uncu maddesine göre, Bakanlar Kurulu'nca 14/2/2011 tarihinde kararlaştırılmıştır.*

in 2009, to thirty *kuruş* in 2010, and most recently to fifty *kuruş* in 2011.⁶³ In this regard, it is possible to say that the state theoretically encourages olive production with subsidies.⁶⁴ However, the extent to the subsidies are sufficient for the olive producers will be discussed throughout this thesis.

The last contestation is between the stakeholders in the olive and mining industries over the Article 20 of olive law number 3573 (the Law on the Improvement of Olive Growing and the Grafting of Wild Plants). Due to the demands of the stakeholders in the mining industry and the attempts of both the MENR and the MARA to amend the olive law, which protects olive groves from any non-farming activities, the olive groves are undergoing a process of commodification. However, since the stakeholders in the olive industry are worried about being dispossessed of their land, they have been strongly lobbying against this commodification process. As a result, in spite of several attempts by the Ministries to amend the law in favor of the mining sector, the stakeholders in the olive industry have been successful thus far in preventing the olive law from being amended.

During this contestation, besides the success of the resistance put forth by the stakeholders in the olive industry, the other point is the position of the state on the olive sector. As was mentioned regarding the DIR issue, while on paper the state aims to encourage olive production via several types of subsidies, the attempts of the Ministries to amend the olive law in favor of the mining sector seem quite paradoxical. These developments on the ground in the olive sector can be explained through Wood's conceptualization of agrarian capitalism. She highlights the concept of "improvement", which refers to the "enhancement of the land's productivity for

⁶³Ibid.

⁶⁴Republic of Turkey, Ministry of Agriculture and Rural Affairs. *Strateji Geliştirme Başkanlığı Sayı:B12.0.SGB.0.03-610-425, Soru Önergeleri, 27 Dec. 2010, May 2011.*

profit”⁶⁵, meaning new or better methods and techniques of farming. Accordingly, Wood explains how the agricultural capitalist system encourages improvement in farming and the most productive use of the land which eliminates old customs and practices.⁶⁶ In the olive case, the subsidies aimed at increasing the land’s productivity and thus increasing olive production can be explained from this perspective.

Moreover, the role of the state in this process is worth dwelling on. According to Wood, when the landed classes pressured the state authorities for their own requirements, “a new kind of enclosure movement emerged in the eighteenth century, the so-called 'Parliamentary enclosures’”.⁶⁷ With reasons of improvement as the basis for transforming properties into productive and profitable land, the parliament was involved in this enclosure movement.⁶⁸ During this period of enclosure, many households were likely affected by the competitive pressures of the market and dispossessed of their less-productive land.⁶⁹ Here, Wood emphasizes that the calculations which drove the Parliamentary enclosures in the interest of improvement are not so different from what is occurring today. Globalization and the spread of chain supermarkets have exacerbated the pressure for intensified production and profitability. Like in the past, the root of the problem today is the logic of capitalist profit.⁷⁰

Based on these considerations, it is possible to evaluate the contestations around the mining issue more clearly. As economics plays a significant role in the

⁶⁵Wood, *The Origins of Capitalism*, 102.

⁶⁶Ibid., p.107.

⁶⁷Ibid., pp.112-113

⁶⁸Ibid., p.113.

⁶⁹Ibid., p.128.

⁷⁰Ibid., pp.128-129.

policies of the Turkish State, the Ministries not only encourage as much olive production as possible but also give the green light to the mining sector in the olive groves. As a result of the Turkish Parliament's enclosure policy, much like Wood's analysis of the agricultural history of capitalism, the Turkish olive groves have been commodified for "improvement" purposes, that is to make the olive groves more productive and profitable, which is more likely than the opening up of the olive groves to the mining sector.

To conclude, as pointed out in this chapter, there are several degrees and contestations in the neo-liberalization process including privatization, commercialization, marketization, and commodification. Throughout this chapter, what these terms mean in the history of capitalism and how they evolved when neo-liberal theory became embedded into the capitalist system were described. Thus, it is possible to explore the degrees of neo-liberalization in the Turkish olive sector and to discuss the olive sector's position within the neo-liberal transformation of agriculture in Turkey. Although the ongoing political contestations in the olive sector such as the privatization of Tariş, the discussions between local and international producers regarding the liberalization of the olive trade, and the attempts of the Ministries to commodify the olive groves introduces a multi-dimensional picture of the olive sector, all of these processes show how the consequences of the processes of neo-liberalization are uneven and uncertain. In the following chapters, the details of the processes of neo-liberalization in the olive sector will be discussed.

CHAPTER III

THE LIBERALIZATION PROCESS IN TARIŞ

Introduction: How Did the Privatization Process in Tariş Start?

The previous chapter, which examined the different processes of liberalization through an introduction of the main parameters of this process – privatization, commercialization, commodification, and marketization, conceptualized the theoretical background of the issue at hand. As neo-liberalism was taken for granted as a politically contested process and the outcomes of this process are quite uncertain, the degree of the neo-liberalization of the olive issue will be analyzed by looking at the three contested political areas. One of them is the position of the Olive and Olive Oil Cooperative Tariş in the process of the neo-liberalization of olive production. Looking at the ambiguous transformation of the structure of Tariş and its emerging market-oriented position, this chapter analyzes the complex process of agricultural liberalization which resulted from the privatization of Tariş and the commercialization of the olive and olive oil crops.

Examining the political contestations during the privatization of Tariş as well as the commercialization of the olive sector, this chapter will show how the liberalization process has multi-faceted characteristics in the olive sector and that the outcomes of these contestations are quite uncertain. This chapter will first briefly describe the background of Tariş and the recent regulations which privatized Tariş. Then, it will describe some of the issues related to olive production, such as the subsidies for producers which encourage olive production. Finally, taking into consideration the

recent developments, it will present details from interviews that were conducted with several actors in olive production including producers, merchants, and employees of Tariş.

First, in order to clarify the extent to which Tariş has transformed from a public to private actor in the olive sector, it is necessary to understand its history. The Olive and Olive Union Agricultural Sales Cooperative Tariş was established in 1943 with the aim of protecting the olive producers from exploitation by merchants, commissioners, and entrepreneurs during the Second World War.⁷¹ In 1952, fifteen cooperatives joined Tariş. In 1980 the number of cooperatives reached twenty-eight and currently thirty-three cooperatives are members.⁷² A look at the history of Tariş shows that it is not surprising that both the amount of olives produced and the producers' (who were partners with Tariş) commitment to their promise of sale differed each year. Promise of sale is a purchasing system between the partners in the cooperative (the olive producers) and the administration. If one partner promises to produce fifty kilograms per year, half of that must be given to Tariş.

From 1975 to 1983, both the partners' commitment to Tariş and Tariş's price controls were quite stable. Between 1983 and 1985, when fewer olives were produced, a crisis emerged in Tariş, and the partners' commitments dramatically declined. However, during the worst periods, particularly between 1966 and 1988, the state supported Tariş to a large extent through "state support purchases" when the partners did not or could not execute their promises of sales.⁷³ This shows that even when Tariş faced difficulties due to unstable olive production or a partner's differentiated behavior regarding the

⁷¹"TTETV Tariş Tarihi Projesi," *Tariş Tarihi* (Izmir) 1993: 300.

⁷²Ibid., p.305.

⁷³Ibid., p.335.

purchase of olives, the state support helped to fulfill Tariş's purchase capacity and prevented a huge deficit.

However, the support from the state was not solely a positive thing; it also resulted in some negative consequences. Since Tariş was connected to the Ministry of Industry and Commerce in this period, there were some bureaucratic problems in the decision-making processes. Additionally, it was argued that there was a relationship of patronage between the state and Tariş during this period.⁷⁴ Although researchers affirmed this, integrating Tariş into the market was not an easy or efficient process; the adverse impacts of the state support policies that grew out of the patronage relationship between the state and Tariş discouraged Tariş. Looking at the history of Tariş, it is possible to say that it has played a public role in olive production on the production side since the 1940s.⁷⁵

However, when neo-liberal policies began to transform agricultural production starting in the 1980s by means of structural adjustment programs run by the state, large companies and capital owners purchased more olive trees from small farmers and enjoyed large-scale olive production. These large producers also sold their products (olive oil) independently instead of joining Tariş. In parallel with this development, in 2000 the state implemented a new adjustment policy in the agricultural sector. When the state re-regulated the ASCUs with law number 4572, it made Tariş an independent union both economically and politically.⁷⁶ With this regulation, Tariş took on a new status as the state no longer supported Tariş economically.

⁷⁴Ibid., pp.335-365.

⁷⁵Ibid., pp.297-298.

⁷⁶Republic of Turkey, Grand National Assembly, *TBMM 4572 Tarım Satış Kooperatif ve Birlikleri Kanunu* [The law for Agricultural Sales, Cooperatives and Unions], 1 June 2006.

As Tariş became an independent union and is no longer supported economically by the state, the extent to which it continues to support the producers and plays a public role for the producers emerged as a necessary question in this research. To answer these questions, this chapter will explore the relationship between the olive producers and Tariş. In this regard, one of the indicators to help better understand the role Tariş plays for producers is to determine whether the producers prefer Tariş over the other merchants. In addition to law number 4572, which privatized Tariş, the establishment of the Tariş Inc on behalf of all the partners in Tariş is another significant point for understanding the role of Tariş in the olive sector.⁷⁷

Not only are the changes in Tariş's structure important, but also it is necessary to understand the current state policies regarding olive production in order to more clearly understand the situation. Accordingly, with the implementation of the ARIP, which was designed by the IMF in 2001 and ran until 2008, fertilizer subsidies were cut and were temporarily replaced with direct income support (until 2008). After the direct income support system (DIS), which was implemented regardless of the amount of production, a new agricultural model called the Basin Based Production and Support Model was put into effect starting in 2010. This model aims to encourage production by giving production bonuses.⁷⁸ A bonus of thirty *kuruş*⁷⁹ per kilogram (an increase of five *kuruş* from 2009) was given to olive producers in 2010; the bonus is also supposed to increase to fifty *kurus* in 2011.⁸⁰ Besides the bonus payments, the olive producers are also

⁷⁷Tariş Zeytin A. Ş. [Olive Incorporated] 22 Nov. 2010 <<http://www.ta-ze.com.tr/tr/tr/hakkimizda/default.aspx>>; Taze, Ege'nin Lezzeti Ege'nin Sağlığı, 3 Feb. 2011 <<http://www.ta-ze.com.tr/tr/tr/hakkimizda/default.aspx>>.

⁷⁸ Necdet Oral, "Tarımda Doğrudan Gelir Desteği Bitti, Sıra Havza Bazlı Modelde" [Direct Income Support in Agriculture Has Finished, the Basin-Based Model Has Started], 13 Jan. 2010, 21 Nov. 2010 <<http://www.tarim.com.tr/haber/yazdir.asp?ID=8530>>.

⁷⁹One *kuruş* equals 1/100 of a Turkish Lira.

⁸⁰A. E. Yıldırım, "Tarım Bakanlığı Zeytincilikte Ne Yapmak İstiyor?" [What Does the Agricultural Ministry Want to do with Olive Growing?], *Tarım Dünyası*, 10 Feb. 2011, 10 Feb. 2011 <<http://www.tarimdunyasi.net/?p=2103>>.

entitled to fuel support of six lira per acre in 2011.⁸¹ Although a shift from direct income support to production based bonuses appears to be more beneficial for the producers and the relative increases in support in 2011 indicates that the state pursues an olive-friendly policy on paper, the extent to which this support actually helps the producers is discussed throughout this chapter.

After detailing the olive production and the recent changes in Tariş, the role of the producers will be analyzed, taking into consideration both the experiences of producers of different scales and officials who work in the administration of Tariş. In this regard, a press release issued by the chairman of Tariş will shed light on the current developments. Cahit Çetin, the chairman of Tariş, declared: “Tariş Inc was established in order to consolidate the market and to sell as many products as possible at competitive prices.”⁸² In this press release, Çetin described the process of the liberalization of Tariş by referencing law number 4572. He claimed that the implementation of the ARIP project in 2000 had very radical consequences on the Agricultural Sales Cooperatives Unions (ASCUs). Due to the negative impact of the law on the ASCUs, he does not find it appropriate to label the policy as “re-structuring”; instead, he describes the process as an “elimination or dispossession of unions from agriculture”.⁸³ He is also worried about the potential polemics against Tariş. Even though state policies transformed Tariş and left it helpless in a marketized economy, he thinks that the partners in Tariş will be more likely to criticize the administration due to

⁸¹A. E. Yıldırım, “2011 Tarım Desteklerini Açıkıyoruz!” [We Are Announcing Agriculture Subsidies!] 7 Feb. 2011 <<http://www.tarimdunyasi.net/?p=2087>>.

⁸²Press Release from Tariş Chairman Cahit Çetin, “Tariş Zeytin ve Zeytinyağı Birliği Başkanı Cahit Çetin’in konuşması”, *Tarım Dünyasından Ali Ekber Yıldırım’ın Tarım Yazıları*, 1 Feb. 2011, 25 Feb. 2011 <<http://www.tarimdunyasi.net/?p=2080>>.

⁸³Ibid.

the current conditions. He states that, “They will probably say that you couldn’t deal with it”; however, he is worried that Tariş will have an experience like Fiskobirlik and TMO-Earth Product Office did very recently.⁸⁴ Referring to these accounts, the chairman detailed Tariş's new roadmap which presents to way for them to cope with the problems that Tariş is facing with the state and its aggressive competitors in the olive market. One of the critical points in this roadmap is the increase in the commercial activities of Tariş. In order to increase its commercial role in the market, Tariş established the Tariş Zeytin A. Ş (Inc). As a result, Tariş can sell and market 700 tons of olive oil monthly and 8000 tons annually. Çetin believes that if Tariş had not established this company, the consequences of the liberalization in the ASCUs would have been more severe for Tariş. Thanks to the total amount of sales made by this company, Tariş was able to remain in a leading position in the domestic market.

Besides these positive developments, Çetin also detailed two difficulties experienced in 2005. First, Tariş was removed from the ASCUs, and second, the partners of Tariş experienced a commercial loss due to the European price controls. As a result of this loss, Tariş went into debt, which is referred to as “DFIF debts.” In terms of this debt, the chairman affirmed that Tariş is capable of re-paying all of its debts if the state requests it to: “However, the state delays the repayment of our debt by adjusting the interest rate. As a result, even though we had a 4,800,000 TL profit in the period from 2009-2010, due to the 16,000,000 TL we paid in interest, Tariş had a deficit.”⁸⁵

Despite these financial troubles, Çetin concludes the press release by describing the steps in their roadmap that aim to deal with these problems. According to Çetin, after state regulations privatized Tariş, Tariş established companies such as Rafineri,

⁸⁴Ibid.

⁸⁵Ibid.

Prina and Assurance was a way to maximize the profits of all the partners and cooperatives belonging to Tariş. Tariş also changed its pricing policies. Although Çetin assures price intervention if the purchase prices decrease, he also emphasizes that the new price policy is integrated into the market conditions. Thus, instead of announcing a single price, Tariş prefers to follow the market prices and purchases products accordingly.

The chairman's words describe the recent developments within Tariş. Not just the state policies, which re-structured and privatized the ASCUs in general, and Tariş in particular, but also the responses by the Tariş administration to the attempts at privatization may be used to explain how neo-liberal policies changed Tariş's structure. Based on the establishment of the new companies affiliated with Tariş and Tariş's new pricing policies, it is possible to say Tariş began to integrate into the market like a private firm. However, the possibility of a price intervention, as Çetin guarantees in the press release, introduces a more complicated role for Tariş with regard to its partners. Is it going to play a public role for the partners by implementing a protectionist pricing policy or has it already been transformed into a private institution due its affiliated companies and market-oriented pricing policies?

Findings: Does Tariş Play a Public Role for Olive Producers?

In addition to exploring its private versus public role, it is also necessary to determine whether Tariş can be considered a political agency which supports the rights of the olive growers and their demands when they clash with neo-liberal policies. By asking these questions directly to the olive producers, this research will also determine whether Tariş protects the producers from the difficulties of olive production, which emerged for the

most part due to commercialization and the privatization of the agriculture sector. In order to discuss the role Tariş plays for the producers and to briefly describe the olive production process, this chapter will reference both the experiences of the olive producers and the mid-scale merchants. To accomplish this, interviews conducted in Ayvalık, the center of the Turkish olive industry, will be analyzed.

The interviews below with different sized (small or medium) oil producers, local merchants, and Tariş officers will describe the main dynamics of olive production in Ayvalık. Not only the producers in the center of Ayvalık but also producers in Cunda Island, Karaayıt Village and Akçapınar villages that are near side of the Ayvalık will be given in this chapter. Since there are several actors related olive production or marketing exist in the Ayvalık region, according to these interviews, the extent to which producers prefer to work with Tariş or whether they prefer to trade with local merchants in the region will be discussed in this part in order to understand the role of the Tariş.

The first interview is with the President of the Ayvalık Tariş Cooperative who is both a small-scale producer and a shopkeeper in Ayvalık. His ancestors came from Midilli Island to Ayvalık following the population exchange dictated by the Treaty of Lausanne in 1923. After his grandparents migrated to Ayvalık, the state allocated twenty olive trees to each person, and he owns 1,215 trees in conjunction with his wife and mother-in-law. Thus, he refers to himself as a small-scale producer.

After introducing himself, he provided some details about Tariş. The Olive Union is composed of thirty-three cooperatives, one of which is the Ayvalık Cooperative. The Ayvalık Cooperative is made up of 1,100 partners. The biggest container service is located in Çiğli in Izmir and the rest of the cooperatives have their own factories. Similar to Çetin, the Ayvalık president also emphasizes law number 4572, which re-structured the ASCUs and transformed them into autonomous entities in 2000. While he did not blatantly criticize this law, he did complain about the elimination

of state support to Tariş: “Due to the removal of the supports and other unfortunate circumstances in the history of Tariş, the Union is not able to allocate its profits and now has a deficit.”⁸⁶

Besides Tariş’s need for subsidies, he also underlined how the small producers require subsidies in order to be able to pay their high production costs. Additionally, he mentioned how the partnership rules were changed after 2000: “Due to this change, the membership fees increased, and the partners prefer to commit to as few sales as possible in order to not have to pay higher fees.”⁸⁷ Even the president of the Ayvalık cooperative does not prefer to increase his commitment so as to avoid having to pay more money. This shows that since Tariş is not able to allot its profits to the partners due to the current deficit, the promise of increased sales no longer attracts producers.

In terms of Tariş's price mechanisms in olive marketing, the president explained why Tariş announced the change in the purchasing price strategy immediately after it was privatized. According to Chairman Çetin, Tariş's main goal is to protect the producers and to prevent any potential losses which may result from market conditions. In order to do this, he announced that Tariş had planned to offer a price (6.3 Turkish liras per kilogram) parallel to the private sector (6.3-6.5 Turkish liras per kilogram) during harvest time. He also drew attention to how Tariş's prices remained constant while the private sector’s prices declined after the harvest period: “For example, while Tariş's prices remained steady until January of this year, in the private sector the prices dropped. Tariş also determines prices based on location so the prices in the northern and southern Aegean regions differ.” Based on this, he insisted that “Tariş protects the producers”.⁸⁸

⁸⁶Olive Producer A and President of the Ayvalık Tariş Cooperative, Personal interview, 11 Apr. 2011.

⁸⁷Ibid.

⁸⁸Ibid.

Moving on to the question of the Tariş Inc, which was established by the partners in Tariş, he explained that “this company was established mainly in order to integrate Tariş into the market”.⁸⁹ As a result, the market expanded, new boutique shops were opened, and Tariş entered a more competitive market. Because of this, Tariş enjoys a leading position in the domestic market. He also views the sales mechanisms of Tariş as being quite successful, mainly due to the thirty existing shops which belong to the cooperatives. In addition, he notes that Tariş also promotes its products internationally for exports. He re-emphasized that Tariş was unable to distribute its profits to the partners despite the union's successful marketing strategies: “Due to Tariş's current deficit, which has not yet been balanced by a state initiative, both the union and the small producers face several difficulties.”⁹⁰ In this regard, he insisted that the lack of subsidies damages the small producers. He finds the subsidies to producers important to order to for them be able to cope with the high costs of the inputs. His opinions regarding Tariş's price policies are in line with the previous speech. They both complain about the insufficient state support and find the process of marketizing Tariş important in order for the products to be commercialized as much as possible.

Lastly, both the future of olive production in Ayvalık and the future of the Ayvalık Cooperative were discussed in the interview. According to the president, families with smaller holdings are less likely to enjoy olive production for subsistence purposes than for commerce. He describes how difficult it is to earn a living producing olives; for this reason, he prefers his shop over his olive trees. An experienced shopkeeper, he can earn a living shopkeeping despite competition from the large companies like Kipa, Migros, and Tansaş. However, in olive production, particularly in Ayvalık, there are several actors such as the big companies known as the big 3K –

⁸⁹Ibid.

⁹⁰Ibid.

Komili, Kırlangıç, and Kristal (Selme), as well as Verde and the fast growing company Özgün; they all produce and sell olive oil. There are also some merchants, he explains, who harvest the olives and sell them to larger companies; they make a living from commissions. In sum, since there are too many actors in the olive oil market in Ayvalık – merchants, large and boutique companies, producers, exporters and so on – he says that the cooperative has to deal with the products and prices from all of these actors which makes their job quite difficult. On the other hand, due to the growth in the olive market, several actors and merchants have announced higher prices for the producers. This is the advantageous aspect of this situation.

Accordingly, this part of the interview illustrates not only the distinct position of Ayvalık in olive production and marketing, but also the consequences of this distinction on the Tariş Ayvalık Cooperative. As the president affirmed, since several actors exist in the olive sector in Ayvalık, the producers have several options to choose from, which may make Tariş less attractive if it does not announce the best prices. On the other hand, since Tariş is the leader in the olive market, it is a price setter which creates bargaining power for the olive producers. The olive producers in this region are more likely to choose the best price, whether announced by a merchant or Tariş. However, despite Tariş's leading role in the domestic market and its price setting role in retail, why it prefers to follow the market prices in the purchasing process is the ambiguous side of this story. Based on interviews conducted with producers of different scales, this chapter will analyze the extent to which Tariş's position is ambiguous for producers.

The following interview was conducted with the former president of the Ayvalık Cooperative. When contrasted with the previous interview, this one may present an opportunity to compare the current conditions with those of the recent past. The owner of 400 olive trees, he also rents out his land and produces approximately 3,000 to 5,000 tons of olive oil annually. He describes himself as a mid-scale producer. His family also

came from Midilli Island with the population exchange, and they were allocated 120 trees and have continued to buy new trees since then. Besides olive production, he also runs a coffeehouse in the center of Ayvalık. He is still a part of the union, committed to producing nearly four tons of olive oil. This means he has to produce two tons of oil for the Ayvalık cooperative. However, he does not give the rest of the olive oil to the union but stores it in a warehouse until the price increases when he works with a merchant.

Why does he prefer to work with merchants rather than with Tariş, even though he was the former head of the union? His reason is that Tariş is not on the side of the producers and its administration carries out very populist policies. While he believes that Tariş should actually be a means for the oil producers to join forces, in practice he is not satisfied with their policies. He poses a question: “There are 1,000 partners just in Ayvalık. How successful is Tariş at protecting its partners?”⁹¹ He thinks that there is no difference between the merchants and Tariş. He even prefers the merchants for two reasons: first, Tariş reduced the prices they had previously announced and second, they pay in installments. Because of this, during the harvest season the producers do not know how much they will get from Tariş. In contrast, the merchants pay immediately.

In addition, he complains that Tariş does not distribute its profits. In his opinion, if the administration was better and populist policies, which protect the Ayvalık olive oil in order not to lose any votes, were not in place, Tariş would likely protect more producers than it does now. Based on the capacity of its factories and the total number of partners, he states that “Tariş could easily be the leading actor in the domestic olive sector. Due to its large capacity, Tariş can neither compete with any actors nor can the other actors compete with Tariş.”⁹² All of this criticism of Tariş shows how much of an

⁹¹Olive Producer B, Personal interview, 12 Apr. 2011

⁹²Ibid.

ambiguous role Tariş plays. While the former president affirms Tariş's leading position in the domestic market, he also finds the union inadequate due to its price and payment mechanisms.

Regarding relations between the state and Tariş, he underlines the new role of Tariş for the producers: "For now, there is not a link between Tariş and the state; the producers are only linked to the state through subsidies. Even the smaller merchants usually have their own trees."⁹³ Unstable prices hit every type of producer and the costs are quite high for the smaller-scale producers. Producers need to employ pickers every harvest season. They need to fertilize and perform pest control during the growing period. This means there are several costs in olive production that producers need to be able to pay for each year. However, he does not find the state subsidies helpful enough for the producers: "Neither fuel support nor product subsidies can compensate for the high production costs."⁹⁴ That is why the majority of people in Ayvalık are quite poor and need to work another job as well, whatever they can find, he explains. Only state subsidies can empower the producers and EU support could encourage production in the future. He suggests that if state subsidies increase to the level they were before (twenty-eight *kuruş*), the producers would be more likely to take better care of their trees which will in turn increase productivity.

Based on this interview, it can be said that even though this producer has commercialized his crops by trading with merchants and internalized the privatization of Tariş, he does not like the new model due to its uncertain price and payment mechanisms. Moreover, he does not favor the other process of liberalization in olive production which results in the production subsidies being cut off. This shows that the producer has internalized the ongoing liberalization at different levels.

⁹³Ibid.

⁹⁴Ibid.

Not only are the partners in Tariş looked at in this study but two examples of other actors may present an alternative to Tariş in the Ayvalık olive market are also looked at: one of the most popular merchants on Cunda Island in Ayvalık and the oldest merchant in the center of Ayvalık. The first is the owner of a boutique olive store which is located on Cunda Island. He has almost 500 trees in the Ayvalık region and also runs a boutique olive business. He explains his approach: “I don't do business with Tariş. At the same time, I don't do business with any of the other big companies such as Komili or Kırlangıç.”⁹⁵

As he runs a boutique type of company and only does business with certain producers, he is able to determine the prices himself – not according to Tariş nor the 3K (Komili, Kırlangıç, and Kristal). However, he explains that when poor quality oils are sold cheaply in the market, it negatively affects his prices and position in the market. The producers in Ayvalık do not promise much olive oil to Tariş; the majority of the producers in Ayvalık prefer to sell their products boutique style in order to protect the quality and price of their product. He determines the purchase and sale prices based on his expenses and generally pay the highest price to the producers. For example, this year he paid around seven Turkish liras per kilogram. In return he receives the best olive oil from producers that he knows. He states that he is not worried much about the future since he has good relationships with both the producers and clients that he regularly works with which makes him hopeful. The merchant's arguments give a brief overview of the boutique style of marketing in Ayvalık. As he said that he does not depend on either the big companies or on Tariş, it shows the extent to which the boutique merchant plays a supplementary role in olive marketing.

The other merchant is located in the center of Ayvalık. The owner, who has been running his boutique store since 1974, is the oldest olive merchant in the district. In

⁹⁵Olive Merchant A, Personal interview, 13 Apr. 2011.

contrast to the former merchant, he does not own any olive trees since he thinks that too many trees are needed in the olive sector to survive. While it was possible in the past to subsist on 300 trees, he says that today it is very difficult even with 3,000 trees. As a result, he finds the state subsidies critical. If state does not support the producers with their fuel and fertilizer needs, it is very difficult for the producers to keep their trees green and productive.⁹⁶

Regarding Tariş, he explains that although cooperatives play a significant role in agricultural production, he does not think that Tariş is doing good business now. It should be more realistic. It does not matter how nicely they package their products; what matters is what they sell and how they work with the producers. He explains that when he was the manager of the Edremit Foundation, Tariş was not as much as of a fraud as it is now. It was like a real cooperative, not interested in advertising or decorative packaging. For him, the most important principle is free trade:

If you want to survive in this market, you first need to be honest, and you need to sell quality products. Some of the very big merchants disappear because they try to sell cheaply produced products at a high price. I never do this; I prefer quality olives which come from the higher locations near Ayvalık and Burhaniye, purchased them from people I know at a very high price, almost the highest in the market. As a result, I know what I am selling, and my clients know without advertising or decorative packaging that what I sell is quality.⁹⁷

Although this merchant believes the position of the cooperative is very important for the producers, he does not find the marketing and purchasing style of the cooperative standardized or clear-cut. Moreover, despite the fact that Tariş is the leader in the domestic market, neither of these boutique merchants acknowledged Tariş as a rival. They insist that their boutique style puts them in a different category. This new category in the olive market illustrates another degree of the commercialization and liberalization of olive production.

⁹⁶Olive Merchant B, Personal interview, 14 Apr. 2011.

⁹⁷Ibid.

The next interview is with a mid-scale producer on Cunda Island. In addition to the 2,000 trees that are his own, he has hired 1,200 trees until 2016. With this amount of olive trees, he explains that he can earn a living from olive production. Although his family has been in the olive industry for years, he took up olive production after retiring from the banking industry. Although he is a partner in the Tariş Ayvalık Cooperative, he prefers to sell very little olive oil to Tariş and sells the rest to a boutique store on Cunda Island. The reason he prefers to do this is because of Tariş's price policy:

Because Tariş purchases my oil for a very low price, while I sold twenty-five tons of olive oil to Tariş last year, I am disappointed in what I earned this year. That's why I want to leave Tariş. I do not want to receive payment in installments and I also want to know how much I will get at the end of the harvest. This is impossible with Tariş, but I do good business with this store.⁹⁸

This producer's experiences also illustrate the reason boutique merchants have a unique position in the olive market. It also confirms the ambiguous position of Tariş for olive producers resulting from its new price and payment strategy. While Tariş has been playing a leading role in the domestic market by commercializing as much as possible the olive oil that belongs to the partners, it has also lost some of its partners due to the pricing issue.

Another interview was conducted with a mid-scale producer in Cunda. This producer owns almost 5,000 trees around Cunda Island and in Ayvalık. This year he sold thirty-five tons of olive oil to different merchants. He sold the small remaining amount of oil in his boutique hotel, after introducing his guests to it. Despite having a large number of trees, he cannot earn a living solely from olive production. Besides growing olives, he also runs a boutique hotel in Cunda, is involved in the construction sector and restores old houses. In sum, he does business wherever he can earn money. He states: "There is no doubt that it is very difficult to earn money from olives. While it

⁹⁸Olive Producer C, Personal interview, 13 Apr. 2011.

was possible ten or fifteen years ago, it is harder now due to the instability of prices.”⁹⁹ Even though this producer has a large number of olive trees, he still emphasizes that he is unable to earn enough money from olive production due to the lack of subsidies. He insisted that this wasn't the case ten or fifteen years ago which was before 2000, or when the neo-liberalization process was not as transformative as it is now in agriculture.

Regarding Tariş, he explained that he also partnered with them but has not given them even one gram of oil since 2001 because of the union's poor strategies. They do not have their own oil storage facilities and there is no guarantee or stability in their price mechanisms, he complains:

When you sell your oil to Tariş, you never know how much money you are going to make. Furthermore, they pay in installments, which put you in trouble with the pickers and make it very hard to buy fertilizers and fuel for your tractors. I think Tariş forces us to work with merchants. Tariş does not encourage producers; rather, it discourages us!¹⁰⁰

He describes the benefit of working with merchants:

A merchant can either store the product or purchase it for a higher price and pays quickly. Your bargaining power increases when you work with merchants rather than with Tariş. I usually sell my product to agents rather than to bigger merchants, but I know that they also sell to the bigger ones. In this system, there is no other solution.¹⁰¹

In the past, when Tariş Bank existed, he explains, it provided support for fertilizer and gave loans at very low interest rates. However, according to him, since the 2001 economic crisis, Garanti Bank and Deniz Bank have exploited the whole Edremit Gulf. He now looks to Ziraat Bank for low interest loans otherwise it would be very difficult for him to cover his expenses.

The views of this producer clarify why Tariş is not as popular as it was before. Due to Tariş's new pricing and purchasing policy, the producers have trouble covering their costs. Even though he did not specify exactly when the changes in Tariş took place,

⁹⁹Olive Producer D, Personal interview, 13 Apr. 2011.

¹⁰⁰Ibid.

¹⁰¹Ibid.

when his speech is analyzed in conjunction with the press release issued by the chair of Tariş, the changes in Tariş's pricing and purchasing policies can be explained as consequences of law 4572 which privatized Tariş in 2000. Moreover, this producer's relatively efficient method of trade with the merchants, and particularly with boutique merchants, also provides insight into the process of the commercialization of olive production. However, since these producers own a significant number of trees, and some of them also hire more trees, it is necessary to also take into consideration the arguments of the small-scale olive producers as well in order to analyze all the dynamics of olive production.

Although the life conditions of the olive producers in the villages around Ayvalık differ from those of the producers on Cunda Island and in the center of Ayvalık, the extent to which their opinion of Tariş differs will be discussed through an analysis of the following interviews. The first small-scale producer lives in the village of Karaayıt, which is the smallest village in the region and does not have much agricultural land. His family (his son, his daughter and her husband) own 150-200 trees and handle the olive production themselves. They pick and tend to the trees. When they need help, their neighbors help them out and they do the same for their neighbors. This producer prefers not to be a part of Tariş because they don't pay well and they pay in installments. He says that while he is survive on olive production, he doesn't have any revenue. In addition to working with his olives, when his son can find a job outside the village, such as in construction or tourism, he works there as well. He describes the struggles he perceives today:

The olive industry is very difficult these days. In the past, we were able to earn more from 100 trees, but this year I could not sell anything from 100 trees. This is because of the very low subsidies and the decreasing price of olive oil. I need to have more trees. The state should encourage me to buy them but they only give subsidies for more than ten acres. Ten acres costs 50,000 TL. I have never seen this amount of money in my life.¹⁰²

¹⁰²Olive Producer E, Personal interview, 14 Apr. 2011.

He wonders how he can get the money he needs to expand his land. He says he only entered the business because he worked as a picker and sorter; it is not a family business like the other producers.

What is significant about this interview is the process by how this olive producer became involved in the industry. At first he did not have any trees. After working he was able to purchase 100 trees, from which he was able to more or less earn a living up until ten years ago. However, as he emphasized, the current difficulties which have left him in the lurch are the “lack of subsidies and rising expenses but stable olive oil prices”.¹⁰³ Based on this information, it is possible to say that the results of the liberalization policies have not encouraged small-scale olive producers. Moreover, not only do the state's policies on olive production not help the small-scale producers, but Tariş's marketized price policy does not either. Because of this, he does not prefer to work with Tariş or even partner with them. His concluding remarks may explain the situation which perceives this small-scale producer more clearly: “We live here because we have no other choice. If people were well-educated, I don't think they would continue to live in this village.”¹⁰⁴

Another villager in Karaayıt is also a small-scale olive producer. He started the interview off with a complaint:

I want to make a complaint about Tariş. They do not support the producers. Although my wife and I are both partners with Tariş, I haven't worked with them for two years; I didn't even give them one kilogram of olive oil. I prefer to work with the merchants instead. Tariş pays in installments so it is better to work with the merchants who pay in advance. Although I sometimes run into problems with the merchants because they want to maximize their profits, their payment mechanisms are better than Tariş.

¹⁰³Ibid.

¹⁰⁴Ibid.

In the past, all the villagers partnered with Tariş and gave them all their oil he says. At that time, Tariş also portioned out its profits and gave bonuses. In addition, under [Prime Minister] Çiller the state paid good subsidies, much higher than they do now. This helped him a lot; he was able to care for his olive trees which made them more productive than they are now. Now neither the state nor Tariş helps him. Tariş is not connected to the state any more and “it resembles a company, but an unsuccessful one.”¹⁰⁵

His statements illustrate the new policies of both Tariş’s and the state toward the olive producers. The privatization of Tariş and its policy of following the market prices has resulted in producer dissatisfaction. This producer is also not satisfied with the state because of their insufficient subsidies. When asked if he will continue to work in the olive industry in the future, his answer is similar to that of the former producer:

I won't sell my trees. I would prefer to buy more to earn more money, but I won't sell. There is no alternative for me; I need to work in olive production. This is my job. Even though it is very difficult because of Tariş and the lack of state subsidies, I don't think any of the producers in this village would sell their trees. Otherwise we would have to become beggars.¹⁰⁶

Looking at this producer’s experiences, it is possible to say that Tariş is not playing a public role. In contrast, after the privatization of the cooperative, which put an end to “state purchases” and other support to Tariş, it began to follow the market conditions in order to play a more active role in the market. However, the process of the privatization of Tariş not only commercialized to a great extent olive production but also forced producers to integrate into the market through the merchants, as this case shows.

Beside the village of Karaayıt, another nearby village, Akçapınar, has also interesting characteristics. Unlike Karaayıt, Akçapınar is the biggest village in Ayvalık and its inhabitants are said to be wealthier than the villagers in Karaayıt because they

¹⁰⁵ Olive Producer F, Personal interview, 14 Apr. 2011.

¹⁰⁶Ibid.

own more land and trees. Although they have more trees, the extent to which they work with Tariş is problematized in this chapter. The first person interviewed in Akçapınar is the village mukhtar who owns almost 1,000 trees and describes himself as a mid-scale producer who makes a living by producing oil. His trees are not located in his village but spread out over the villages of Ayvalık, Gömeç, Altınova, and Mutlu. Despite this, he can still make a living from oil production and personally produced ten tons of olive oil this year. He also grows vegetables and okra in the summer for subsistence purposes. Furthermore, he remarks, “We also farmed tobacco, but this finished ten years ago. I don’t think the same thing can happen with the olives. I hope not!”¹⁰⁷ The last phrase is quite interesting as it indicates the dispossession of the tobacco industry in the same region. The interviewee compares his experience with tobacco to that with olives. Even though he does not want to imagine the possibility, he wishes that he will not have the same experience with olive production.

Regarding relations with Tariş, he doesn’t feel that Tariş supports the producers enough. Although he partners with Tariş, he has not given oil to the Ayvalık Cooperative. The reason for this, according to him, is Tariş’s pricing and payment policy. He notes that while the private sector fixes the price immediately after the harvest period, Tariş does not announce a price and payments are always delayed and paid in part. This makes it impossible for him to cover his expenses and pay the per diems of the pickers and sorters he has to hire. Therefore, he feels that Tariş does not play a cooperative role; it does not support the producers and obliges them to trade with the merchants. The state also does not support Tariş anymore he explains:

To tell the truth, I don’t think that the privatization of Tariş is good for producers. If the state had not privatized Tariş and had supported it, it would not have been like that. However, neither the state nor Tariş’s administration are efficient.¹⁰⁸

¹⁰⁷Olive Producer G, Personal interview, 14 Apr. 2011.

¹⁰⁸Ibid.

He fears that if Tariş goes bankrupt, his livelihood will be ruined. He brings up the question of whether there is a relationship between the merchants in the olive market and Tariş because the merchants and agents likely benefit from Tariş's pricing policies.

If the producers prefer not to partner with Tariş or to sell their olive oil to Tariş, then how can they earn a living from olive production? The interviewee detailed his current situation. He now works with businesses and merchants in the private sector. Whenever he needs a loan, he prefers to get it from Ziraat Bank as they have the lowest interest rates. He describes Deniz Bank, which works with Tariş, as a nightmare due to its high interest rates. Although he makes enough money, the olive oil prices still present difficulties for him. Despite having a significant number of trees, he can't earn enough due to the stability of the olive prices, and there is no institution to solve this problem.

He also talked about the recent restructuring policies, which gradually transformed the agriculture industry:

I think that the Direct Income Support and Farmer Registration System, which were imposed by the IMF in 2000, were plans to wipe out the agricultural sector. We are gradually experiencing this. Our trees have become insufficient for us. They let the big fish eat the small ones!¹⁰⁹

This explains the extent to which this mid-scale producer has internalized the process of the privatization of Tariş. While complaining about Tariş's new pricing policies, which follow those of the market, he also complained about the state's privatization policies in general via the restructuring policies and in particular for Tariş. This shows that this producer has internalized neither the liberalization process in the agriculture sector nor the privatization of Tariş, which commercialized olive production.

This producer does not represent the situation of the entire village. There are also other villagers who own fewer trees and have more problems with production. One of

¹⁰⁹ Ibid.

them is a small-scale olive producer from Akçapınar who has around 300-400 trees located in another village that he has to drive to. This means that he has to add fuel and transportation costs to his other costs. He works as a picker during harvest season for extra money but his main source of income is olive production. He states, “If Tariş and the state helped us, we would be more comfortable. But I do not give oil to Tariş. I have to work with the merchants otherwise I can not receive payment on time and in full.”¹¹⁰ This interview shows that not only do medium-sized olive producers have to work with merchants, but smaller producers have to as well in order to survive in Ayvalık and under harder conditions due to the very limited subsidies for fuel.

The last villager interviewed is also the oldest picker for one of the big merchants and producers in Ayvalık. He has worked for this boutique company for thirty years as a picker. He works for three months as a picker and three months as a sorter every year. He comes from an olive producing family; his grandfather was also a producer. Today he has between 300 and 500 trees but just makes back the production costs. He has to work at this company because he can't earn a living solely from olive production. He notes the importance of state subsidies. This oil producer also criticizes Tariş:

If Tariş also provided storage facilities for the partners, they might be able to utilize their products more efficiently. This year I did not sell my oil to Tariş because I need to be sure about how much I am going to make after the harvest. I was not satisfied with Tariş's prices and payment time.¹¹¹

The degrees of the commercialization of olive production can be seen in this interview. This producer is trying to continue in olive production but has to work as a picker for a large-scale producer. This shows that a small-scale producer cannot survive, due to the insufficient state subsidies, without integrating into the commercialized method of olive

¹¹⁰Olive Producer H, Personal interview, 14 Apr. 2011.

¹¹¹Olive Producer I, Personal interview, 15 Apr. 2011.

production.

These interviews in the village of Akçapınar show that although these producers own more trees than those in Karaayıt, they are satisfied with neither the state subsidies nor with Tariş's policies. The expressions commonly used in these interviews "we are obliged" or "we have to" in regard to their relationship with the merchants and private sector demonstrate that if Tariş was more helpful to the producers, they would likely want to work with a strong union.

Conclusion: The Ambiguous Process of the Liberalization of Tariş

In conclusion, the interviews presented here show how Tariş has been trying to integrate into the market by following the neo-liberal rules. For example, as the chairman announced in the press release, it introduced a new price policy, established a new company and opened new stores to sell attractively packaged products. While the Tariş administration aimed to deal with the market competition and strove to play a leading position in the market, the extent to which the rest of the partners, both small and mid-scale, have internalized this neo-liberal transformation and their satisfaction with the union's new arrangements are the main concerns of this chapter. Judging from the interviews with the producers, it is possible to say that while olive production has not completely been liberalized and commercialized on the ground yet, the majority of producers are attempting to utilize their product as a valuable commodity and prefer to work with the merchants in the market. This summarizes the overall ambiguity of the process of the privatization of Tariş as well as that of the process of the commercialization of olive production.

On the other hand, the producers are also aware that the elimination of state support to Tariş and the insufficient state subsidies to the olive producers have made olive production more difficult than it was in the past. Several producers and even some merchants emphasized that while it was possible to make a living off of 300 trees in the past, it is becoming very difficult today to earn a living even with 1,000 trees. This shows that, besides the privatization of Tariş, the state's liberalization policies commercialized olive production. The following interview with the head of the Ayvalık Chamber of Commerce takes this point into consideration.

According to the head of the Chamber of Commerce, approximately thirty to thirty-five percent of people in Ayvalık make a living from olive production. There are 1,800,000 olive trees in the region which produce 6,000 tons of olives annually. While the amount of olives harvested varies based on weather conditions and care for the trees, the annual yield ranges from 4,000 to 8,000 tons.¹¹²

The role of Ayvalık in both olive production and marketing was also emphasized in the interview: "Ayvalık is the center of the olive oil trade. Here, olive producers, merchants, agents, and companies all exist together." He mentions that there are almost thirty local brands in Ayvalık. In order to protect the Ayvalık olive oil, the Chamber of commerce introduced a new label which indicates where the oil is from. He explains that the Chamber of commerce's main purpose is to encourage the producers and merchants in Ayvalık and to protect them from the unfair merchants.

This information about the distinct position of Ayvalık in olive production and marketing explains why the producers emphasized the supplementary roles of the boutique merchants when their interests clashed with Tariş. As the shop owners mentioned previously, they can run a boutique business only by trading olive oil around Ayvalık. However, neither of the producers ignore the role of Tariş. Accordingly, the

¹¹²Head of the Ayvalık Chamber of Commerce, Personal interview, 12 Apr. 2011.

head of the Chamber of commerce confirmed Tariş's distinct role in the olive market, noting that one of the local actors in the Ayvalık olive oil market is Tariş which plays a very crucial role. Even though there is not a link between the Chamber of Commerce and Tariş, he insisted that it plays a special role in the market and price mechanisms. With this statement, the head of the Chamber of Commerce justified Tariş's price-setting role. Since majority of the merchants are also producers in Ayvalık, the head of the Chamber of Commerce recommended a union which encourages both the merchants and producers.

Based on this interview, it can be concluded that the Ayvalık Chamber of Commerce has already internalized the privatization of Tariş. However, his acknowledgment of Tariş's price setting role presents a puzzle. If Tariş sets the prices in the olive market, then why is it necessary to follow the market prices? He believes that Tariş should set the prices according to the market so that it will both integrate into the market and will also become an actor in the market. He suggests that the ongoing transformation in the agriculture sector has encouraged Tariş to take on this role in the olive market:

Agriculture in general is undergoing a transformation from small farms to big farms and the olive producers have been experiencing the same process. That's why it is logical to give bonuses to encourage producers who own a certain amount of land otherwise farming becomes unproductive. It makes no sense to encourage landless peasants with bonuses when production costs are so high.¹¹³

The language used in the last part of the interview may explain to what extent the Chamber of Commerce encourages the commercialization of olive production as he described the “rational” and “productive” means of agricultural production.

In sum, the interviews with different sized oil producers, merchants, and Tariş officers described the main dynamics of olive production in Ayvalık. This chapter attempted to discuss, using the interviews, the extent to which Tariş plays a public role

¹¹³Ibid.

for the producers and the extent to which it continues to carry out this role. As the small and mid-scale producers affirmed, even though they would prefer to be united in a strong Cooperative in order to deal with some problems in the olive industry, such as stable selling prices, high expenses and insufficient state subsidies, the producers' relationship with Tariş has worsened since 2000. They complained mainly about Tariş's price and payment policies, which have forced them to trade with the merchants. In addition, they also emphasized that they prefer to work with the merchants in order to make a profit.

These findings show that while the producers have not completely internalized the privatization of Tariş, and also criticized the restructuring of the ASCUs with law number 4572, which liberalized Tariş, they are also grateful for the supplementary private sector. This explains how the producers have been experiencing an ambiguous process on the ground in the olive sector due to their new relations with both Tariş and the merchants. While Tariş's public role has decreased and it has integrated into the market, the producers have also integrated into the market and are commercializing their products mainly through boutique merchants. As a result, they have an opportunity to sell their products at a higher price. In this regard, as the head of the Chamber of Commerce said, the local merchants in Ayvalık play quite a dynamic role for the olive producers. Although they represent a market place for the producers and integrate the producers into the market, trade between the producers and the local merchants is only domestic and in the domestic market. As Paul Bohannon and George Dalton put it in the previous chapter, market places differ according to the purpose of trade: "In highly commercialized industrial societies the market place no longer plays important social, political and other roles in addition to its economic function."¹¹⁴ Based on this account,

¹¹⁴P. Bohannon and G. Dalton qtd. in Ildiko Beller-Hann and C. M. Hann, *Turkish Region: State, Market, and Social Identities on the East Black Sea Coast* (New Mexico: School of American Research Press, 2001) 67-68.

it is possible to argue that although Tariş has been privatized by the state, it plays neither a private nor a public role because while it sets retail prices, it prefers to follow the market prices for purchasing. Because of this, an ambiguous picture emerges regarding Tariş's new position. Besides looking at the level of privatization in Tariş and the commercialization of olive production, the following chapter will take into consideration the other significant processes that are part of liberalization – the degrees of liberalization in the olive trade and marketization in olive production by an analysis of the DIR issue in the olive sector.

CHAPTER IV

THE DEGREES OF LIBERALIZATION IN THE OLIVE TRADE

Introduction: The Debate between the Locally and Internationally-based Producers in Terms of the DIR Regulations

After analyzing two of the significant processes of liberalization – privatization and commercialization in olive production, this chapter will investigate the degree of liberalization in the olive trade and the marketization of olive production by taking into consideration the ongoing debate in the olive sector about the domestic processing regime (DIR). This regime refers to the importation of cheaply produced products which are then immediately exported to the international market. Theoretically, the main purpose of this regime is to protect the volume of international trade and to not lose shares of products in the international market, particularly when the productivity of the domestic product is low.

While some of the olive oil exporters, who are either internationally-based producers or internationally-based merchants, have pushed the state authorities to change the DIR regulations in the olive and olive oil industry and want to sell their products internationally, the local producers, who are mainly local merchants, are against these demands because they worry that cheaper crops will be able to enter the domestic market if the DIR regulations are changed. To this extent, the clash of demands between the internationally-based producers and the local producers has turned

the olive sector into an area of contestation. Although the state currently seems to be protecting the local producers via this regulation, the lack of sufficient state subsidies for olive production has discouraged the olive producers from resisting the demands of the international producers. Based on these premises, this chapter will evaluate not only the different arguments regarding the DIR issue but also the experiences of the local producers in terms of the theoretical and practical conditions for olive production. As a result, this research will determine the degree of liberalization in the olive trade and analyze the marketization process of the olive sector on the ground.

As was mentioned previously, the olive holds a special position in the agricultural sector. The olive is a unique crop in Turkey in terms of its import regime: according to the current trade regulations which were defined by the Undersecretariat for Foreign Trade in 2006, the importation of both table olives and oil olive is forbidden. This means that neither packed nor bulk olive oil can legally enter the country.¹¹⁵ However, some Turkish olive oil exporters sell their products internationally in a boutique way. As a result, although Turkish olives (table olives/olive oil) are not fully a competitive commodity in the domestic market, they are also not a protected crop in the international market either, which problematizes the position of Turkish olives in terms of the liberalization of trade as discussed in this chapter.

Despite the olive's very unique position in terms of the liberalization of trade, some of the olive oil exporters, who are either internationally-based producers or internationally-based merchants, have put pressure on the state to change the DIR regulations in the olive trade which would eliminate this distinctiveness. These producers would like to sell their products internationally and argue that they need to

¹¹⁵Republic of Turkey, Undersecretariat for Foreign Trade, İhracat 2006/12 sayılı Dahilde İşleme Rejimi Tebliği, Tarım Ürünlerine İlişkin Dahilde İşleme Rejimi Genelgesi, Madde 5 DİİB Kapsamında İthalatına İzin Verilmeyecek Maddeler.

import cheaper olive oil in order to find more locations to export their products to and to be able to compete with the international prices. This shows that they have certainly been inspired by the agricultural liberalization of trade and want to put forward the olive as a more valuable cash crop in the international market.

In contrast to the internationally-based olive producers, the local producers, who are mainly local merchants, are worried about the demands of the exporters. They believe that if the state allows olives and olive oil to be imported, cheaper crops will be able to enter the country, and it will become impossible to compete in the domestic market with these cheaply produced crops. Furthermore, local scale producers emphasize that the total amount of olive production in Turkey is sufficient for the Turkish population, which makes the import of olives quite futile. However, the same local producers also affirm that there are many difficulties in domestic production, which makes olive production and domestic marketing quite unfavorable. Based on this picture, it is possible to say that although the current DIR regulations protect the local producers from the internationalization of the Turkish olive sector, due to the unfavorable conditions in domestic olive production the internationally-based producers have transformed the olive sector into a politically contested area by pressuring the state authorities to change the DIR regulations in the olive sector. Based on the experiences of local olive producers of different scales as well as the different parties that either favor or oppose the changes in the DIR regime, this chapter will evaluate the marketization and liberalization process in the olive trade.

How Do the Actors in the Olive Sector Evaluate the Liberalization of the Olive Trade?

In this chapter the actor on behalf of international based producers is EZZIB, on the other side the stakeholders that represent local olive producers are UZZK, Ayvalik

Chamber of Commerce and the chairman of Ayvalık TARİŞ Cooperative. Moreover, during this part, interviews with local olive producers in Ayvalık, Karaayıt and Akçapınar villages, and on Cunda Island illustrated the positions of the olive producers within the debates over liberalization of olive trade in detail.

According to Ali Nedim Güreli, the head of the EZZIB, since the state does not allow olive and olive oil to be imported, the value of exports declines each year. He thinks that since importing is allowed in the iron and steel, textile, flour and wheat industries, the DIR should be free for olives and olive oil as well because when the state does not allow olives and olive oil to be imported, the exporters lose their share in the international market when the productivity level of the domestic crops is very low.¹¹⁶ His argument shows how the internationally-based producers focus on international trade. In order to legitimize the agricultural liberalization in the olive trade, he uses the wheat industry as another example of a DIR.

In contrast to the position of EZZIB, the National Olive Council (UZZK), another significant actor in the olive sector, issued a press release in order to clarify why the DIR is harmful for local olive producers. Mustafa Tan, the head of UZZK, emphasized the output of Turkish domestic olive consumption. He stated that while there is less consumption in the domestic market, there are still enough crops to export. For this reason he finds the DIR in olive and olive oil unnecessary.¹¹⁷

In addition, in response to Güreli's speech, Tan provided some statistics on the amount of table olive and olive oil exported in the past ten years. Based on this information, while 36,598 tons of table olives were exported in the 2001-2002 season,

¹¹⁶“DIR çıkmayınca zeytinyağı ihracatçısı fasona yöneldi”, *Toprak, Onur, Yaşam, Karasaban*, 11 Jan. 2011, <<http://www.karasaban.net/dir-cikmayinca-zeytinyagi-ihracatcisi-fasona-yoneldi/>>.

¹¹⁷UZZK Basın Bildirisi, “Zeytinyağında Dahilde İşleme Rejimi Gereksiz”, *Toprak, Onur, Yaşam, Karasaban*. 5 Mar. 2011 <<http://www.karasaban.net/uzzk-zeytinyaginda-dahilde-isleme-rejimi-gereksiz/>>.

this amount increased to 65,700 tons in the 2008-2009 seasons. Regarding the export of both packed and bulk olive oil, even though the amount of olive oil exports appears to have increased only slightly from 2001 to 2010, the value of the exports increased dramatically in this period. He explained this controversy by drawing attention to the increase in the export of packed olive oil. He stated that even though the total amount of exported oil last year was 11,797,671 tons, the value of this is \$47,527,835, up from \$24,852,812 four years before. This shows that while the amount of packed olive oil exported has only increased by six percent in the past four years, the value of this amount has increased by ninety-one percent.¹¹⁸

Based on this data, it is possible to say that UZZK, as one of the leading actors in the olive sector, highlights the importance of domestic production and evaluates the role of exports in the olive sector by looking at both the advantages and disadvantages to the domestic market. In this regard, unlike the speech by the head of the exporters association, here, rather than the amount of exports, the value of the exports was taken into consideration. This shows that UZZK has a tendency to protect the local producers and to encourage the export of packed olive oil if it is not harmful to the local producers.

These two parties illustrate the ongoing contestations around the DIR issue in the olive sector. Although the arguments of the parties are briefly presented, it is necessary to mention that the internationally-based producers, which are represented by EZZIB, have been discussing the DIR issue in the olive sector for years. On the other side, besides UZZK's position on this issue, to what extent the local producers oppose the DIR, if the DIR will be free in olive and olive oil, and what kinds of problems the local producers may perceive will be discussed in this chapter using interviews conducted with local producers, merchants, and the local commerce office.

¹¹⁸UZZK Basın Bildirisi, "Zeytinyağında Dahilde İşleme Rejimi Gereksiz".

An analysis of the interviews shows that none of the producers want a DIR for olive and olive oil since they think that it will put pressure on domestic prices. For example, as the chairman of the Ayvalık Tariş Cooperative affirms, they are against a DIR because it would be harmful for the local producers, mainly those who do not partake in commercial activity, the cheaper price of the imported products would put pressure on the prices of the local producers, and, since the input costs are quite high, it would be impossible for the local producers to compete with the prices that will result from the DIR.¹¹⁹ Much like the current chairman of Ayvalık Tariş, the former chairman, who is also a mid-scale producer, is against it as well. According to him, protecting the local olive oil is more important than earning money from importing and exporting.¹²⁰ However, in terms of the current conditions, he is not satisfied with the government's olive policy. He believes that, "there is not an olive policy"¹²¹; this puts the local olive producers in trouble, and as a result they have to deal with very high input costs without state subsidies or a helpful quasi-governmental cooperative like Tariş was previously. While the local producer prefers not to have a DIR in the olive sector because of its potential harmful impact on domestic olive production due to the existing unfavorable conditions for olive production, he seems unsure about the future of the local producers.

Looking at the local scale merchants mentioned in the previous chapter, both the boutique merchant in Cunda and the oldest boutique merchant in Ayvalık affirm that they are against a DIR in the olive sector. For example, the merchant in Cunda specifically emphasizes his reluctance for exporting due to the fact that he believes that exported crops which are cheaply produced will be more likely to hurt the quality of domestic olives and olive oil. On the other hand, he said that while there are currently

¹¹⁹Olive Producer A and Chief of Ayvalık Tariş Cooperative, Personal interview, 11 Apr. 2011.

¹²⁰Olive Producer B, Personal interview, 12 Apr. 2011.

¹²¹Ibid.

enough products in the domestic market, the introduction of new crops would damage the local merchants.¹²² Similarly, the owner of the oldest olive and olive oil boutique in Ayvalık evaluated the ongoing contestations comparatively:

If someone says that we need to import, it means they are able to produce olives cheaply. Here again we face state subsidies. I believe that if the DIR is free, imported products would likely be sold in the domestic market; this means that poor quality olive oil would be sold as Turkish olive oil. Why? It is better to not sell anything.¹²³

According to the opinions put forth by these merchants, the main reason for their opposition to the DIR is to protect the local olive producers, which also means protecting the domestic market. Another significant detail in these interviews is that while both of the merchants mentioned the high input costs in domestic olive production, the second interviewee linked this point to the lack of subsidies, illustrating the complexity of the process occurring on the ground in the olive sector. Although the state is currently supposed to protect the local producers and the domestic market via the DIR regulations, since the local producers face many problems related to production due to the high input costs and insufficient subsidies, this protection seems to be temporary according to the interviewer's personal observations. Based on this account, the following interview will take into consideration the arguments of the local producers in order to better understand the extent to which they are capable of resisting against the attempts of internationally-based producers to change the DIR regulation in the olive trade.

By analyzing what the both the small-scale and mid-scale producers stated about the DIR regulation in the olive trade, this chapter will summarize the current conditions for olive production which favor or oppose domestic olive marketing. A mid-scale

¹²²Olive Merchant A, Personal interview, 13 Apr. 2011.

¹²³Olive Merchant B, Personal interview, 14 Apr. 2011.

producer (who, taking into account the trees he rents, owns 3,200 trees in total) who lives in Cunda states that, “we are producers and we can neither import nor export because we earn our living entirely from olive production by trading with merchants in the domestic market.”¹²⁴ Despite owning a significant number of olive trees, this producer is not willing to either import or export, and he prefers to work with the actors in domestic market.

The other mid-scale olive producer on Cunda Island also announced that he is against importing in the olive sector under the existing conditions due to the very high input costs in olive production. If cheaper olive oil enters the country, he believes that it will damage the sale of domestic products. On the other hand, he would welcome state support, such as tax relief for fuel for olive producers, in order to reduce the input costs in olive production so as to make importing and exporting beneficial for domestic producers.¹²⁵

Although the argument of the last producer is not a far cry from that of the former one, there is a subtle difference between the two producers’ points on the DIR issue in the olive sector. While both of them are against the DIR in the olive trade because they prefer to increase the value of their products in the domestic market, the latter producer emphasized the role of the current conditions in the olive sector for his disinterest in importing or exporting. That is why he suggested that if the state facilitated olive production through production subsidies, he would give the DIR issue the green light. To this extent, although this producer seems to be quite enthusiastic for the “liberalization of the Turkish olive trade”, he demands subsidies from the state in order to marketize his own olive production so as to be as profitable as possible. This shows that this producer is not completely against the process of the liberalization of

¹²⁴Olive Producer C, Personal interview, 13 Apr. 2011.

¹²⁵Olive Producer D, Personal interview, 13 Apr. 2011.

olive production on the ground; however, he still wishes to see protectionist measures from the state in olive production. From this, it is possible to conclude that producers internalize the liberalization of the olive trade to different degrees.

In addition to the mid-scale producers, the smaller scale olive producers in the villages can provide some more details about the contested process of the liberalization of the olive trade. The producers in the village of Karaayıt, who own a very small number of trees, did not mention the DIR issue; rather, they discussed their relatively more urgent problems in olive production. On the other hand, taking into consideration the ongoing problems in olive production, the producers in Akçapınar explained why they are against the DIR. For example, one of the wealthier producers in the village, who owns almost 1,000 trees, complained about the state policies on olive production. According to him, since his trees are quite far away from his house, he has to travel by car to go care for his trees. Since fuel is so expensive, and the state does not waive fuel taxes for olive producers, it is very hard for his family to carry on with olive production. He did not anticipate that despite owning more trees than other producers in the region he would face problems with production costs. In addition, not all the villagers are able to produce to the same extent, due to owning fewer trees which are located a distance from their houses. Based on these problems, in terms of olive production in Akçapınar, this producer argued that he is totally against a DIR in the olive trade because if the state introduced a DIR, very cheaply produced products would be more likely to enter the country, and then it would be impossible for them to sell to either local or international merchants. He also stressed that “we are producers; we neither have the opportunity to import nor to export”.¹²⁶ This shows that while the producer does not have a positive opinion of the liberalization of trade, he is favor of the domestic market in which he marketizes his products via local producers.

¹²⁶Olive Producer G, Personal interview, 14 Apr. 2011.

Much like this relatively large producer in Akcapınar, another producer, who owns very few trees, also started off complaining about the difficulties he faces in olive production. According to this producer, thanks to the current DIR regulation, which prohibits the importation of olives and olive oil, local merchants in the Ayvalık region have an opportunity to sell their products at a suitable price in the domestic market. In addition, he thinks that the subsidies are too low, and since Tariş was privatized they do not have any other support from the state for olive production. Therefore, he appreciates the current DIR regulation.¹²⁷

Based on this interview, it is possible to evaluate some of the certain processes of liberalization that are mentioned at the beginning of this thesis – the privatization of the ASCUs, the commercialization of olive production, the liberalization of the olive trade, and the overall marketization process in the olive sector. According to this producer’s description of the several challenges he perceives in olive production, it is possible to say that all of these challenges stem from the ongoing liberalization process, including the privatization of Tariş, the removal of state subsidies via the ARIP project, and the commercialization of olive production through several merchants in the olive sector. As a result of these processes, the producer explained that neither Tariş nor the state is helpful for them, and it is more beneficial for them to trade only with local merchants. To this extent, if the DIR regulation for the olive sector is changed to benefit the international producers, it will probably be impossible for them to compete with the cheaply produced imported products that will flood the domestic market. This interpretation shows that the local producers are worried about being dispossessed from the domestic market where they earn a living.

Meanwhile, in contrast to the producer on Cunda Island who was in favor of the liberalization of the olive trade if the state improved the conditions of olive production,

¹²⁷Olive Producer H, Personal interview, 14 Apr. 2011.

the local producers in Akçapınar are totally against the DIR in the olive trade and prefer instead a more efficient domestic market, encouraged by both the state and Tarış. In this regard, it is possible to conclude from the interviews with olive producers of different scales that the liberalization of the olive trade and the marketization process are internalized to different degrees. While the former producer gave the green light for the internationalization of olive trade, the latter producers do not look positively at any attempt to internationalize the olive trade.

Another interesting interview takes place with a local family of producers, who are also one of the leading local merchants in the Ayvalık region for selling only their own products. They own a boutique store in the center of Ayvalık and also have a big factory near the center. As was mentioned in chapter three, the majority of the habitants of Cunda Island and Ayvalık came from Midilli Island following the population exchange dictated by the Treaty of Lausanne in 1923; this family came from Girit Island in 1923 as a result of the same treaty. The grandparents of the current owners of the company (the interviewee owns the company with his father, mother and sister) were also olive producers on Girit Island before the population exchange, and the next three generations continued in the olive trade in Ayvalık as well. They own more than one decare of land full of olive trees in Ayvalık.¹²⁸ Accordingly, this family is both a large-scale producer as well as a large-scale merchant. Before discussing the DIR issue in the olive sector, the son, an associate in the company, mentioned the most critical problems in both olive production and marketing. He emphasized:

It doesn't matter whether you are a large or small scale producer – there are several problems in the olive sector. For example, the purchase prices have remained constant for five years while the production costs have more than doubled. That is why it is almost impossible for someone to earn a living from only olive production regardless of the number of trees he owns!¹²⁹

¹²⁸Olive Producer and Merchant J, Personal interview, 15 Apr. 2011.

¹²⁹Ibid.

He explained that the reason for these problems is the current subsidy system. Although he did not like the previous support system, Direct Income Support which was one of the significant parameters of ARIP from 2001 to 2008, he finds the current system, where bonuses are given, better than the previous one because he believes that the state encourages the productive olive producers in the current system. In other words, rather than giving support based on the amount of land, the state supports the producer based on his productivity. This is a good first step according to him. However, in order to encourage the producers to be more efficient, the amounts of the subsidies must also be increased due to the very high input costs that olive producers face. In this regard, a discount on the fuel tax is a vital method of support that olive producers have been calling for for many years.

On the other hand, the level of domestic olive oil consumption is low which presents a marketing problem for local olive producers. While the population of Turkey is approximately 70 million, the numbers of olive oil consumers is low, and the majority of consumers buy from the monopolies such as Komili, Kırlandıç, Tariş, etc. Based on these problems in the olive sector, he suggested that the other local merchants have a place in the domestic market alongside the monopolies. In order to have a place, they need support from the state, but also changes should be made in the domestic olive market. For example, according to him, due to the fact that olive oil is a type of fruit juice but the other oils are not, it is very important to separate olive oil from the other kinds of oils such as corn oil, canola oil, and sunflower oil. To this extent, he emphasized that setting the price of olive oil based on the prices of the other oils in the retail market makes business very difficult for the local producers and merchants. In order to deal with the problems in the domestic olive oil market, he adopted a new

program which presents qualified producers with a certificate for “good agricultural practices”. However, during the introduction of this practice, the District Directorate of Agriculture did not encourage them; rather, the officials from the directorate chided them for making them busy with this practice. However, eventually, he received this certificate which confirms the quality of their products.

This talk about the problems with olive production illustrates that in spite of being a relatively large-scale producer in one of the centers of olive production, this producer, who is also a merchant, has some problems with the process of the liberalization of olive production. Since there are monopolies in the olive sector, and the prices are set according to the prices of the other oils, they are less likely to compete with the monopolies and the other types of oils in the domestic market. That is why a shareholder in the company emphasized the distinct place of olive oil in the market in comparison to other types of oils as well as the distinctiveness of their olives, which are produced according using good agricultural practices. In contrast to the other two boutique stores in the region, as the owners of this store are also producers, they underlined the difficulties that both local producers and merchants face in the domestic market.

In spite of having several problems in the domestic market, the interviewee hopes that olive consumption, which is predicted to rise from 1.4 kilograms to 4 kilograms per person, really does increase. This would mean that in the future there would be a balance between supply and demand for olive oil. After discussing the problems and solutions for olive producers, he explained why he is opposed to the DIR in the olive sector:

I am certainly against importing olive oil. I can't understand how the head of EZZIB, who is from Ayvalık, pressures the state to change the DIR regulations, while we are not even able to sell our products in the large domestic market due to the low level of consumption. It is probably because the members of EZZIB are not producers; they are mostly exporters!¹³⁰

Here, he insists that since both the head of EZZIB and the members of this association are mostly internationally-based producers or merchants, they put pressure on the state to change the DIR regulation and to allow imports in the domestic market. This would allow the importers and exporters to earn money from the olive trade instead of the olive producers. As a result, the local producers will likely be eliminated from the domestic market.

He suggested that instead it is more imperative to find a solution to the following problems: the increase in the price of fuel, the unchanging price of olive oil, the low level of olive oil consumption, and the threats that the land with olive trees will be mined. Due to these problems, the olive producers view the DIR issue as a stick and are unable to see any enticing carrots. He emphasized that in order for local scale olive production to continue, the DIR regulations for the olive sector should remain as they currently are otherwise the olive trade would be internationalized which would prevent the continuation of the local and traditional method of olive production.

Giving examples from EU countries such as Spain, Italy, and Portugal, which produce olives in an intensive automated fashion, he suggests that this type of production transformed the olive industry into a kind of a factory-based industry which resulted in the elimination of jobs in this sector. The industrialization of olive production in the EU countries is taken into consideration by this producer/merchant due to the fact that he is afraid of the liberalization of the Turkish olive trade through changes in the DIR regulations. As he put it, if the DIR regulations are revised by the

¹³⁰Olive Producer and Merchant J, Personal interview, 15 Apr. 2011.

state, the local producers will have to compete with imported products in the domestic market. However, the cost of production abroad, even in EU countries, is lower than the costs of Turkish producers. Also, he mentioned that production bonuses are higher for producers in the EU countries, thus making it impossible for local producers in Turkey to compete with international prices. This is what a local producer/merchant family worries about.

Accordingly, it can be determined that this local scale producer/merchant family does not favor the internationalization of the Turkish olive sector; thus, they oppose the liberalization of the olive trade via changes in the DIR regulations. Although this family has a definite position on the DIR issue, the family's son underlined a very significant characteristic of the general behavior of the producers in Ayvalık:

There is no doubt that any re-regulation in the DIR will damage the small and mid-scale producers in this region. However, the producers in Ayvalık are politically passive in opposing this issue. For example, when UZZK organized a meeting, we were the only two people from Ayvalık to attend and we are members of the Ayvalık Olive Manufacturers Association (AZUD).¹³¹

One more actor, AZUD, which supports olive production on behalf of the local olive producers, emerges in Ayvalık. Meanwhile, the interesting point is that while the majority of the habitants of Ayvalık make a living from local scale olive production, they are not as active as expected in resisting change to the DIR, even though most of them oppose such changes.

Finally, as the producer confirmed, fortunately olive production has not been completely industrialized in Turkey because of the unintensive model of farming. However, if the DIR regulations change, it will probably be both industrialized and internationalized in order to be able to compete with the international prices. Moreover, he briefly mentioned the problems in olive production. Since olive oil has to compete

¹³¹Ibid.

with other types of oil, such as sunflower, corn, and canola oil in the retail sector, the domestic olive market has been already struggling with the industrialization of olive production, and local producers are trying to protect their boutique style in the domestic market.

In addition to the existing problems in the olive sector, he also provided some examples of local cotton and tobacco producers who were negatively affected by the agricultural liberalization process. For instance, after changes were made in the DIR regulations for the tobacco and cotton trades, local producers in the Bergama plains were dispossessed of their land and have either started to farm different crops or have become workers in different sectors, such as the industrialized agricultural sector and the mining sector. Based on the experiences of these producers (cotton and tobacco producers) and their stories of being dispossessed, he emphasized that the olive producers are more aware of the consequences of changes to the DIR regulations, which would allow olives to be traded internationally and likely eliminate local scale olive producers. That's why neither of the local scale producers favor the changes in the DIR but the internationally-based ones put it on the state's political agenda quite often.

Lastly, an interview with the head of the local (Ayvalık) chamber of commerce will explain how the domestic market is supposed to be protected by the local merchants and by an institution established for the local scale merchants. In this regard, the head of the chamber declared that they are against the DIR in the olive trade because while currently 165,000 tons of olive oil has been produced, it is estimated that this will soon rise to 350,000 tons due to the newly planted olive trees. Moreover, since the average consumption is 1.4 kg per person, there is enough olive oil for the domestic market and even for exporting. According to the chamber, it is much more important to increase the total amount of consumption than it is to import olive oil from abroad and then to export

it.¹³² Much like the previous interviews, he emphasized that while the biggest problem in olive production is the high input costs, mainly fuel costs, a change in the DIR would likely eliminate the local scale olive producers. In this regard, since the chamber of commerce is designed to protect the local scale olive producers, the head criticized Güreli and EZZIB for pushing the state to change the regulations for the benefit of international producers.¹³³

Conclusion: The Olive Sector Has Not Been Internationalized Yet

To conclude, this chapter analyzed two significant processes of liberalization – the liberalization of the olive trade and the marketization process in olive production by taking into consideration the ongoing debates around the DIR regulations for the olive trade. In this debate, while majority of the local scale producers are against any changes in the DIR regulations, which would internationalize the Turkish olive sector by liberalizing the olive trade, the internationally-based producers, who are united under EZZIB are pushing the state authorities to change the current DIR regulations to permit the import of olives and olive oil.

Based on the interviews conducted with different actors in the olive sector and local producers and merchants of different scales, this chapter illustrated that there are several problems both in local olive production and in the domestic market which have made the job of the producers quite difficult. For example, all the local scale producers

¹³²Head of the Ayvalık Commerce Office, Personal interview, 12 Apr. 2011.

¹³³Ibid.

and merchants complained about the insufficient state subsidies, unchanging prices, high input costs in olive production, and low levels of domestic consumption.

According to them, if these challenges are dealt with by the state and the actors in olive sector (such as UZZK, AZUD, Tariş, the Ayvalık Chamber of Commerce), the olive producers would be more likely to be more consolidated. In addition, besides the problems within the olive sector, some of the local scale producers also described the unfortunate experiences they had in the past in other areas of agricultural production, such as tobacco and cotton, which were internationalized due to changes in the DIR regulations. Accordingly, they affirmed that they are strongly opposed to both importing and exporting as they think that the supply (olive production) and demand (domestic olive sales) has not balanced in the domestic market yet, and that several problems remain in the domestic market. In this context, if cheaply produced olives and olive oil enter Turkey, the local scale producers will likely be dispossessed from the domestic market, as was generally the case in the tobacco and cotton industries.

In sum, as the main purpose of this research is to investigate the degrees of liberalization in the olive sector, the ongoing debate over the DIR issue in the olive trade shows that the majority of the local scale olive producers oppose the potential changes in the DIR regulation in order to avoid being negatively impacted like the tobacco or cotton industries were. They neither favor opening the industry to imports and exports nor do they prefer to adopt the intensive type of production which most of the other olive-producing countries in the world use. To this extent, this chapter shows that the olive sector stands out from the other sectors in the ongoing neo-liberalization of Turkish agriculture and illustrates the special aspects of the liberalization of the olive trade and the marketization of olive production. Based on this account, the following chapter will investigate the other degrees of liberalization in olive production by examining the ongoing disputes between the olive producers and mining lobbies.

CHAPTER V

THE DIFFERENT MODALITIES OF COMMODIFICATION IN THE OLIVE GROVES

Introduction: Dual Contestations over the Olive Law

Through an examination in the previous chapters of the various processes of liberalization, this research has illustrated how neo-liberalism is a politically contested process which has uncertain consequences. This final chapter will analyze another process of liberalization: the different manifestations of the commodification of the land with olive groves by examining the contestations between the mining lobbies and the olive producers. As was explained in the theoretical chapter by referencing agrarian capitalism literature, agricultural production has been commodified in the marketization process, which is a critical process of neo-liberalization. Based on this literature, this chapter will take into consideration the extent to which the olive groves have been commodified by the stakeholders in both the olive and mining industries and will also discuss what kind of struggles have been occurring on the ground in the olive sector because of the threat that the land with olive trees will be mined. For this purpose, this chapter analyzes the different modalities of the commodification of the olive land by taking into consideration the leading actors during the ongoing political contestations.

To illustrate the positions of the mining parties, Young Mining Operator Association, Chamber of Mining Engineers, Parliamentarians in AKP government and

the Ministry of Energy and Natural Resources (MENR) will be the actors at mining side. Ministry of Agriculture and Rural Affairs (MARA) will be taken as the main actor during the contestation between two sides, and it will be also one of the parties in its contestation with olive stakeholders. For olive side, UZZK, Ayvalık Chamber of Commerce, Tariş, AZUD, Zeytinsen, and Parliamentarians from mostly oppositional parties will explain the position of the olive stakeholders. Moreover, as far as the interviews show, local olive producers and olive merchants will be the significant actors during this chapter as well.

While the olive groves became a contested area between the stakeholders in the olive and mining industries following several attempts by the MENR to amend law number 3213 (the Mining Law)¹³⁴ by changing Article 20 of law number 3573 (the Law on the Improvement of Olive Growing and the Grafting of Wild Plants)¹³⁵, another contestation between the stakeholders in the olive industry and the MARA developed when the MARA introduced a new amendment draft for Article 20 of law number 3573. Accordingly, this chapter will take into consideration the various mechanisms of the commodification of the olive land through the attempts of both the Energy Ministry and the Agriculture Ministry to amend the olive law. By doing so, it will also discuss the resistance mechanisms of the stakeholders in the olive industry to law number 3573.

Olive production has been protected by law number 3573 since 1939,¹³⁶ and in 1995 Article 20 was added with law number 4086 which specifically protects the land containing olive groves. As a result, Article 20 prohibited the execution of all non-olive production activities within three kilometers of the olive groves due to the toxic waste

¹³⁴Republic of Turkey, TBMM, 4/6/1985 tarihli ve 3213 sayılı Maden Kanunu, 26 May 2011 <http://www.enerji.gov.tr/mevzuat/3213/3213_Sayili_Maden_Kanunu_5177_Degisiklikler_Islenmis_.pdf>.

¹³⁵Republic of Turkey, TBMM 26/01/1939 tarihli 3573 sayılı Zeytinciliğin Islahı ve Yabanilerin aşılatırılması hakkında kanun, 1 May 2011 <<http://www.tugem.gov.tr/kanunlar/3573.pdf>>.

¹³⁶Ibid.

emitted by such operations. This amendment also forbids reducing the size of the olive groves and stipulates that any building constructed within an olive grove cannot total more than ten percent of the olive grove. The implementation of these regulations is supervised by the MARA. According to Article 20, permission from the MARA is also required to run an agricultural business.¹³⁷

Although the olive groves have been protected by the MARA via this law for several years, recently some stakeholders in the mining industry have called for the law to be changed. For example, in 2003, NGOs tied to the mining sector demanded that law number 3213, the Mining Law, be amended in order for the mining sector to work more efficiently and to eliminate some of the difficulties that the mining sector was facing. As a result, the MENR worked with parliamentarians in the TBMM and prepared a draft to amend law number 3213.¹³⁸ However, due to the inclusion of a section (Article 25) in the amendment which introduced an amendment to Article 20 of law number 3573, the Olive Law, the stakeholders in the olive sector as well as some parliamentarians from the opposition parties opposed amending law number 3213 if Article 20 in law number 3573 would be changed as well. Therefore, only the second portion of the amendment was accepted by the parliament in 2003,¹³⁹ and Article 25, which the Commission of the MENR introduced in attempt to change Article 20 of law number 3573, was rejected by the general assembly of the Parliament.¹⁴⁰

A. K., a mining engineer who is a member of the Chamber of Mining Engineers of Turkey (TMMOB), one of the leading stakeholders in the mining sector, describes the

¹³⁷Republic of Turkey, TBMM 26/01/1939 tarihli 3573 sayılı Zeytinciliğin Islahı ve Yabanilerin aşılatırılması hakkında kanun Madde 20 – (Değişik: 28/2/1995 - 4086/5 md.).

¹³⁸Genç Maden İşletmecileri Derneği, 3213 sayılı maden kanunu ve bazı kanunlarda değişiklik yapılmasına ilişkin kanun tasarısı, 28.05.2003 tarihinde Sanayi, Ticaret, Enerji, Tabii Kaynaklar, Bilgi ve Teknoloji Komisyonunun kabul ettiği metin, 26 May 2011 <<http://www.gemad.org.tr/makale.php?id=97>>.

¹³⁹Ibid.

¹⁴⁰Ibid.

process of amending law number 3213 (the Mining Law) between 2003 and 2011.¹⁴¹ He mentions how the 2004 amendments to the Mining Law were rejected by the Supreme Court on January 15, 2009, which allowed the MENR to prepare a new draft of necessary amendments to law number 3213. Accordingly, the Ministry introduced a draft of the amendment to the TBMM on March 3, 2010. This draft included several changes not only within the articles of law number 3213 but also to some articles from other laws, such as 6831, 4915 and 3573 (the Law on the Improvement of Olive Growing and the Grafting of Wild Plants).¹⁴² In terms of these amendments, A. K. placed emphasis on the requirements of the mining sector, which explains why the amendments to law number 3213 are so important: “The mining industry plays a very significant role in the development of the country. If more attention is paid to the environment, it will be possible to implement projects which do not damage the environment or agriculture.”¹⁴³

Despite the TMMOB's optimistic explanations, the stakeholders in the olive industry were not in favor of amending mining law number 3213, which included

¹⁴¹ Asım Kutluata, Chamber of Mining Engineers of Turkey, 10 May 2010, 26 May 2011
<http://www.maden.org.tr/genel/bizden_detay.php?kod=4893&tipi=23&sube=0>.

¹⁴² “5177 Sayılı Kanunla, 3213 Sayılı Maden Kanunu'nun 5 Haziran 2004 tarihinde 7. ve 10. maddeleri ile bir çok maddesinin değiştirilmesi, bu iki maddenin Anayasa Mahkemesi tarafından 15.01.2009 tarihinde iptal edilmesi, gerekçeli karar yayınlandıktan sonra 1 yıllık sürede yeni düzenleme yapılması kararını gerekçe gösteren Danıştay, Maden Kanunu İzin Yönetmeliği'nin neredeyse tamamının yürütmesini, 10.02.2009 tarihinde durdurulmasına karar vermişti. Bu çerçevede yapılması gereken yeni düzenlemelere, Enerji ve Tabii Kaynaklar Bakanlığı tarafından bu yılın ilk aylarında başlanmış, değişik zamanlarda yapılan toplantılar sonucu 3 Mart 2010 tarihinde hazırlanan Maden Kanunu'nun bazı maddelerinde değişiklik yapan Hükümet Tasarısı Meclise gönderilmiştir. ETKB Maden İşleri Genel Müdürlüğü Anayasa Mahkemesi tarafından iptal edilen bu iki madde ile eksik gördüğü ve düzeltilmesini istediği bir çok maddenin de eklenmesi ile tasarı, Enerji ve Sanayi Üst Komisyon tarafından Alt Komisyona gönderilmiştir. Alt Komisyonda Maden Kanunu'nun Bazı Maddelerinin Değiştirilmesine Dair Hazırlanan Tasarıya eklenen yeni maddelerle 6831 sayılı Orman Kanunu'nun 16. maddesi, 4915 sayılı Kara Avcılığı Kanunu'nun 4. maddesi, 3573 sayılı Zeytinciliğin Islahı ve Yabanilerinin Aşılattırılması Hakkında Kanununun 20. maddesinde de değişiklik yapılması önerileri ile tasarının adı, 3213 Sayılı Maden Kanunu ve Bazı Kanunlarda Değişiklik Yapılmasına Dair Kanun Tasarısına dönüştürüldü ve Alt Komisyon çalışmalarını tamamlayarak üst komisyona gönderdi.”

¹⁴³ “Maden kaynaklarını iyi değerlendiren ülkeler gelişmiş ülkelerdir. Ancak madenlerin üretilmesi esasında; üretim, ormanlık alanı olumsuz yönde etkilemektedir. Mühendislerin devreye girerek çevreye zarar vermeden ya da kabullenebilir ölçütler içerisinde olmak kaydıyla üretimin gerçekleştirilmesini sağlamak da mümkün olabilir ve de mümkündür.”

changes to Article 20 of the olive law. Before discussing why the stakeholders in the olive industry oppose the changes to law 3213, which includes a section related to olive law 3573 (Article 20), the process of amending a law in the Ministries' commissions and the parliamentary debates prior to the approval of the amendment to law 3213 will be taken into consideration.

The attempts to amend Mining Law 3213 occurred in three phases. First, the main commission – the MENR– prepared a draft of the amendment to law number 3213 (2/572) and A. R. Ö., a CHP deputy from Mersin, introduced it to the TBMM on January 7, 2010.¹⁴⁴ This draft only included amendments to the mining law. Next, the MENR prepared a draft (1/821) of the amendment to law number 3213 in conjunction with the other subsidiary commissions (constitution, environment, internal affairs, budget and planning, and agriculture and rural affairs) and the Prime Minister introduced it to the TBMM on March 4, 2010.¹⁴⁵ This draft also did not include changes to other laws; it only introduced amendments to Articles 3, 7, 10, 12, 13, 24, 32 and 47 of Mining Law 3213.¹⁴⁶ Lastly, the main commission prepared a draft (2/670) of the amendments to law 3213 with the other subsidiary commissions (constitution, environment, budget and planning, and agriculture and rural affairs) and M. C., an AKP deputy from Trabzon, A. D., an AKP deputy from Siirt, introduced the draft to the TBMM on April 15, 2010.¹⁴⁷ This amendment included not only changes to law 3213

¹⁴⁴Turkey, TBMM 23/4 Yasama Yılı, 2/572 Esas Numaralı, Maden Kanununda Değişiklik Yapılmasına Dair Kanun Tasarısı, 7 Jan. 2010
<http://www.tbmm.gov.tr/develop/owa/tasari_teklif_sd.onerge_bilgileri?kanunlar_sira_no=80178>.

¹⁴⁵Republic of Turkey, TBMM 23/4 Yasama Yılı, 1/821 Esas Numaralı, Maden Kanununda Değişiklik Yapılmasına Dair Kanun Tasarısı, 4 Mar. 2010, 26 May 2011
<http://www.tbmm.gov.tr/develop/owa/tasari_teklif_sd.onerge_bilgileri?kanunlar_sira_no=81686>.

¹⁴⁶Ibid.

¹⁴⁷Republic of Turkey, TBMM 23/4 Yasama Yılı, 2/670 Esas Numaralı, Maden Kanununda Değişiklik Yapılmasına Dair Kanun Tasarısı, 15 Apr. 2010
<http://www.tbmm.gov.tr/develop/owa/tasari_teklif_sd.onerge_bilgileri?kanunlar_sira_no=82671>.

but also changes to other laws, including the amendment of Article 20 of law number 3573, the olive law.¹⁴⁸ Although the TBMM approved law number 5995 on June 10, 2010,¹⁴⁹ which amended Mining Law 3213, some of the sections in the draft were rejected due to the fact that some parliamentarians opposed some of the changes related to the olive law, forest law, etc. in the draft. One of these proposed changes was the amendment of Article 20 in law 3573 in the mining law amendment, which was introduced by AKP Trabzon deputy M. C. and AKP Siirt deputy A. D. with draft number 2/670. According to the parliamentary record from before the vote on the draft, some of the deputies explained why they were opposed to changes in other laws during the amending of the mining law.¹⁵⁰

In order to reject Article 19 in the amendment draft, which included a change to Article 20 of Olive Law 3573, twelve deputies from both the ruling party (AKP) and the opposition parties (CHP and MHP) made a motion for Section 19 to not be included in the amendment. The following parliamentarians signed the motion: C. U. (MHP Edirne), A. N. B. (AKP Istanbul), P. T. (AKP Zonguldak), A. I. (MHP Kütahya), A. K. (AKP Bursa), T. S. (CHP Adana), H. P. (CHP Balıkesir), E. A. (CHP Balıkesir), M. A. S.

¹⁴⁸Tbid.

Gerekçe: Madde 9-Zeytinciliğin Islahı ve Yabanilerinin Aşılattırılması hakkında kanununda “zeytinlik sahaları içinde ve bu sahalara en az 3 km mesafede zeytinyağı fabrikası hariç zeytinliklerin vegetatif ve generatif gelişmesine mani olacak kimyevi atık bırakan, toz ve duman çıkaran tesis yapılamaz ve işletilemez. Bu alanlarda yapılacak zeytinyağı fabrikaları ile küçük ölçekli tarımsal sanayi işletmeleri yapımı ve işletilmesi Tarım ve Köyişleri Bakanlığının iznine bağlıdır” Bu hüküm ile zeytinlik alanlarda herhangi bir madencilik faaliyeti yapılamamakta, bu nedenle doğal kaynaklar ekonomiye kazandırılmamaktadır. Söz konusu değişiklik ile bu alandaki doğal kaynakların ekonomiye kazandırılması sağlanacaktır.

Madde 9: 26/1/1939 tarihli ve 3573 sayılı Zeytinciliğin Islahı ve Yabanilerinin Aşılattırılması hakkında kanunun 20. Maddesinin birinci fıkrası aşağıdaki gibi değiştirilmiştir.

“Bakanlıkça tespit ve ilan edilen zeytinlik sahaları içinde zeytinliklerin üreme ve gelişmesine mani olmayacağı Çevesel Etki Değerlendirme sürecinde belirlenmiş olan zeytinyağı fabrikaları, zeytine dayalı tarımsal sanayi işletmeleri, madencilik arama ve işletme faaliyetleri ile geçici tesisler ve yenilebilir enerji kaynaklarına dayalı elektrik üretim tesisleri, seracılık, termal tesisler yapılabilir ve işletilebilir.”

¹⁴⁹ Republic of Turkey, TBMM 23. Dönem, 4. Yasama Yılı, 5995 Maden kanununda ve bazı kanunlarda değişiklik yapılmasına dair kanun, 26 May 2011
<http://www.tbmm.gov.tr/develop/owa/kanunlar_sd.durumu?kanun_no=5995>.

¹⁵⁰ Republic of Turkey, TBMM 23. Dönem, 71. Cilt, 4. Yasama Yılı, 114. Birleşim, 9 Haziran 2010, 26 May 2011 <<http://www.tbmm.gov.tr/tutanak/donem23/yil4/bas/b114m.htm>>.

(CHP Izmir), S. A. (CHP Izmir), M. Ş. (MHP Mersin), and Y. T. (MHP Adana).¹⁵¹ Mersin Deputy M. Ş. explained the reason for their opposition to amending Article 19 of law 5995 or Article 9 of amendment 2/670, which included changes to Article 20 of the olive law: “since the draft includes some significant topics that concern other laws and commissions, we do not accept this amendment as it is.” He continued to explain that even though they knew that it had become necessary to change law 3213 when the Supreme Court rejected some parts of Article 7, the scope of this amendment was problematic. Although the TBMM presidency employed the Planning and Budgetary, Agriculture, and Forest commissions as the supplementary commissions, the changes were only made by the main commission. For this reason he emphasized the fact that the proposed amendments to the olive law or forest law were not discussed and examined in the commissions which have authority in these areas. Since this draft includes changes in some other areas, such as the olive law, and the main commission is not capable of putting forth this amendment on behalf of the MARA, if this amendment was passed, it would have allowed the olive land, which is currently protected by Article 20 of law 3573, to be used for mining purposes. Section 19 of the amendment, which calls for changes to Article 20 of law 3573, should be removed from the amendment.¹⁵²

¹⁵¹Ibid.

Görüşülmekte olan 503 Sıra Sayılı Maden Kanununda ve Bazı Kanunlarda Değişiklik Yapılmasına Dair Kanun Tasarısının 19 uncu maddesi ile 3573 sayılı Kanunun 20'nci maddesinde değişiklik öngören çerçeve maddenin metinden çıkarılmasını arz ve teklif ederiz. Cemalettin Uslu-Edirne, Ayşe Nur Bahçekapılı-İstanbul, Polat Türkme-Zonguldak, Alim Işık- Kütahya, Altan Karapaşaoğlu-Bursa, Tacidar Seyhan-Adana, Hüseyin Pazarıcı-Balıkesir, Ergün Aydoğan-Balıkesir, Mehmet Ali Susam-İzmir, Selçuk Ayhan-İzmir, Mehmet Şandır- Mersin, Yılmaz Tankut-Adana.

¹⁵²Republic of Turkey, TBMM 23. Dönem, 71. Cilt, 4. Yasama Yılı, 114. Birleşim, Mehmet Şandır (Mersin) – *Bir başka kanun ve komisyonu ilgilendiren hususların bu tasarıda yer alması uygun değildir.*

Gereke: 3213 Sayılı Maden Kanunu'nun 7. Maddesi ve bu maddeye bağlı yönetmeliklerin Anayasa Mahkemesi tarafından iptal edilmesinin ardından sektör sıkıntılı günler geçirmiştir. Maden Kanunu dışındaki kanunlarda değişiklik yapılmasına yönelik düzenlemeler; Meclis Başkanlığı tarafından Plan Bütçe, Çevre ve Tarım, Orman ve Köyşleri Komisyonları Tali Komisyon olarak görevlendirilmiştir. Ancak, konunun uzmanı olan Türkiye Büyük Millet Meclisi'nin ihtisas komisyonlarında görüşülmemiştir. Sektörün ruhsat alabilmek için acil olarak beklediği, bu komisyonun konusu olan düzenlemeler dururken, komisyonun uzman olmadığı yasalarda, alanlarda değişiklik yapması belki de düzenlemenin iptaline kadar gidebilecek sonuçları doğuracaktır. Düzenleme ile zeytincilik sahaları içinde

The motion in opposition to the amendment was approved.¹⁵³ As a result, as mentioned above, on June 10, 2010, the TBMM approved law number 5995, which amends Mining Law 3213, but excludes Section 19 which refers to changes in Article 20 of law 3573.¹⁵⁴

This process – the parliamentarians' resistance to the amending of the mining law and thus Article 20 of the olive law – illustrates one side of the contestation in the TBMM over protecting the olive groves. The significant point in this contestation is that at first only the mining law was to be amended. When A. R. Ö., a CHP deputy from Mersin, introduced an amendment to law 3213 with draft number 2/572, which was prepared by the Ministry of Energy and Natural Resources, to the TBMM on January 7, 2010, it did not include any provisions for the olive law. Moreover, afterwards, when the Ministry of Energy prepared the next draft (1/821), it also did not include anything about law 3573. However, when AKP Deputies M. C. of Trabzon and A. D. of Siirt introduced draft 2/670 to the TBMM on April 15, 2010, they included an amended Section 9 in the draft, which included changes to Article 20 of law number 3573. This shows that although the amendment process had begun with only the intention of consolidating the mining industry through revisions to mining law number 3213, during the last phase some deputies from the MENR made changes to the olive law as part of the mining law agenda.

zeytinyağı fabrikası, küçük ölçekli tarım işletmesi ve maden arama faaliyetlerine izin verilmektedir. Türkiye'nin ciddi kaynaklar ayırarak desteklediği, dünya pazarında önemli pay sahibi olmayı hedeflediği zeytin ve zeytinyağı sektörünü yakından ilgilendiren değişikliğin ilgili ihtisas komisyonunda görüşülmeden yapılmaması amacıyla iptal edilmesi amaçlanmıştır. Bugüne kadar mevcut kanunun 20'nci maddesine istinaden ilgili valiliklerce uygulamalar yürütülmekte, bir çok ilde bazı madenler hariç ruhsatlara izin konusunda engel çıkarılmamakta iken mevzuatta geçen 3 kilometrelik mesafede kalan alanda koruma kurulunun toplanması ve karar verilmesi süreci göz önüne alındığında gelecekte sıkıntılara neden olacağından maddenin taslaktan tamaminin çıkarılması gerekmektedir.

¹⁵³Republic of Turkey, TBMM 23. Dönem, 71. Cilt, 4. Yasama Yılı, 114. Birleşim.

¹⁵⁴Republic of Turkey, TBMM 23. Dönem, 4. Yasama Yılı, 5995 Maden kanununda ve bazı kanunlarda değişiklik yapılmasına dair kanun, 26 May 2011
<http://www.tbmm.gov.tr/develop/owa/kanunlar_sd.durumu?kanun_no=5995>.

Although this attempt to change the law was not approved by the majority of deputies in the TBMM General Assembly and the motion to reject this section was approved in the General Assembly, the extent to which the MARA played a leading role in opposing the amendment to law 3573 is questionable due to the fact that in the last phase the draft of the amendment to law 3213 (2/670) was prepared by both the MENR, as the main commission, as well as by the MARA, which took part in drafting the amendment as a subsidiary commission. This shows that despite being one of the subsidiary commissions who participated in the preparation of the draft, it is not clear whether the MARA was against amending Article 20 of law 3573 or not. Based on the ambiguous position of the MARA, the following section will take into consideration the positions of the stakeholders in the olive industry in the ongoing contestations and will examine the extent to which they are satisfied with the position of the MARA on this issue.

As mentioned at the beginning of this chapter, there is not just one contestation regarding the olive law. The second contestation began when the MARA introduced a bill on the regulation of the olive land.¹⁵⁵ This bill proposed two critical amendments to the existing olive law (law number 3573). It first introduced an amendment to Article 4 of the regulation which called for the re-definition of the olive land. According to this definition, private property containing olive groves must measure at least twenty-five acres in order to be given “olive land” status and be protected by law 3573.¹⁵⁶ The

¹⁵⁵ Tarım ve köyişleri bakanlığından; zeytinciliğin ıslahı, yabancılarının aşlattırılmasına dair yönetmelikte değişiklik yapılmasına dair yönetmeliktaslağı, 26 Mayıs 2011, <<http://www.cevrehukuku.net/index.php/taslak/608-zeytincilik-yonetmelik-taslak>>.

¹⁵⁶ Ibid.

MADDE 2- Aynı Yönetmeliğin 4 üncü maddesine aşağıdaki tanımlar eklenmiştir:

“Küçük Ölçekli Tarımsal İşletme: Üretim faktörlerini kullanarak, bitkisel ve/veya hayvansal ürünlerin üretimi için tarımsal faaliyet yapan ve işletme içerisinde tarımsal ürünlerin üretimden sonra koruma ve/veya işlemlerini yaparak mamul veya yarı mamul hale getirmeye yönelik ekonomik faaliyette bulunan elli kişiden az yıllık çalışan istihdam eden işletmeler, Zeytinlik Saha: Orman sınırları dışında bulunan ve

second amendment was concerning Article 23 of the regulation. Although the existing law protects the land with olives by prohibiting any activities which damage olive growth within a three kilometer radius, this re-regulation would allow various types of activities including geothermal-based investments, electricity generation facilities, mining, oil and gas exploration and operational activities, security-based strategic needs, and various other kinds of plans and investments to take place on the land containing olive groves provided that these operations could not find any other space and if they provide a EIA (Environment Impact Assessment) report, confirming that the activities to be conducted are environmentally-friendly.¹⁵⁷

After this draft was introduced to the TBMM by the MARA, CHP Muğla Deputy G. E. made a speech in the parliament stating his opposition to the draft amending the regulation of olive law 3573.¹⁵⁸ In his speech, he summarized both the overall contestations regarding the olive law since 2004 as well as how the stakeholders in the olive industry have resisted the changes to the law thus far. According to G. E.,

Devletin hüküm ve tasarrufunda olan yabani zeytinlik, antepfıstığı ve harnupluklar ve her nevi sakız çeşitleri veya tapuda bu şekilde kayıtlı sahalara ile orman sınırları dışında olup da 17/10/1983 tarihli ve 2924 sayılı Orman Köylülerinin Kalkınmalarının Desteklenmesi Hakkında Kanun kapsamında bulunmayan zeytin yetiştirmeye elverişli makilik ve fundalıklardan oluşan en az 25 dekarlık alan.

¹⁵⁷Ibid., Aynı Yönetmeliğin 23 üncü maddesi aşağıdaki şekilde değiştirilmiştir.

“Madde 23- Zeytinlik sahaları içinde ve bu sahalara en az üç kilometre mesafede zeytin ağaçlarının bitkisel gelişimini ve çoğalmalarını engelleyecek kimyevi atık, toz ve duman çıkaran tesis yapılamaz ve işletilemez. Bu alanlarda yapılacak zeytinyağı fabrikaları ile küçük ölçekli tarımsal işletmelerin yapımı ve işletilmesi Tarım ve Köyişleri Bakanlığı'nın iznine bağlıdır. Ancak; alternatif alan bulunmaması ve Çevresel Etki Değerlendirme Raporu (ÇED)'na uygun olması, bitkilerin vegetatif ve generatif gelişimine zarar vermeyeceği Bakanlık araştırma enstitüleri veya üniversiteler tarafından belirlenmesi durumunda;a) Jeotermal kaynaklı teknolojik sera yatırımları,b) Bakanlıklarca kamu kararı alınmış plan ve yatırımlar;c) Yenilenebilir enerji kaynaklarına dayalı elektrik üretim tesisleri,ç) İlgili Bakanlıkça kamu kararı alınmış madencilik faaliyetleri petrol ve doğal gaz arama ve işletme faaliyetleri,d) Savunmaya yönelik stratejik ihtiyaçlar,için, yukarıda belirtilen faaliyetlerde bulunmak isteyenler, ilgili Bakanlıkların onaylı belgeleri ile mahallin en büyük mülki amirine başvurur. Müracaat sahibi, çevrede oluşabilecek ÇED raporu ile belirlenmiş zararları önleyecek tedbirleri almak koşulu ve dikim normlarına uygun, eşdeğer büyüklükte il/ilçe müdürlüğünce uygun görülecek alanda zeytin bahçesi tesis eder.Olumsuz cevap başvuru sahibine yazı ile tebliğ edilir. İzin alınmaksızın yapılan faaliyetlerin yürütülmesi yetkililerce men edilerek, umumi hükümlere göre kanuni takibat yapılır.Bu madde kapsamında valiliklerce verilen kararlara yapılan itirazlar, Bakanlık tarafından değerlendirilerek karara bağlanır.”

¹⁵⁸Republic of Turkey, TBMM 23. dönem 5. Yasama yılı, 90. Cilt, 51. Birleşim, 13 Ocak 2011 Perşembe, 27 May 2011 <<http://www.tbmm.gov.tr/tutanak/donem23/yil5/bas/b051m.htm>>.

AKP, the ruling party, has been trying to amend Article 20 of olive law 3573 since 2004, but thanks to the efforts of the stakeholders in the olive sector and the CHP deputies, they have not been successful. In this regard, he added that while the government established commissions to conduct research on the olive sector in the twenty second and twenty third period of the TBMM, the same government did not pay much attention to these commissions' reports which emphasized the indispensable role of law number 3573 law, which protects the olive groves. In contrast, as G. E. detailed, proposal drafts to the TMBB, which included changes to olive law 3573, were introduced over the past two years by the following AKP deputies: by S. E. (MENR), V. K. (MARA), and H. Ö. (Ministry of Environment) in 2009; by M. N. H. (Muğla deputy), A. A. (Antalya deputy), M. E. (Denizli deputy), and M. E. (Aydın deputy) in April 2010, and by M. C. (Trabzon deputy) and A. D. (Siirt deputy) in May 2010. If these proposals had been approved, the olive groves would have been opened up to several activities, including mining. However, the CHP deputy affirmed that due to the strong lobbying efforts of the stakeholders in the olive industry, such as the Chambers of Commerce, Chambers of Agriculture, Municipal Councils, Marmarabirlik, Tariş, UZZK, coupled with the efforts of some CHP deputies, the amendment to the mining law did not include an amendment to Olive Law 3573.¹⁵⁹

¹⁵⁹ Turkey, TBMM 23.dönem 5. Yasama yılı, 90. Cilt, 51. Birleşim, 13 Ocak 2011 Perşembe
CHP Gürol Ergin (Muğla): “Sayın Başkan, değerli milletvekilleri; Tarım Bakanlığının hazırladığı zeytincilik yönetmeliği tasarısı üzerinde görüşlerimi açıklamak üzere söz aldım. Sayın milletvekilleri, AKP iktidara geldiğinden bu yana, Zeytinciliğin Islahı ve Yabanilerinin Aşılattırılması Hakkında Kanun’un, kısaca söylersek, Zeytincilik Kanunu’nun zeytincilik sahalarını koruyan maddesini değiştirmek için canhıraş bir çaba gösteriyor. Önce 2004 yılında Maden Yasası değişikliği sırasında aylarca süren bir ısrarla Zeytincilik Yasası’nı zeytinlik alanlarda maden aranmasını sağlayacak biçimde değiştirmeye çalıştınız. Yasanın Plan ve Bütçe Komisyonundaki görüşmeleri sırasında Cumhuriyet Halk Partili milletvekillerinin ve zeytincilik bölgesi halkının ciddi direnişi karşısında bu değişikliği yapamadınız. Bu Meclis, 22’nci ve 23’üncü dönemde zeytincilik ve zeytinyağı sorunlarının araştırılması için araştırma komisyonları kurdu. Bu komisyonlar aylar süren ve tüm zeytincilik bölgesini kapsayan ayrıntılı çalışmalar yaparak, her biri 300’er sayfalık raporlar hazırladı. Her iki raporda da şu ifade yer aldı: “Zeytincilik Yasası açık olarak zeytinlik alanlarda maden arama ve işletme faaliyetine yasak getirmiştir.” Komisyonca yapılan çalışmalarda zeytin alanlarının korunmasını amaçlayan bu Kanun’un etkin uygulanmasına gerekli hassasiyetin gösterilmesi yönünde görüşler tespit edilmiştir. Yani her iki dönemde görev alan komisyonlar Zeytincilik Yasası’nın zeytinlikleri koruyan maddesine dokunulmaması gerektiğini raporlarında açıkça belirtmişlerdir. Fakat şu garabete bakın ki, AKP’li bir kısım milletvekilleri bu

Based on this speech by a parliamentarian from the opposition party, it is possible to say that both parliamentarians and the stakeholders in the olive industry responded to the unfavorable developments related to the olive sector in parliament by resisting the amending of the law. With this resistance, they were successful in preventing the amendment from passing, but based on this speech the position of the MARA is not clear. Since V. K., one of the AKP deputies who introduced the proposal draft to the TBMM, belongs to the MARA, it seems like the MARA does not pursue a policy that is completely favorable towards the olive sector. The remainder of this parliamentarian's speech may shed more light on the position of this Ministry.

This contestation did not come to an end after the mining law was amended; a second debate began when the MARA introduced a proposal draft to the TBMM regarding a change in olive regulation. This proposal draft put forward changes in the definition of the olive land, which are private property, and aimed to bring to an end the prohibition of non-olive production activities within three kilometers of olive groves and to allow several activities in the existing olive groves, including mining. In reaction to these changes, the CHP deputy criticized the MARA for introducing such a proposal to change the olive law and for not protecting the olive groves as required by the law 3573.¹⁶⁰

raporlardan sonra ve raporlardaki görüşün tam aksine kanun tekliflerini Meclis Başkanlığına peş peşe sunma gayreti içinde olmuşlardır. 2009 Ağustosunda Soner Aksoy, Vahit Kirişçi ve Haluk Özdalga'nın imzalarıyla; 2010 Nisanında, Mehmet Nil Hıdır, Abdurrahman Arıcı, Mithat Ekici, Mehmet Erdem'in imzalarıyla, zeytinlik yasası değiştirilerek zeytinlik alanlarda yenilenebilir enerji kaynaklarına dayalı elektrik üretim tesisleri yapılabilmesi teklif edilmiş, bu teklifler itibar görmemiştir. Bu defa, yine 2010 Nisanında, Mustafa Cumur ve Afif Demirkıran imzalarıyla verilen teklifte, zeytinlik alanların tahribine yönelik istekler daha da genişletilerek zeytinlik alanlarda yenilenebilir enerji kaynaklarına dayalı elektrik üretim tesisleri yanında, termal tesisler, maden arama ve işletme faaliyetleriyle geçici tesisler yapılabileceği hükmü getirilmek istenmiştir. Söz konusu teklifin Sanayi Komisyonundaki görüşmeleri sırasında, Cumhuriyet Halk Partisi ve Milliyetçi Hareket Partisine mensup muhalefet milletvekilleri yanında, zeytincilik bölgelerimizin ziraat odaları, ziraat mühendisleri odaları, ticaret ve sanayi odaları, belediye meclisleri, il genel meclisleri, Marmarabirlik, TARİŞ, Ulusal Zeytin ve Zeytinyağı Konseyi teklife şiddetle karşı çıkmışlar ve söz konusu teklifin bu maddesi tekliften çıkarılmıştır.

¹⁶⁰Ibid.

Tüm bu girişimlerden sonuç alınamayınca, bugün, inanılmaz bir olayı yaşıyoruz. Tarım ve Köyüşleri Bakanlığı, gözü gibi koruması gereken zeytinlikleri ağgözlü talancılara açmak için, Zeytinciliğin Islahı ve Yabanilerinin Aşılattırılmasına Dair Yönetmelik'te değişiklik yapılması için bir tasarı hazırlamış

In response to this speech, M. N. H., an AKP deputy from Muğla, gave the following response in the parliament. He said that since the olive sector is important to the AKP government, the MARA encouraged the planting of new olive trees, instead of supporting tobacco production, and increased the level of exports of olive oil; however, the government also placed importance on meeting the energy demands of the country.¹⁶¹ This speech can be viewed as a good summary of the position of the AKP government and the position of the MARA. As the deputy emphasized, not only does the olive policy play an important role for the AKP government but energy policy is crucial as well. Because of this, the MARA prefers to both encourage olive production

ve bu tasarımı, görüşlerini almak amacıyla bir kısım kurum, kuruluşa göndermiştir. Görüşü istenen kurum, kuruluşlar içinde, komuyla doğrudan ilgili olan ancak bu yönetmelik değişikliğine evet demeleri söz konusu olmadığı bilinen Marmarabirlik, TARIŞ, Türkiye Ziraat Odaları Birliği, Ziraat Mühendisleri Odası yoktur. Bu yönetmelik değişikliği yapılmak istenen, daha önce defaatle denendiği hâlde yasal olarak yapılamayan değişikliği, ilgili Yönetmelik'i değiştirerek yapmaktır. Yapılmak istenen, Yönetmelik'in dayanağı olan Zeytincilik Yasası'na yüzde yüz aykırıdır. Hiçbir yönetmelik, dayanak aldığı yasaya aykırı olamaz.

Değişiklik taslağının 2'nci maddesi ile, zeytinlik saha tanımı, devletin hüküm ve tasarrufu altındaki zeytinlikler olarak belirlenerek, Zeytincilik Yasası'yla öngörülen yasağın yalnızca devletin hüküm ve tasarrufu altındaki zeytinlik sahalar için uygulanacağı sonucu yaratılmak istenmektedir. Oysa, adı geçen yasa, yalnızca devletin hüküm ve tasarrufu altındaki zeytinlik sahaları değil, özel mülkiyete konu olanlar da dâhil tüm zeytinlikleri kapsamaktadır. Zeytinlik zeytinliktir. Kanun'un kapsamının yönetmelik hükmüyle daraltılması da mümkün değildir.

Zeytincilik Yasası'nda "Zeytinlik sahaları içinde ve bu sahalara en az 3 kilometre mesafede zeytinyağı fabrikası hariç zeytinliklerin vegetatif ve generatif gelişmesine mani olacak kimyevi atık bırakan, toz ve duman çıkaran tesis yapılamaz ve işletilemez." denilmekte. "Zeytinlik sahaları daraltılamaz." kesin hükmü getirilerek zeytinlikler korumaya alınmıştır.

Kanunun bu kesin hükmüne karşın yönetmelik değişikliği taslağının 3'üncü maddesiyle "Zeytinlik alanlarda, kanunda asla izin verilmeyen, jeotermal kaynaklı sera yatırımları, yenilenebilir enerji kaynaklarına dayalı elektrik üretim tesisleri, madencilik, petrol ve doğal gaz arama ve işletme faaliyetleri, savunmaya yönelik stratejik ihtiyaçlar -lütfen dikkat buyurun- bakanlıklarca kamu yararı alınmış plan ve yatırımlar yapılır hâlde getirilmek istenmektedir. Bu şu demektir: Zeytinlik alanlar zeytincilik dışında her faaliyete açıktır.

Değerli milletvekilleri, bir bakanlık, ilgili yasaya yüzde yüz aykırı böyle bir yönetmelik düzenlemesini hangi hukuk, hangi mantık, hangi ahlak anlayışıyla yapar? Bu değişikliği gerçekleştirse bile yargıdan döneceğini bilmez mi?

Tarım Bakanını bu kürsüden uyarıyorum: Yasa'nın üzerinde bir yönetmelik oluşturma hevesini bırakın. Zeytin üreticilerimizin ve doğanın kalbine saplamaya çalıştığınız bir hançer olan bu yönetmelik değişikliğinden derhâl vazgeçin, hukuk dışına çıkmayın.

¹⁶¹ Ibid. Mehmet Nil Hıdır AKP Muğla deputy:

Zeytincilikle alakalı, sayın milletvekilimizin hassasiyetini biliyorum ancak biz de bölgemizde 2004-2009 yılları arasında 1 milyona yakın zeytin fidanı dağıtmak suretiyle zeytin alanlarımızı genişlettik, tütün alternatif alanlar oluşturduk. Bu bağlamda, bu yıl, çok değerli bakanımızın da katkılarıyla, 110 bin ton zeytinyağı ihracatını AK PARTİ Hükümeti olarak gerçekleştiriyoruz. Onun için, zeytinciliğin karşısında olmamız mümkün değil ama tabii ki ülkemizin enerji açığını da kapatmak için gerekli çalışmalara her zaman destek vermeye hazırız. Bu bağlamda, emeği geçen bütün arkadaşlarımıza, zeytinciliğe katkı sağlayan, onun tüketimine yardımcı olan bütün arkadaşlarımıza huzurlarınızda teşekkür ediyorum.

via planting subsidies while increasing the export levels of olive oil as much as possible. (This point may also explain the government's position on the DIR issue which was discussed in chapter four.)

On the other hand, both the MENR and also the MARA do not hesitate to introduce drafts to change the olive law or the regulation in the olive law, in a way that would allow some energy-related activities, including mining, to be conducted on land with olive groves. This analysis of the parliamentarians' debate shows that the Ministry of Agriculture's olive policy is not clear enough; rather, it seems quite ambiguous. In this regard, in order to examine the contestations over the olive law on the ground, it is necessary to determine the extent to which the stakeholders in the olive industry and the olive producers are satisfied with the MARA's olive policies. To do so, the following section will take into consideration both the experiences and the arguments of the stakeholders in the olive industry which oppose either amending the regulations in the olive law or amending the articles of olive law by means of amending the mining law.

The Ministry of Agriculture and Rural Affairs' Ambiguous Olive Policies

The stakeholders in the olive industry assert that the mining sector has been heavily lobbying to amend olive law 3573 since 2002 in order to be able to extract the valuable metals located under the olive-producing land. In response to the mining sector's attempts to take possession of the land where the olive groves are located for the purpose of mining extraction, the owners of this land, the olive producers, have been fighting the substantial lobbying efforts of the miners. The producers emphasize that since olive production is more valuable than the mining of gold, law number 3573

should continue to protect their olive trees, from which they earn a living. This ongoing dispute between these two parties shows that the land which currently produces olives has been commodified by the olive producers for the purpose of the olive trade; the same land is also going through a new commodification process directed by the mining sector.

According to the stakeholders in the olive industry, the mining companies have been lobbying the government since 2002 to amend law number 3573 because they want to take hold of the olive producers' land to extract valuable metals and minerals from the farming areas.¹⁶² While such lobbying activities were not successful in changing the law because it was rejected by the TBMM several times,¹⁶³ at the end of January 2011, the mining sector again lobbied the government – including both the and MENR and the MARA – to propose a draft to amend law number 3573. Since in this draft the MARA introduced a new definition for olive groves (private property which contains olive groves must measure at least twenty-five acres in order to be given “olive land” status and be protected by law 3573), the stakeholders in the olive industry are worried that there is a big chance that the land of the olive producers who own less than this amount will be mined,¹⁶⁴ because the majority of the olive producers do not own enough land.¹⁶⁵

During the clashes among the olive producers and miners, the stakeholders in the olive industry introduced a new motto, “Olives are more valuable than gold”, in order to emphasize the social value of olive production to the public. With this motto, the

¹⁶²Barçin Yinanç, “Turkish Olive Producers vow to fight gold miners,” *Hürriyet Daily News*, 26 Oct. 2010, 7 Feb. 2011 <<http://www.hurriyetdailynews.com/n.php?n=olive-producers-vow-to-fight-gold-miners-2010-10-26>>.

¹⁶³Ibid.

¹⁶⁴Ruhi Sanyer, “Yasa Olmazsa Tanımı Değiştir!,” 15 Feb. 2011, *Radikal Gazetesi* <<http://www.radikal.com.tr/Radikal.aspx?aType=RadikalDetayV3&ArticleID=1040064&Date=30.03.2011&CategoryID=85>>.

¹⁶⁵ Ibid.

producers aimed to prevent the transformation of the olive groves into more valuable commodities, such as transforming the olive producers' land into mining land.¹⁶⁶

The head of the Ayvalık Chamber of Commerce interpreted the ongoing dispute over the olive producers' land according to law number 3573. He affirmed that any attempts to revise the regulation would violate law number 3573 in an undemocratic way. In addition, he stressed that since the majority of people in this region (almost 400,000 families) earn a living from olive production, no land is available for mining activities in the region. He believes that olive production has provided vitality to the region for thousands of years; in contrast, the mining industry would bring this to a halt. For this reason, he emphasized the importance of the olive lobby in opposing either the revised law or revised regulation, united behind the motto “olives are more valuable than mining.”¹⁶⁷

The positions of the stakeholders in the olive industry show that while the land with olive groves has been commodified by the mining companies who embarked upon a political campaign to pressure the state to amend the law in favor of the miners, the olive producers have counteracted this commodification process. The olive producers think that if the state amends the law or amends the regulations that are part of the law which protect olive production from other profitable sectors, they will be more likely to lose their land, which may result in the dispossession of the olive producers and olive production being replaced with mining activities.

In this regard, this research will try to determine the extent to which the MARA allows olive production to be controlled by the market rules, such as by letting the more profitable sectors occupy the land with olive groves rather than protecting them via laws

¹⁶⁶“ATO ve Türközen'den zeytin açıklaması,” *Toprak, Onur, Yaşam, Karasaban*, 28 Jan. 2011, 4 Feb. 2011 <<http://www.karasaban.net/ato-ve-turkozen%E2%80%99den-%E2%80%98zeytin%E2%80%99-aciklamasi/>>.

¹⁶⁷Ibid.

and regulations. Or, in other terms, this research aims to analyze the extent to which the olive land can be commodified to a greater degree through mining activities and how this issue has transformed into a clash of interest between the olive producers and the mining companies. The answers to these questions will shed light on the place of the olive sector in the overall story of agricultural liberalization and will also illustrate the degrees of commodification, which is a pillar of neo-liberalization, in the olive regions.

As was mentioned in the parliamentary debates, when the MARA introduced a bill on the regulation of the olive land, G.E., a CHP deputy from Muğla, made a speech in the TBMM concerning the damage this re-regulation would bring about. In his speech, the deputy mentioned the previous attempts of the MARA to change the mining law by amending Article 20 in the olive law and emphasized the ambiguous policies of the MARA as this agency introduced a proposal draft to amend law 3573. Regarding the MARA's last attempt, G. E. stated that the proposed changes were inconsistent with the existing law: although the existing law protects the land with olives by prohibiting any activities which can damage olive growth within a three kilometer radius, the re-regulation would allow various types of activities, including geothermal-based investments, electricity generation facilities, mining, oil and gas exploration and operational activities, security-based strategic needs, and various other kinds of plans and investments, to take place on land containing olive groves. According to G. E., these changes would allow every type of activity except olive farming.¹⁶⁸

This speech is important not only because it was made by a deputy from the opposition party in the TBMM, which is entitled to enact law and introduced a draft of a regulation of law 3573, but also because it emphasized how the olive land would be commodified by either the revisions to law 3573 or to the regulation. As the new

¹⁶⁸“Zeytinliklerin talanının yolu açılıyor,” *Toprak, Onur, Yaşam, Karasaban, Akşam Gazetesi*, 15 Jan. 2011, 20 Jan. 2011, < <http://www.karasaban.net/zeytinliklerin-talaninin-yolu-aciliyor/>>.

regulation aimed to allow the use of the land with olive groves for other activities which are harmful both to the environment and agriculture, it would also allow several industrial sectors to occupy the olive land and use it for their own purposes. This shows that the land would be commodified by this new regulation which would let the profit-oriented sectors maximize their profits on the olive-producing land. By opposing the commodification process in the olive groves, this deputy represents an olive production-friendly position in the Turkish parliament and sheds light on the MARA's paradoxical position.

To continue the evaluation of the position of the Ministry of Agriculture in terms of the olive sector in general, and the commodification process of the olive groves in particular, a recent article on the current dynamics in olive sector by Ali Ekber Yıldırım, a well-known journalist who writes about agriculture, will be looked at. He starts his article off with a question: "what does the MARA want to do with the olive industry?"¹⁶⁹ He explains that since 2005 the Ministry has been encouraging farmers to plant new olive trees with subsidies; this led the number of olive trees to jump from 90 million to 160 million during this period. Moreover, the ministry also implemented a five-year (2009-2014) strategic plan for both olive production and consumption. This plan aims to enlarge the olive-growing land to one million hectares, to increase the number of olive trees to 180 million, to raise table olive production to 650,000 tons and olive oil production to 2.5-3 million tons, and to increase the consumption level to five kilograms per person. In order to do so, Yıldırım confirms that the Agricultural Ministry increased the production subsidy from thirty *kuruş* to fifty *kuruş* per kilogram in 2001 and the fuel subsidies to six Turkish liras per decare.¹⁷⁰

¹⁶⁹A. E. Yıldırım, "Tarım Bakanlığı zeytincilikte ne yapmak istiyor? Tarım Dünyası, 10 Feb 2011 <<http://www.tarimdunyasi.net/?p=2103>>

¹⁷⁰*Karar Sayısı: 2011/1430 Ekli "2011 Yılında Yapılacak Tarımsal Desteklemelere İlişkin Karar"ın yürürlüğe konulması; Tarım ve Köyişleri Bakanlığınının 11/2/2011 tarihli ve 1430 sayılı yazısı üzerine, 5488 sayılı Tarım Kanununun 19 uncu maddesine göre, Bakanlar Kurulu'nca 14/2/2011 tarihinde*

In addition to these encouraging developments in the olive sector, Yıldırım underlines the paradoxical re-regulation attempts in the draft of law number 3573 that the MARA wanted to put into practice in response to the lobbying efforts of the mining companies. Mentioning the details of the re-regulation and the strong lobbying efforts of the miners in attempt to amend the Olive Law, Yıldırım emphasizes that if the regulation was put into practice, it would have several harmful consequences on both olive production and the environment. For this reason he questions the MARA's intentions in the olive industry. While it was noted in the Ministry's strategic plan that support for olive production is crucial in order to increase the amount of both production and consumption in the domestic market, according to Yıldırım, the repeated attempts at changing olive law 3573 via a draft amendment to the regulation which would favor the miners paints a quite complicated picture.¹⁷¹

This picture illustrates how the MARA has pursued an ambiguous policy towards the olive groves. Although the existing subsidies for olive production were critically evaluated in the previous chapters, and the olive producers primarily emphasized that they are satisfied with neither the production subsidies nor the fuel subsidies due to the high input costs, some of the producers highlighted that the primary relationship between the olive producers and the state is based upon these subsidies. Thus, the state subsidies for olive production play a significant role in the subsistence of any olive producer and demonstrate the extent to which the state is on the side of the olive growers. To this extent, since the MARA has slightly raised the state subsidies in both production bonuses and fuel support for olive production and has stated its goal of increasing the production and consumption of olives in the next three years, it is quite difficult to understand the reason behind its attempts to revise the existing olive law in

kararlaştırılmıştır.

¹⁷¹A. E. Yıldırım, "Tarım Bakanlığı zeytincilikte ne yapmak istiyor?"

favor of the non-olive producing sectors. If the land with olive trees is mined or occupied by another sector for profit-making purposes, what will happen to the olive trees in the region? And how will it be possible to increase the level of domestic olive production and consumption? With these questions in mind, this research will shed light on the other stakeholders in the olive sector which oppose the MARA's latest draft, alongside the attempts of the mining companies.

First, a press release issued by the UZZK, one of the leading actors in the olive sector which represents the olive producers domestically, will be taken into consideration.¹⁷² In this press release, Mustafa Tan, the head of the UZZK, summarized the process by which the MENR has attempted to amend law number 3573 several times since 2002. He affirmed that the TBMM had tried to change some of the articles in olive law 3573 by changing mining law 5995. However, the changes to the olive law were rejected by the TBMM general assembly on June 26, 2010.¹⁷³

Following this background information on the attempts to amend the olive law, Tan moved on the more recent debate over law number 3573. Since the attempts at changing the law have failed several times, in January 2011 the MARA undertook a new initiative aimed at revising the regulations of law 3583. Tan stated that while the law protects the olive groves from being mined or from being used by any other profit-oriented sectors, re-regulation would allow such activities to be conducted in the olive groves.¹⁷⁴

On the other hand, he stressed that the main purpose of the MARA should be to protect the agricultural land, including the olive groves. In this regard, if the Ministry

¹⁷² UZZK Basın Bildirisi, "Zeytinciliği Islahı Yabancıların Aşılattırılmasına Dair Yönetmelikte Değişiklik Yapılmasına Dair Yönetmelik Taslağı'na karşı", 4 Feb. 2011, 20 Feb. 2011
<http://www.uzzk.org/Belgeler/zeytincilik%20yönetmelik_degistirilmesine_iliskin_basın_bildirisi_4_2_2_011.pdf>.

¹⁷³ Ibid.

¹⁷⁴ Ibid.

put into practice the proposed re-regulations of law number 3573, it would not be possible to protect the olive groves from mining or other industrial activities. Based on these points, Tan highlighted the role of law number 3573 for the olive sector. If this law is not implemented efficiently due to amendments to the regulation, it would eliminate the role of the olive producers in the domestic olive market.¹⁷⁵

Much like the explanations of the other stakeholders in the olive sector, Tan's speech confirms that the olive stakeholders are against any changes in the law or regulations because these stakeholders think that the MARA should protect the olive producers from any industrial initiatives which will commodify their land and prevent olive farming. In this regard, they emphasize the recent subsidies to the olive producers, which were introduced by the MARA. Tan interpreted the policies of the Ministry according to this perspective. He said that although the Ministry aims to encourage the olive producers and has tried recently to increase the subsidies for olive production as much as possible in order for Turkey, which is the second largest olive producing country after Spain, to play a leading position in the international olive sector, much like the journalist Yıldırım, he finds the proposed amendments quite paradoxical. According to Tan, the critical developments in the olive sector are the increase in the number of newly planted olives trees, which was encouraged by the Ministry with planting subsidies, as well as the Ministry's future plans to raise olive production from 150,000 tons to 700,000 tons by 2015. Lastly, Tan drew attention to Turkey's re-entry into the IOC on 12 February 2010, after a twelve year hiatus, as a crucial development which resulted from the joint efforts of TBMM and UZZK.¹⁷⁶ Based on these positive developments in the olive sector, Tan criticized both the TBMM and the Ministry of Agriculture for pursuing contradictory policies regarding olive production and the olive

¹⁷⁵Ibid.

¹⁷⁶Ibid.

sector.

Why do the TBMM and the MARA pursue such ambiguous policies toward olive production? Based on Tan's summary of the Ministry's strategic plans for next four to five years and AKP Deputy M. N. H.'s speech in parliament, it can be concluded that the Ministry, by planning to increase the number of olive trees and to expand olive production as much as possible, has already commodified olive production in attempt to gain more profit from this cash-crop in the domestic and international markets in the future.

The olive groves have been commodified by the TBMM and the MARA not only for the purpose of olive production, but also for more profitable activities, such as gold mining, in response to the pressure from the mining sector. However, due to the potential political consequences of legal changes to law number 3573, as discussed above, the TBMM has rejected the drafts to re-write the law. In this regard, press releases, campaigns, and the attempts of the deputies in the opposition parties to oppose the miners' strong lobbying efforts play a significant role in illustrating the extent to which amending the olive law would have political consequences. For this purpose, this chapter takes into account the responses of UZZK and the Ayvalik Chamber of Commerce as critical stakeholders in olive sector.

In addition to UZZK and the Chamber of Commerce, the Olive Union (Zeytin-Sen), which is part of the Farmers' Union (Çiftçi-Sen) designed to preserve small-scale agricultural production, is another actor in the Ayvalık region on the side of the olive producers. As a representative of the olive producers, it can be assumed that Zeytin-Sen also opposes changes to the law. After the attempts by the TBMM and the Ministry of Agriculture to amend law number 3573, Zeytin-Sen issued several press releases announcing that the olive producers are against any changes to law number 3573, which would hinder olive production and result in it being replaced with more profitable

activities such as mining. In this regard, as the main mission of Çiftçi-Sen is to stop the industrialization of agriculture, which is a harmful consequence of neo-liberalization for small-scale olive producers, it also aims to prevent the commodification of the agricultural land and to keep the agricultural land for production activities.¹⁷⁷

Based on this perspective, Zeytin-Sen opposes the commodification of the olive groves through the mining sector's initiatives. In the press release, which was issued specifically after the attempts to amend the olive law regulations, Zeytin-Sen emphasized that olive law number 3573 plays a very crucial role for the olive producers, and re-writing the regulation of this law in favor of the mining companies would damage mainly the small-scale producers since the amendments would change the definition of an olive grove.¹⁷⁸ According to this new definition, private property containing olive groves must measure at least twenty-five acres in order to be given "olive land" status and be protected by law. However, since almost 100 million trees belong to producers who do not own more than twenty-five acres of land, according to Zeytin-Sen, such a change would put many olive producers under threat. For this reason, in the press release they call on the TBMM and the MARA to preserve the olive groves.¹⁷⁹ Unlike the Ayvalık Chamber of Commerce and UZZK, this union is mainly designed to preserve the rights and demands of the small-scale olive producers. Therefore, the press release emphasized the potentially harmful impact of changes to the regulation, the most important of which is the proposed redefinition of olive land status which would result in the small-scale producers losing land.

¹⁷⁷Coordinator of Zeytin-Sen, Personal interview, 10 Apr. 2011.

¹⁷⁸Zeytin-Sen Basın Bildirimi, "Zeytin Yasası'nın delinmesi Kabul edilemez," *Toprak, Onur, Yaşam, Karasaban*, 15 Feb. 2011 <http://www.karasaban.net/zeytin_sen-zeytin-yasasinin-delinmesi-kabul-edilemez/>.

¹⁷⁹Ibid.

Based on these observations, it can be concluded that the olive groves are facing the threat of commodification from both the MARA and the mining sector. However, the question at hand is the extent to which the MARA is on the mining sector's side instead of working to protect the olive lands. While the Ministry has already introduced a strategic plan aimed at increasing olive production and consumption, it has also prepared a draft to amend the definition of olive land in olive law number 3573 and also to allow several activities within the olive groves, if there is no alternative. Based on these accounts, it is possible to say that in terms of olive production the current MARA has been pursuing policies which are quite ambiguous. Furthermore, by attempting to change definition of olive land so that only land which is more than twenty-five decares is protected, the Ministry seems to be giving the green light to the commodification process in the olive groves as it is encouraging as much olive farming as possible. Accordingly, in order to clarify the extent to which the MARA has allowed the olive groves to be commodified, it is necessary to explore the olive producers' concerns about law number 3573.

Through the use of press releases issued by representatives of various political agents in the olive sector and articles written by journalists who specialize in agriculture, this chapter has presented an introduction on how the ongoing attempts of the Ministry of Energy to revise law number 3573 and the attempts of the MARA to re-write the regulations of this law have created a politically contested environment. Besides the positions of the political agents, the experiences of the olive producers may provide more insight into this dual contestation between the stakeholders in the olive and mining industries and also between the stakeholders in the olive industry and the MARA. Based on the experiences of the local olive producers, it is possible to explain whether the policies favor of the small scale producers or the Ministry aims to commodify the olive land and to transform it into a bigger production area. Keeping this

in mind, this chapter will clarify the extent to which the MARA favors the industrialization and commercialization of olive production. Based on the answers to these questions, it is possible to determine whether the MARA pursues ambiguous policies toward the olive sector as was noted by UZZK, the Chamber of Commerce, and journalists.

The State Protects the Olive Groves, But Not What Is Underground

Throughout the interviews conducted with producers of different scales and local merchants in the region, it is clear that none of the interviewees agree with the MARA's policies or the TBMM's attempts to re-write law number 3573 or the regulations within this law. All of those interviewed complained about the ambiguous policies of the Ministry and affirmed that while their most critical problem is the insufficient subsidies and low consumption levels in the domestic market, even the MARA started to encourage olive production in some level, if it allowed the industrial sector, particularly the miners, to occupy their land they would not be able to continue earning a living from olive production. Like in the previous chapters, the interviews will be briefly analyzed, starting with the producers in the center of Ayvalık, then on Cunda Island, and lastly in the villages of Akçapınar and Karaayıt.

The first interview is with an olive producer who is president of the Ayvalık Tariş Cooperative. He opposes any kind of industrial activity in the olive groves, particularly mining activities, which some of the leading mining companies have been pushing for in the olive-producing regions. He explains why he opposes the mining sector's attempts and the proposed amendments to law number 3573:

Who is going to make a living off of this land if the olive law is re-written in favor of the miners? Here, the majority of people earn a living from olives: they either own small-scale olive groves or do picking or sorting during the harvest season. So if the small scale olive groves are eliminated with the new rule which would require twenty-five decares, who would occupy this land and for what purpose? Are they going to employ all of these people?¹⁸⁰

His words show that he problematizes the commodification process in the olive groves. To him, there is no doubt that the olive groves are under threat from the new commodification process, which has been encouraged by the mining sector. Moreover, as the previous sections illustrate, when the MARA introduced a draft to re-write the regulations in law number 3573, it also took part in the same commodification process; by introducing a new definition for the olive groves, it aimed to enlarge the olive production area and eliminate the smaller producers and replace them with a more profitable or more valuable sector, gold mining. To this extent, by asking “who is going to make a living off of this land”, the president of the Ayvalık Tarış Cooperative refers to the commodification process in the olive groves. He acknowledges that the olive groves are valuable for the producers, merchants, and even the pickers; however, if the MARA hands them over to the miners, the same land would become the property of the miners and would become valuable for another party. In this regard, the question is if the state, which refers to the MARA, only protects the more commodified forms of land. For example, by changing the definition of the olive groves, it aims to protect the biggest olive groves from mining, basically handing the area below the groves to the miners to explore for potential profit.

Another interview was conducted with a local olive merchant on Cunda Island. This merchant also problematizes the state policies toward the olive groves, noting that he took part in resisting the policies by signing petitions against the proposed

¹⁸⁰Olive Producer A and President of the Ayvalık Tarış Cooperative.

amendment:

I signed the petitions in order to prevent the amendments from being passed. But I don't understand the state's intentions in the olive sector. They encourage the planting of new trees with subsidies but also allow the mining sector to occupy our olive groves. What kind of a policy is this? By the way, I don't believe that we will benefit from the mining; only American and European companies will do so. If the state allows these activities, we will likely lose our filter, which is on Mount Ida. Thanks to this filter, our olives are now special, but this can be ruined by these policies. We are not happy with the state policies in this regard.¹⁸¹

Based on this speech, the policies of the MARA seem still ambiguous. By signing petitions which oppose the amending of the olive law, this merchant displays his dislike for the policies of the Ministry, by actively responding to their attempts to amend the olive law or the regulations in the law.

In addition to this merchant, a mid-scale local olive producer on Cunda Island reiterated that “olives are more valuable than gold mining or any other type of mining, because we can earn a living from olives. The olive trees will not stop producing olives; however, the materials being mined can quickly be depleted.” In order to make the Ministry of Agriculture aware of their opposition to amending the olive law, he also signed the petitions, which were presented to the TBMM by leading stakeholders in the olive industry, such as UZZK.¹⁸²

A mid-scale olive producer on Cunda Island seemed to be more concerned about the policies of the Ministry of Agriculture than the previous interviewee and complained about the contested policies of the Ministry:

They don't let us open the artesian wells in order to provide water for our olives, but they allow the mining sector to contaminate our soil which will likely prevent us from producing olives in this region! This is a double standard! I have to irrigate my olive groves on Cunda Island with water I bring from Ayvalık. I don't think the Ministry encourages the olive producers; in fact, they even discourage us by threatening us with amendments to the olive law. If we hadn't

¹⁸¹Olive Merchant A, Personal interview, 13 Apr. 2011.

¹⁸²Olive Producer C, Personal interview, 13 Apr. 2011.

signed the petitions and if some of the deputies had not been opposed to the amendment, I don't know what we would be doing right now.¹⁸³

While this producer is quite disappointed with the MARA's policies, he also highlights how they were able to resist the amendment to the olive law by signing petitions and joining forces in the organizations which support the olive industry.

In the village of Karaayıt, the producers were not only unhappy with the Ministry's attempts at amending the olive law; the majority of the producers in this village were also actively campaigning against Bilfer Mining, a mining company, which set up an iron enrichment plant on the grasslands in Karaayıt. The administration of Balıkesir allowed this company to establish this facility in the grasslands of Karaayıt, which also affected the Madra Dam Water Basin. The villagers and several other activists took a stand against this company through the Ayvalık Environment Platform and EGEÇEP (Aegean Environment Platform). As a result of their opposition, the Balıkesir Administrative Court annulled the EIA report that had previously been given to the company.¹⁸⁴ While this judicial decision is crucial as it demonstrates how the Karaayıt villagers and the other stakeholders in the region were able to succeed in their struggle, in practice the company has not stopped its activities. As a result, the villagers expressed their disappointment in the interviews.

Regarding the most recent situation with Bilfer Mining, a small-scale producer in the village stated:

We definitely oppose this company, but no one cares about us. Despite our attempts and the court's annulment of the EIA report, the company continues to operate in our grasslands. I think this is dangerous. We breathe in the polluted air being emitted from their facilities. Some people in our village even supported them just for the money.¹⁸⁵

¹⁸³Olive Producer D, Personal interview, 13 Apr. 2011.

¹⁸⁴*Papalina Gazetesi*, Sept. 2009, 29 May 2011, <http://papalina.gazetesi.biz.tr/?islem=paket/haberP/haber_detay.php&haber_id=140>.

¹⁸⁵Olive Producer E, Personal interview, 14 Apr. 2011.

This speech clearly summarizes the contestation over the Bilfer Mining Company. This villager, who is also an olive producer, complained about the state's indifference regarding the company's activities in the area and interpreted the results of their resistance as a failure. His statement that, “no one cares about us. Despite our attempts and the court's annulment of the EIA report, the company continues to operate in our grasslands”, shows that in spite of their resistance and the court's annulment, the company is still able to operate. Due to the location of the company's facilities, the olive groves are not directly impacted by the company's operations. However, as was described in the previous chapter, many villagers maintain olive groves in other villages in the Ayvalık region, so they are worried about the indirect harmful impact on the soil and water which could contaminate their olive groves.

Another villager in Karaayıt described how the company set up its facilities and what happened in the village during this process:

We didn't want the Bilfer Mining Company to operate in our grasslands but the state authorities did not take our opinion into consideration. The grasslands in our village, which are private property, were appropriated to the company. So, they occupied our grasslands both officially and in practice. The company built a pool to hold dirty water, but our sheep fell into to this pool because it was not fenced in. They care neither about the environment nor about our lives. I think this company can also harm our olives, even if the olive groves are not located in this area. For this reason, we have to leave this village. They also expect us to move as soon as possible.¹⁸⁶

Although the extent to which this company's operations harm olive production is not clear from this passage, and this research does not include any background information about this company, the critical point for this research is that while the villagers who earn a living from olive production applied to the court to demonstrate their opposition to the company's operations, the company continues to operate despite its lack of a EIA report. In this regard, the question is if the company contaminates the water basin (the

¹⁸⁶Olive Producer F, Personal interview, 14 Apr. 2011.

Madra Dam Water Basin) which supplies the village with water and is used to irrigate the olive groves when necessary, what sort of consequences will emerge in Karaayit. Since the MARA has not taken this issue into consideration thus far, it is not possible to predict the future condition of the olive groves in Karaayit.

When asked about the ongoing contestation over the olive law, the villager in Karaayit emphasized his fear of the Bilfer Mining Company. Although he noted that they are not content with the policies of the Ministry of Agriculture because they are not protecting the olive law and have attempted to change it, he stated that they are less worried about the future of the olive law thanks to the efforts of the stakeholders in the olive industry. However, due to the arrival of the mining company in Karaayit, they are worried about being dispossessed of their land in their village.¹⁸⁷ This shows that as a result of the existence of the mining company in Karrayit, the mining contestation there has taken on an additional meaning. Even though this villager's evaluation of the MARA's policies toward the olive law are similar to those of the previous interviewees, he also added that they do not feel in secure in their homes because of the Bilfer mining company.

In contrast to the responses of those from the village of Karaayit, when the villagers from Akcapınar were asked about the contestations over the olive law, they did not mention the mining company in Karaayit, even though their village is located very close to both the company's location as well as to Karaayit. On the other hand, in terms of the mining contestation, one villager highlighted that, “olives are more valuable than mining. It is obligatory that the olives be protected because people in these regions earn their entire living from olive production.”¹⁸⁸ According to this villager, the state should legislate laws to protect the olives: “We rely on the Agricultural Ministry to protect our

¹⁸⁷Olive Producer F.

¹⁸⁸Olive Producer G, Personal interview, 14 Apr. 2011.

olives. We do not want to have to struggle to protect the olive law. The Ministry should be concerned with us and our law.” This interview illustrates the expectation of producers in the Akçapınar village that the MARA should protect their olive groves. Unlike the producers in the Karaayıt, the interview shows how the villagers avoid opposing any initiatives that may threaten their source of income.

Lastly, an interview conducted with a member of a local family of producers, who are also local merchants in the Ayvalık region and only sell their own products, provides significant details regarding the contestation over the olive law. This producer started off by complaining about their dispute with the miners:

I don't know whether we will be able to continue in olive production because of this mining problem. As a member of a third generation olive producing family in Ayvalık, I am worried about our future. The mining sector and the Ministry of Agriculture's responses to the demands of this sector frighten me!¹⁸⁹

This olive producer noted that he is worried not only about the attempts of the mining sector and the MENR to amend the olive law, but he also questions the ambiguous olive policies of the MARA in terms of the problems with the miners. As was mentioned previously in chapter 2 and chapter 4, while the MARA encourages olive production via subsidies, it also proposed a draft to amend the olive regulations. Based on these developments, this producer stated that, “the existing law protects the olive groves, but not what is underground”.¹⁹⁰

This olive producer's interpretation illustrates the struggle that is occurring over the olive groves. While the merchants, exporters, Chamber of Commerce, and even the MARA has been commodifying the olive groves by encouraging as much as production and consumption as possible, on the other side the mining sector has been pressuring both the MENR and the MARA to amend the olive law in order so that the land under

¹⁸⁹Olive Producer and Merchant J, Personal interview, 15 Apr. 2011.

¹⁹⁰Olive Producer and Merchant J.

the olive groves can be used more effectively, i.e. for mining purposes. In this regard, it is possible to conclude that both the olive groves themselves as well as the area underneath them are quite valuable in different senses. However, since it is not possible for both to be used at the same time, the stakeholders in the olive and mining industries have been competing for the olive law to be used in their favor. Here the question is the position of the MARA or, more specifically, the extent to which the Ministry aims to pursue olive-producer friendly policies.

Regarding this question, this olive producer noted that since the Ministry introduced a new definition for an olive grove in the draft of regulation amendment, this shows that the MARA intends to commercialize olive production as much as possible. Moreover, according to this producer, this position is not very different from the miners' position because the miners are currently trying to persuade the MARA to transform olive production into an intensive model by encouraging the Ministry to plant more trees in a dense fashion, as is done in Spain and other olive-producing countries. This producer believes that as a result of this pressure, the Ministry introduced the draft amendment which stipulates that only olive groves measuring more than twenty-five decares will be protected by law number 3573. According to this producer, all of these developments should be taken into consideration as a whole.¹⁹¹

Based on the arguments of this producer and the draft amendment that the MARA introduced recently, it is possible to conclude that the MARA is encouraging industrialization in olive production because it is commodifying the olive groves and encouraging large-scale production (more than twenty-five decares), as was introduced in the draft of the amendment. In terms of the MARA's relationship with the mining sector, based on these developments it is possible to say that the Ministry is resisting neither the demands of mining sector nor the demands of the MENR.

¹⁹¹Ibid.

However, as the draft of proposed amendment to the olive regulation was not approved by the TBMM at the last moment, this producer and his friend who is an agriculture engineer¹⁹² emphasized that thanks to the efforts by the stakeholders in the olive industry, some deputies, and business people from the Edremit Gulf, they were able to resist the attempts of the miners to change the olive law. Even though he is not happy with the Ministry's policies, he is pleased that the major stake holders in the olive industry (UZZK, AZUD, and the Chambers of Agriculture) have been quite active in trying to prevent unfavorable developments in the olive sector.

To conclude, this chapter has illustrated the different modalities of commoditization of the land with olive groves according to the ongoing contestations between the both the mining lobbies and the olive stakeholders and the MARA and the olive stakeholders. Firstly, the olive groves became a contested area between the stakeholders in the olive and mining industries following the attempts of the MENR to amend the Mining Law by changing the Olive Law. As the Agriculture Ministry participated as a subsidiary commission in this process, even though it encourages olive production with different kinds of subsidies, its position is quite ambiguous during the first phase of this contestation, resulting in much criticism by the stakeholders in the olive industry.

Furthermore, when it introduced a bill on the regulation of the olive land, the stakeholders in the olive industry and the deputies from the opposition party in the parliament made several speeches stating their concern regarding the position of the MARA in terms of its olive policies. This bill introduced not only a new definition for what constitutes “olive land”, but also granted permission for various types of activities and investments to be conducted in these areas, including mining within a three

¹⁹²Agricultural Engineer, Personal interview, 15 Apr. 2011.

kilometer radius. This process can be interpreted as the MARA encouraging the commodification process in the olive groves by not only allowing the stakeholders in the mining industry to benefit from the olive lands but also encouraging the transformation of the olive groves into large-scale agricultural land. Therefore, the olive groves are not only commodified for mining purposes by the mining lobbies, but also by the MARA which has been pursuing agro-business olive policies.

In the light of these developments, this chapter analyzed the positions of both the MARA and MENR regarding the olive land and olive law, as well as the resistance mechanism of the stakeholders in the olive industry against the attempts to amend the olive law. As a result of their opposition, none of the attempts to change the olive law were approved by the TBMM General Assembly due to the petitions, which were signed by several of the stakeholders in the olive industry, and the motions to reject the amendments that were introduced mainly by deputies from the opposition parties. This shows us that despite the ambiguous policies of the MARA in the TBMM regarding the olive sector, thanks to the strong lobbying efforts of the stakeholders in the olive industry, neither the mining lobby (represented by the MENR in this chapter) nor the MARA, via their ambiguous policies, were able to amend the olive law.

However, in contrast to the consequences of the contestations over the olive law, the experiences of the olive producers in Karaayıt illustrate that a mining company has already began operating, practically within the olive producers' grasslands. Although a majority of the villagers oppose the company's presence in their village, and the court annulled the EIA report as a result of their resistance, the company has continued to operate basically in the village of Karaayıt, which is the smallest and poorest village in the region. Since these grasslands were not used as olive groves, and the company's facilities are probably more than three kilometers from the olive groves, this

contestation is not subject to the olive law. As a result, not as many stakeholders are concerned with this area. This shows that the mining company has the advantage in this case and it has already transformed the valueless grasslands into a valuable commodity.

Based on the information presented in this chapter, it is possible to conclude that the olive sector plays a critical role within the story of agricultural liberalization. The policies of the Agriculture and Energy Ministries illustrate that the olive groves face the threat of commodification not only for mining purposes, but also the development of an agro-business type of olive production. This demonstrates the existence of one of the significant pillars of neo-liberalization on the ground in the olive sector. As a result, the olive producers have experienced several political contestations during the ongoing liberalization process in the olive sector. However, the consequences of these contestations are neither intended nor certain. Due to the potential political consequences of these commodification attempts coupled with the resistance of the olive stakeholders and parliamentarians, the TBMM General Assembly has been compelled to reject the drafts of the amendments and has had to protect the olive groves from the threat of commodification. In this regard, it is possible to say that due to the political consequences of this process, the neo-liberalization process has not been able to take off in the olive groves, and the stakeholders in the olive sector have been able to deal with MARA's attempts over olive groves so far.

CHAPTER VI

CONCLUSION

In this thesis I analyzed the political contestations in the implementation of neo-liberalism on the ground by taking into consideration the experiences of the Turkish olive producers through interviews conducted with different sized olive producers in the Ayvalık region. By doing so, I aimed to show the extent of neo-liberalization in the Turkish olive sector within the neo-liberalization process in Turkish agriculture. In this thesis, neo-liberalism is not looked as a hegemonic project or a uni-linear concept as is depicted by the classical neo-liberalism theories; rather, it refers to a theory of political economic practices, in which it is assumed that there are several degrees of neo-liberalization and thus the neo-liberalization process is contingent on the political contestations and actor's positions. Recognizing the uneven and multi-dimensional character of neo-liberalism as a political economic project, this thesis explored the extent of neo-liberalism in the Turkish olive sector as well as the distinctiveness of the sector in the story of the liberalization of Turkish agriculture.

In order to accomplish this, the ongoing neo-liberalization processes in both Turkey's agriculture and olive sectors were described from the perspective of "actually existing neo-liberalism". Based on the premises of "actually existing neo-liberalism", this thesis explored the path-dependent and contextually specific interactions in the neo-liberalization processes by analyzing one issue at a time. In this regard, both the neo-

liberalization process in the agriculture sector and the ongoing political contestations in the olive sector were taken into consideration throughout this thesis and were evaluated according to some of the certain parameters of neo-liberalization such as privatization, commercialization, marketization and commodification.

First, in chapter two, Harvey, Brenner, and Theodore's theorizing of today's political economic relations as well as Wood's reading of the history of capitalism helped conceptualize the neo-liberalization process within the development of the capitalist system. During this conceptualization, Wood's reading of the history of capitalism showed that due to market imperatives in the agrarian context, market pressure and the commercialization of agricultural production, the peasants were gradually dispossessed of their land. As a result, agricultural products began to be produced for the market, and these products became commodities or cash crops. In other words, both agricultural production and agrarian land were commodified and commercialized during the history of capitalism. The commodification and commercialization of agriculture were not only reinforced by the dynamics of capitalism, but also, as Harvey described in the second chapter; capital accumulation in the capitalist system has associated with neo-liberal theory since the 1970s. According to Harvey, this accumulation of capital is reinforced by the "appropriation of the assets of others" in today's political economy in the uneven geographical development. Thus, regarding the processes of commodification or commercialization in today's political economy, it is possible to say that they occur unevenly to some extent in different geographies.

In addition to commercialization and commodification, this thesis contends that, as Harvey, Brenner and Theodore underlined, the state can facilitate the neo-liberalization process through privatization policies in order to create conditions which are favorable for capital accumulation today. As a result, the public sector is privatized or no longer

regulated by the state in order to remove the barriers against the free movement of capital. The state can also play a crucial role in terms of the commercialization of production and the commodification of land in order to facilitate the profitable accumulation of capital, or, as Harvey put it, “accumulation by dispossession”.

According to the main parameters of the neo-liberalization process in the agrarian capitalist system, the literature analyzed the neo-liberalization process in Turkish agriculture and the distinct developments in the olive sector in order to find out the extent to which the aforementioned parameters of the neo-liberalization process have been implemented on the ground in the olive sector. In this literature, neo-liberalization refers to the changes in production subsidies and price supports, the restructuring of the producers' organizations, and the liberalization of agricultural trade which were implemented by the Turkish government through SAPs from the 1980s onward, the ERP in the 2000s, and more specifically with the ARIP from 2000 to 2008 and the BPSM from 2010 onward.

When the ARIP started to function with significant liberalization parameters, i.e. the DIR, the restructuring of the ASCUs and APOs, and the liberalization of the agricultural trade, a more complex picture of the agrarian context emerged. In this picture, both domestic and international large agricultural corporations began to penetrate the domestic agrarian market, and the farmers either had to abandon their land and take up non-agricultural activities or begin producing alternative or subsistence crops, like was the case with tobacco and sugar. Regarding these reform programs, Zülküf Aydın assessed that besides the DIS and law 4572 which restructured the ASCUs, the recent law which promotes the BPSM by trying to increase the productivity of the land by reducing the size of the production areas will likely make the small farmers more vulnerable and dependent on the private sector and corporate interests.

Based on this larger picture of the agricultural liberalization of Turkey, this thesis analyzed the extent to which the olive producers experienced such dramatic consequences and what are the degrees of liberalization in the olive sector. In addition to law number 4572, which restructured the ASCUs and privatized the olive cooperative Tariş, olive law number 3573 is another critical legal regulation for olive production and marketing. The DIR regulation which regulates the olive trade by not allowing the importation of olives or olive oil was also examined. Based on these legal regulations and the political contestations currently taking place in the olive sector, the parameters of the neo-liberalization processes were discussed in the next three chapters through an examination of the degrees of privatization, commercialization, marketization and commodification in the olive sector.

Subsequently, chapter three examined the extent to which Tariş was affected by the market imperatives when it was privatized by law 4572. Whether it continued to play a public role for its partners was also questioned throughout this chapter. While Tariş was a kind of producers' union, when law 4572 was passed in 2001 it was restructured and the state no longer supported the cooperative which made it economically and politically independent. Thus, in order to deal with the market competition, the partners of the cooperative established a company, Tariş Inc., and changed its pricing and selling policies. The Tariş Cooperative had previously publicly marketed the olive producers' crops and played a social role in society. Throughout this chapter, the new role Tariş took on after Tariş Inc. was established is discussed, including the question of whether it began to function solely as part of the private sector and how its role became much more economic and driven by market imperatives. In this regard, this chapter attempted to clarify, through the use of interviews with oil producers of different scales, merchants, and Tariş officers in Ayvalık, the extent to which Tariş plays a public role for the producers.

In this regard, by interpreting the producers' experiences, chapter three explained the practical role of Tariş in detail. According to the producers, Tariş almost lost its public role. After the privatization of the cooperative, which put an end to "state purchases" and other state support to Tariş, it began to follow the market conditions in order to play a more active role in the market, and thus changed its both sales and price mechanisms. Moreover, in spite of playing a leading role in the olive market, and even becoming a price-setter after Tariş Inc. was established, it now announces the purchasing prices according to the market and has not allocated any of its profits to its partners, which the producers criticized in the interviews. Thus, the producers affirmed that during the process of the privatization of Tariş the company not only integrated into the market by following the neo-liberal rules but it also commercialized olive production to a great extent, which forced the olive producers to integrate into the market through the boutique merchants. While the producers confirmed that thanks to several actors in Ayvalık, they are able to trade with the boutique merchants in order to benefit from olive production, they also emphasized that they would prefer to be united under a strong state-supported cooperative in order to be able to deal with the problems in the olive sector such as stable selling prices, high expenses and insufficient state subsidies.

Based on these findings, chapter three contends that while the producers have not completely internalized the privatization of Tariş, since they criticize its liberalization process and would like to be united in a public cooperative, they are also grateful for the supplementary private sector in Ayvalık. This shows how the olive producers have been experiencing an ambiguous process on the ground in the olive sector due to their new relationship with both Tariş and the boutique merchants in the domestic market. While Tariş has lost its public role and has integrated into the market via the commercialization of its products with Tariş Inc. and now follows the market

prices despite its price-setting role, the producers have also been integrated into the market and are commercializing their products mainly through boutique merchants.

Furthermore, chapter four investigated the degree of liberalization in the olive trade by taking into consideration the ongoing debate between the internationally-based and the local producers over the DIR. As the current DIR prohibits the importation of table olives and olive oil, and thus, neither packed crops nor bulk olive oil are able to legally enter the country, some Turkish olive oil exporters have been able to sell their products internationally in a boutique way. Therefore, Turkish olives are neither an entirely competitive commodity in the domestic market nor are they a protected crop in the international market, which puts them in a unique position. A struggle has emerged with the internationally-based producers, mainly represented by EZZIB, who have been pressuring the state authorities to change the legal notice of the DIR regarding olives and olive oil so that they will be able to import cheaper olive oil and resell it internationally. The local producers and UZZK, the leading actor working on the behalf of the local producers, are opposed to the liberalization of the olive trade and the presence of cheaper crops in the domestic market since they think that these crops would likely create unfair competition in the domestic market. In addition, the local producers emphasized that domestic olive production is sufficient for the Turkish population; thus, importing olives is quite futile. They underlined that due to the existing problems with domestic olive production, such as high input costs and insufficient subsidies, the local producers suffer in the dispute with the internationally-based producers, although they were able to prevent the liberalization of the olive trade. These contestations create a contextual process in the liberalization of the olive sector.

As the interviews conducted with different actors and the critical information about the olive sector illustrates, there are several problems in local olive production and in the domestic market which have made the job of the local producers quite

difficult. For example, the local scale producers and merchants complained about the insufficient state subsidies, unchanging prices, high input costs, and low levels of domestic consumption. Based on their unfortunate experiences in other areas of agricultural production, such as tobacco and cotton farming which were internationalized due to changes in the DIR regulations, they emphasized that if these challenges continue to exist and if the olive trade is liberalized and internationalized through the DIR regulation, the state will be more likely to adopt an intensive type of production model and thus local scale production will be eliminated. For this reason, they drew attention to the role of the actors in the olive sector (such as UZZK, AZUD, Tariş, the Ayvalık Chamber of Commerce) in dealing with the problems of the local olive producers in the domestic market and protecting them from the internationally-based producers.

In sum, the debate over the DIR issue in the olive sector shows that the majority of the local scale olive producers are opposed to any changes in the DIR regulation for the olive trade since they are worried about being impacted negatively like the tobacco or cotton industries were. They neither favor liberalizing the olive industry for imports and exports nor do they prefer to adopt the intensive type of production which will likely cause “accumulation by dispossession” in the olive sector. To this extent, the olive sector stands out from the other sectors in the ongoing neo-liberalization of Turkish agriculture, and the olive producers perceive the threats against local scale olive production differently due to their unfortunate experiences. Thus, they reacted proactively against the internationalization of the olive trade.

Lastly, chapter five illustrated the political contestations between the stakeholders in the mining and olive sectors over the different modalities of the commodification of the land with the olive groves as another process of liberalization in the olive sector. The olive groves first became a contested area between the stakeholders

in the mining and olive sectors when the mining lobbies pressured the MENR to amend Mining Law 3213 by changing Article 20 of Olive Law 3573. The second contestation between the stakeholders in the olive industry and the MARA developed when the MARA introduced a new amendment draft for Article 20 of law number 3573, which redefined the olive land and guaranteed the protection of only the olive groves with more than twenty-five decares of land. Looking at these attempts at amending the laws, this chapter questioned the position of the MARA by asking whether it ensured the protection of the olive groves from the miners' demands or it encouraged the commodification process in the olive groves. For this purpose, chapter five took into consideration the various mechanisms of the commodification in the olive groves through the attempts of both the MENR and the MARA to amend the olive law, and it also discussed the resistance mechanisms of the stakeholders in the olive industry against these amendments, which dealt with the different degrees of the commodification processes in the olive groves.

When the MARA introduced a bill that redefined the olive land, it also granted permission for various types of activities and investments to be conducted in the olive growing areas, including mining within a three kilometer radius. This process was criticized by the olive producers and the stakeholders in the olive sector, and they demonstrated their opposition to these amendments by signing several petitions. In terms of the Ministry's policies, while the MARA claims to want to increase olive production and consumption in their strategic plan, and they have thus recently raised the subsidies for planting olive trees and the production of olive oil, the olive producers regard these attempts by the Ministry as ambiguous. Accordingly, this process, which was driven by the MARA, was interpreted in the fifth chapter as a process of the commodification of the olive groves, as the stakeholders in the mining industry were allowed to benefit from the olive lands and the transformation of the olive groves into

large-scale agricultural land was also encouraged. Therefore, the olive groves were not only commodified by the mining lobbies for mining purposes but also by the MARA which has been pursuing olive policies which favor agro-business.

Based on these developments, the chapter five analyzed not only the positions of the Ministries (MARA&MENR) regarding the olive land and the olive laws but also the political contestations between the stakeholders in the olive and mining industries. The consequences of these contestations were neither intended nor certain at the beginning. However, due to the potential political consequences of these commodification attempts and the resistance of the olive producers and olive stakeholders, such as UZZK, AZUD, Zeytin-sen, and the Ayvalik Chamber of Commerce and parliamentarians mainly from the opposition parties, the TBMM General Assembly was compelled to reject the drafts of the amendments and has had to protect the olive groves from the threat of commodification. Based on this rejection, it is obvious that because of the political consequences of the commodification process in the olive groves, which were made evident by the stakeholders in the olive sector and the parliamentarians from the opposition parties, their acts of resistance, were successful.

In addition, the olive producers in the village of Karaayıt experienced slightly different processes in terms of their resistance mechanisms against the mining activities. Since an iron enriching company has already began operating in this village, practically within the olive producers' grasslands, even though it is not certain whether the olive groves will be affected by the activities of the mining company, the villagers challenged the company's presence. As a result, the court annulled the company's EIA report. Since these grasslands were not used as olive groves and the company's facilities are probably more than three kilometers from the olive groves, this contestation is not subject to the olive law. Despite this, the responses of the villagers illustrate how much the producers perceive the mining industry to be a threat to their land.

In short, as illustrated by the three politically contested issues, the neo-liberalization process in the olive sector has developed unevenly and has been implemented in varying degrees. In some areas of Turkish agriculture, it has been argued that the farmers either had to leave their land or produce alternative crops due to the internationalization of agriculture; in the olive sector, this process is much more contingent on the ongoing political contestations and the outcomes are quite uncertain. Although the olive producers have almost been integrated into the market via the boutique merchants following the privatization of Tariş, they affirmed that they have not internalized this privatization process and wish to be united under a strong cooperative. On the other hand, in terms of the liberalization of the olive trade, the local producers are completely opposed to any attempts which would internationalize and liberalize the olive trade because of their bad memories of what happened to the other crops. Regarding the commodification process in the olive groves, the perceptions of both the olive producers and the olive stakeholders allowed them to proactively and successfully resist the Ministry's attempts at transforming the olive groves. In this regard, the "actually existing neo-liberalism" in the olive sector can be described by these contestations and acts of resistance against the liberalization processes, and all of the developments can be taken as "path-dependent" and "contextually specific" processes.

APPENDICES

APPENDIX A: TARİŞ'S PURCHASING AMOUNTS AND PRICES FOR OLIVE OIL

| Years | Purchasing Amount for Olive Oil (Ton) | Purchasing Price *(TL/Kg) |
|---------|---------------------------------------|---------------------------|
| 1998/99 | 25.551 | 0,50 |
| 1999/00 | 7.816 | 0,99 |
| 2000/01 | 34.576 | 1,11 |
| 2001/02 | 12.323 | 2,50 |
| 2002/03 | 25.184 | 2,80 |
| 2003/04 | 13.562 | 3,20 |
| 2004/05 | 11.684 | 3,35 |
| 2005/06 | 16.094 | 5,00 |
| 2006/07 | 12.458 | 3,85 |
| 2007/08 | 2.689 | 4,15 |
| 2008/09 | 8.344 | 3,70 |
| 2009/10 | 7.875 | 4,03 |

* Source: TARİŞ Olive and Olive Oil Cooperative and Unions

APPENDIX B: SUBSIDIES FOR AGRICULTURAL SUPPORT IN 2011

ARTICLE 2- Fuel, Fertilizer and Earth Analysis Subsidies

| No | Product Groups | Fuel Support Price (TL/dekar) | Fertilizer Support Price (TL/dekar) |
|----|---|-------------------------------|-------------------------------------|
| 1 | For landscape and ornamental plants, and forest lands | 2.5 | 3,5 |
| • | For cereals, fodder crops, legumes, tuber crops, vegetables and fruit areas | 3,75 | 4,75 |
| 3 | For fields of oil seed plants and industrial plants *includes olive oil | 6 | 6 |

ARTICLE 3-Production Subsidies according to BPSM

| Sıra No | Desteğe Konu Ürünler | Birime Destek (Kr/Kg) |
|---------|-----------------------|-----------------------|
| 1 | Sunflower | 23 |
| 2 | Soybean | Certified |
| | | Non-certif |
| 3 | Canola | 40 |
| 4 | Corn | 4 |
| 5 | Safflower | 40 |
| 6 | Olive Oil | 50 |
| 7 | Wheat | 5 |
| 8 | Barley,Rye,Oat | 4 |
| 9 | Rice | 10 |
| 10 | Bean,Chickpea, Lentil | 10 |

APPENDIX C: PRODUCTION SUBSIDIES FOR OLIVE OIL

| YEARS | PRICE |
|-------|--------------|
| 1998 | 40,0 Cent/Kg |
| 2000 | 28,0 Cent/Kg |
| 2001 | 15,0 Kr/Kg |
| 2002 | 17,5 Kr/Kg |
| 2003 | 20,0 Kr/Kg |
| 2004 | 25,0 Kr/Kg |
| 2005 | 10,0 Kr/Kg |
| 2006 | 11,0 Kr/Kg |
| 2007 | 20,0 Kr/Kg |
| 2008 | 18,9 Kr//Kg |
| 2009 | 25,0 Kr/Kg |
| 2010 | 30,0 Kr/Kg |
| 2011 | 50,0 Kr/Kg |

Source: Ministry of Agriculture and Rural Affairs

SUBSIDIES FOR PLANTING CERTIFIED OLIVE TREES (TL/DA)

| PRODUCTS | 2009 | 2010 |
|---|-----------------------------------|-----------------------------------|
| for Gemlik type olive and olive grove | Certified 50 Non-certified 25 | |
| for other types of olives and olive grove | Certified 100 Non-certified 50 | Certified 100 Non-certified 50 |

Source: Ministry of Agriculture and Rural Affairs

APPENDIX D: QUESTIONS TO MINISTRY OF AGRICULTURE AND RURAL
AFFAIRS

Sayı: B12.0.SGB.0.03-610-425

27.12.2010

Konu: Soru Önergeleri

Önerge Sahibi: Mustafa Enöz

Esas No: 7/17018

Soru) Ülkemiz zeytinciliğin geliştirilmesi ve ülkemizin bu alanda dünya zeytin üreten ülkelerle rekabete debilmesi için Bakanlığınıza ne gibi çalışmalar yapılmaktadır?

Cevap) Ülkemiz için önemli olan zeytin ve zeytinyağı sektörü ile ilgili dünyadaki gelişmelere paralel olarak Bakanlığımızca,

-Zeytin alanının: 778 bin hektardan 1 milyon hektara

-Zeytin ağacı sayısının: 154 milyondan 180 milyona

-Sofralık zeytin üretiminin: 460 bin tondan 650 bin tona

-Yağlık zeytin üretiminin: 831 bin tondan 2,5-3 milyon tona

-Zeytinyağı üretiminin: 147 bin tondan 650-750 bin tona

-Zeytinyağı İhracatının: 50 bin tondan 200-250 bin tona

-Sofralık Zeytin ihracatının: 35-65 bin tondan 150-200 bin tona

-Ağaç başına verimin: 12 kg'dan 25 kg'a artırılmasına yönelik çalışılmaktadır.

APPENDIX E: DOMESTIC PROCESSING REGIME FOR AGRICULTURAL
PRODUCTS (EXPORT: 2007/3)

TARIM ÜRÜNLERİNE İLİŞKİN DAHİLDE İŞLEME REJİMİ GENELGESİ
(İHRACAT: 2007/3)

ARTICLE 1- Bu Genelge, 27/01/2005 tarihli ve 25709 sayılı Resmi Gazete’de yayımlanan 17/01/2005 tarihli ve 2005/8391 sayılı Bakanlar Kurulu Kararı eki Dahilde İşleme Rejimi Kararı ve bu Karara istinaden 20/12/2006 tarihli ve 26382 sayılı Resmi Gazete’de yayımlanan İhracat 2006/12 sayılı Dahilde İşleme Rejimi Tebliği çerçevesinde tarım ürünlerinde dahilde işleme tedbirlerinin uygulama esaslarını belirlemek üzere hazırlanmıştır.

ARTICLE 5- Aşağıda belirtilen maddelerin DİİB kapsamında ithalatına izin verilmez. Ancak, bu maddelerin Tebliğ’in 7 nci maddesindeki katma değer vergisinde tecil-terkin sistemi hükümleri çerçevesinde iç piyasadan teminine ilişkin talepler değerlendirmeye alınır. Ayrıca, bu maddelerin, Tebliğ’in 38 inci maddesinin onuncu fıkrasındaki belgeden belgeye teslim hükümleri çerçevesinde iç piyasadan teminine izin verilebilir. İlgili kurum ve kuruluşların görüşleri alınmak suretiyle bu maddelerde değişiklik yapılabilir veya yeni madde ilavesi yapılabilir.

- a) Et ve et ürünleri
- b) Büyükbaş, küçükbaş, kümes ve süs hayvanları
- c) Canlı balık (orkinos ve larva hariç)
- ç) Kuru üzüm (thomson tipi hariç), kuru incir, kuru kayısı, fındık, antep fıstığı
- d) Yaş meyve ve sebzeler (yaban mersini, böğürtlen, ahududu, nar ve yerli üretimi bulunmayanlar hariç)
- e) Zeytin ve zeytinyağı (*Olive and Olive Oil)
- f) Salça, meyve ve sebze konserveleri
- g) Çay
- ğ) Şeker
- h) Elma suyu ve konsantresi (malik asit değeri % 3 ve üzeri olan elma konsantresi hariç), kayısı suyu ve konsantresi, üzüm suyu ve konsantresi, domates suyu ve konsantresi ile havuç suyu ve konsantresi
- ı) Meşrubat, alkollü içkiler ve sirke
- i) Lokum, helva, reçel, şekerleme, çikolata, kek, bisküvi, gofret, ciklet, dondurma, bal, yoğurt, süt, krema, un, kahve, makarna ve bulgur
- j) Kabuğunu çıkartma işlemine tabi tutulacak nohut ve fasulye
- k) Eleme ve paketlenme gibi basit işlemlere tabi tutulacak maddeler (işlem görmüş kuruyemiş ve thomson tipi kuru üzüm hariç)
- l) Bağırsak (Dİİ kapsamında değerlendirilir.)
- m) 1605.40.00.00.11 GTİP’li salyangoz (Dİİ kapsamında değerlendirilir.)
- n) Çiçek fidesi (Dİİ kapsamında değerlendirilir.)

APPENDIX F: INTERVIEW QUESTIONS TO THE OLIVE PRODUCERS

1. Does he/she own olive grove?
2. How long has he/she been doing olive production? What is the history of the family?
3. How many trees does he/she own? Or does he define himself small or medium scale olive producer?
4. In harvest time, does the olive producer pick and sort the olives or they rent picker?
Was it same in the past?
5. Do they own a atelier for processing olives? if not, how they process?
6. With whom they trade with? Do they prefer Tariş? If not, why? How was it in the last ten years? If they dont prefer Tariş, whom they work with? What are the advantages and disadvantages of this preference?
7. How about expenses for olive production? Do the state subsidies compensate these expenses well? How much subsidies they have got this year?
8. What do they think about government's olive policies? Are they pleased or displeased? Why?
9. Overall, do they think is it possible to earn living with olive production? Was it same in the previous years? How they explain the current situation?
10. How about Import in Olive Trade? If they are against it, why they are? According to them, wich parties encourage it? And does it state encourage it, or prevent it with DIR?
11. What about mining stakeholders' attempts in olive groves? How the olive producers lobbied for opposing these attempts? What are the parties according to them that organized olive proucers? Did the resistance work for preventing amendment in olive law?

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