

POLITICS OF ELECTRICITY SECTOR PRIVATIZATIONS IN TURKEY:  
“MAXIMIZING FINANCE” FOR WHOM?

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## ABSTRACT

### POLITICS OF ELECTRICITY SECTOR PRIVATIZATIONS IN TURKEY: “MAXIMIZING FINANCE” FOR WHOM?

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This thesis considers the implications of the neoliberal transformation of development policy over the past four decades, specifically with reference to the World Bank and changes in its policy prescriptions for the global South since the 1980s. The thesis looks at neoliberal development policy in the context of the global accumulation crisis that has led to the “financialization of development”. It focuses on the MFD approach now being implemented by the World Bank, delineating its origins in global capitalist crisis, and how it is implicated in expanding debt relations across the global South. A second part considers the implementation of this policy with reference to the Turkish electricity sector, which has been undergoing a neoliberal transformation since the 1980s. An overview of the neoliberal restructuring of the Turkish electricity sector over the past decades reveals how the reforms to privatize and marketize the sector proceeded through crisis and are involved in the progressive internalization of financial motives into electricity provision. Within the context of the Turkish case study, the thesis also considers the expansion of debt relations in the provision of electricity with reference to the privatization of the state electricity distributor TEDAŞ. It is found that the TEDAŞ privatization, considered a “successful” example of reform within the Bank’s MFD framework, was enabled through a massive incurrence of debt by domestic capital

which then resulted in crisis and new forms of indebtedness across the electricity service chain. The main finding is that the neoliberalization of development through World Bank policies is linked with financialization and the dissemination of debt as a mode of capitalist crisis management across the global South.

**Keywords:** World Bank, Maximizing Finance for Development (MFD), Electricity Sector Privatization, TEDAŞ, Debt

## ÖZ

### TÜRKİYE'DE ELEKTRİK SEKTÖRÜ ÖZELLEŞTİRME POLİTİKALARI: GELİŞME İÇİN FİNANS KİMİN İÇİN?

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Bu tez, Dünya Bankası'nın 1980'lerden bu yana küresel Güney'e yönelik politika reçetelerindeki değişiklikler çerçevesinde, kalkınma politikasının son kırk yıldaki neoliberal dönüşümünün sonuçlarını ele almaktadır. Tezin ilk bölümü neoliberal kalkınma politikasını küresel Güney'de "kalkınmanın finansallaşmasına" yol açan küresel birikim krizi bağlamında incelemekte, Dünya Bankası tarafından uygulanmakta olan "Maximizing Finance for Development" (MFD) yaklaşımına odaklanırken küresel kapitalist krizdeki kökenlerini ve küresel Güney'de borç ilişkilerinin genişlemesine nasıl dahil olduğunu irdelemektedir. İkinci bölüm, 1980'lerden bu yana neoliberal bir dönüşüm geçiren Türkiye'nin elektrik sektörüne özel referansla bu politikanın uygulanmasını ele almaktadır. Geçtiğimiz on yıllar boyunca Türkiye elektrik sektörünün neoliberal yeniden yapılandırılmasına genel bir bakışın ardından, sektörün özelleştirilmesi ve piyasalaştırılmasına yönelik reformların nasıl krizler yoluyla ilerlediğini ve elektrik tedarikinde finansal güdülerin aşamalı olarak içselleştirilmesinde rol oynadığını ortaya koymaktadır. Son olarak, devlet elektrik dağıtım şirketi TEDAŞ'ın özelleştirilmesinde elektrik tedarikinde borç ilişkilerinin genişlemesi ele alınmaktadır. Dünya Bankası tarafından Banka'nın MFD çerçevesi içinde "başarılı" bir reform örneği olarak değerlendirilen TEDAŞ özelleştirmesinin, yerli sermayenin büyük miktarda borçlanmasıyla mümkün olduğu



ve bunun da elektrik hizmet zinciri boyunca kriz ve yeni borçluluk biçimleriyle sonuçlandığı tespit edilmiştir. Ana bulgu, Dünya Bankası politikaları aracılığıyla kalkınmanın neoliberalleştirilmesinin finansallaşma ve borcun küresel Güney'de bir kapitalist kriz yönetimi biçimi olarak yaygınlaştırılmasıyla bağlantılı olduğudur.

**Anahtar Kelimeler:** Dünya Bankası, Maximizing Finance for Development, Elektrik Sektörü Özelleştirilmesi, Borç, TEDAŞ

*For my parents, Ayşe and Kani Güngör*

*and*

*To my sister,*

*Nil Demet Güngör*

*whose unwavering support made the difference*

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## LIST OF ABBREVIATIONS

<b>AKP</b>	<b>Justice and Development Party</b>
<b>BOO</b>	<b>Build Operate and Own</b>
<b>BOT</b>	<b>Build Operate and Transfer</b>
<b>BOTAŞ</b>	<b>Turkish Petroleum Pipeline Corporation</b>
<b>CPF</b>	<b>Country Partnership Framework</b>
<b>DAM</b>	<b>Day Ahead Market</b>
<b>DPA</b>	<b>Directorate of Privatization Administration</b>
<b>DUY</b>	<b>Electricity Market Balancing and Settlement Regulation</b>
<b>EDAŞ</b>	<b>Electricity Distribution Company</b>
<b>EML</b>	<b>Electricity Market Law</b>
<b>EMO</b>	<b>Turkish Chamber of Electrical Engineers</b>
<b>EPDK</b>	<b>Energy Market Regulatory Authority</b>
<b>EPIAŞ</b>	<b>Energy Exchange Istanbul (EXIST)</b>
<b>ERDEMİR</b>	<b>Turkish Ereğli Iron and Steel Factories Corporation</b>
<b>ESAL</b>	<b>Energy Structural Adjustment Loan</b>

<b>ESMAP</b>	<b>Energy Sector Management Assistance Program</b>
<b>EU</b>	<b>European Union</b>
<b>EÜAŞ</b>	<b>Turkish Electricity Generation Corporation</b>
<b>IEG</b>	<b>Independent Evaluation Group (World Bank Group)</b>
<b>IFC</b>	<b>International Finance Corporation</b>
<b>IMF</b>	<b>International Monetary Fund</b>
<b>MENR</b>	<b>The Ministry of Energy and Natural Resources</b>
<b>MFD</b>	<b>Maximizing Finance for Development</b>
<b>NYC</b>	<b>New York Consensus</b>
<b>PA</b>	<b>Turkish Privatization Administration</b>
<b>PETKİM</b>	<b>Turkish General Directorate of Petrochemical Industry</b>
<b>PHC</b>	<b>Privatization High Council</b>
<b>POAŞ</b>	<b>Turkish Petroleum Distribution Company</b>
<b>PPP</b>	<b>Public-Private Partnership</b>
<b>PWC</b>	<b>Post Washington Consensus</b>
<b>SAL</b>	<b>Structural Adjustment Loan</b>
<b>SAYIŞTAY</b>	<b>Turkish Court of Accounts</b>

<b>SOE</b>	<b>State-Owned Economic Enterprises</b>
<b>TEAŞ</b>	<b>Turkish Electricity Generation Transmission Corporation</b>
<b>TEDAŞ</b>	<b>Turkish Electricity Distribution Corporation</b>
<b>TEİAŞ</b>	<b>Turkish National Transmission Company</b>
<b>TEK</b>	<b>Turkish Electricity Administration</b>
<b>TETAŞ</b>	<b>Turkish Electricity Trading and Contracting Corporation</b>
<b>TMMOB</b>	<b>Union of Chambers of Turkish Architects and Engineers</b>
<b>TOR</b>	<b>Transfer of Operating Rights</b>
<b>TÜPRAŞ</b>	<b>Turkish Petroleum Refineries Corporation</b>
<b>UN</b>	<b>United Nations</b>
<b>US</b>	<b>United States</b>
<b>WB</b>	<b>World Bank</b>
<b>WC</b>	<b>Washington Consensus</b>
<b>WDR</b>	<b>World Development Report</b>
<b>WSC</b>	<b>Wall Street Consensus</b>



## CHAPTER 1

### INTRODUCTION

#### 1.1. Purpose of the Research

Between 2009-2013, the AKP privatized Turkey's state-owned Electricity Distribution Company TEDAŞ, the second largest electricity distributor in Europe, for a total of 13.3 billion dollars—at the time the highest privatization revenue reached in the country's history. Actualized in the aftermath of the 2008 crisis when privatization had stalled around the world, the sale was a victory for the AKP: it contributed to a hike in the country's credit rating on global markets, transformed the outlook for the Turkish economy, and led to an influx of private finance that over the next few years resulted in rapid economic growth as well as a protracted investment boom in the Turkish electricity sector. The privatization, sponsored through World Bank development loans, became a prime example for the Bank of how implementing the right policies can mobilize private finance for investments and growth in the developing world—a cornerstone of the Bank's "Maximizing Finance for Development" (MFD) approach for the global South.

A decade into the completion of the privatization, this success story was turned on its head. Instead of sustained development, the sale of TEDAŞ has generated an ongoing private debt crisis in the electricity sector with wide-ranging negative societal repercussions, from blackouts to price hikes. At the center of this crisis are privatized distribution companies affiliated with the AKP that have incurred dollar-denominated

debts to the domestic banking system through the TEDAŞ sale. In the context of capital flight and currency depreciation after 2013, the debt profile of these companies has deteriorated, resulting in payments arrears and insolvencies across the electricity service chain and an emerging crisis risk in the domestic banking sector, which holds a disproportionate volume of the non-performing electricity loans. Within this context, claims that privatization and market reform will lead to greater efficiency and decreasing prices have not been borne out. In January 2022, the privatization crisis led to the AKP enacting what has been called “the biggest electricity price hike in Turkey’s history”, when power prices were raised by 125 percent for industry and 50 percent for households respectively (Butler, 2022). The price hikes were subsequently revoked by the AKP government in the face of mass protests. Moreover, market reforms have reportedly led to deterioration in the quality of electricity service provision because the indebted private companies, having failed to undertake proper investments in the electricity sector, caused massive blackouts in some Turkish provinces in mid-winter of 2022 (Çakır, 2022).

A consideration of these outcomes of market reform in the Turkish electricity sector requires revisiting the question: how compatible is private finance with the equitable and sustainable provision of a key public service like electricity? While the World Bank has been silent on the reform’s poor developmental outcomes, it has continued to emphasize “maximizing finance” in the Turkish electricity sector, which it considers a successful case of reform because it has been effective in mobilizing private finance and investments (World Bank, 2017b). Within the framework of the MFD approach, the International Finance Corporation (IFC) linked to the World Bank is providing post-privatization financial support to the insolvent electricity distribution companies in order to improve their financial structure so that they may attract long-term finance from global markets

(World Bank, 2017b ). Thus debt crisis and insolvency engendered through the electricity market reforms is apparently being addressed by the creation of more debt in World Bank policies.

It is the contention of this thesis that this incongruity in the World Bank's approach can only be understood in the context of the neoliberalization of development since the 1980s, and with specific reference to the financialization of the global economy after 2000. According to this view, mainstream development policy as it has emerged after 2008 is a neoliberal crisis management response that is concerned above all with sustaining financialized accumulation in the wake of the global crisis. This crisis response seeks to integrate the global South into emerging debt circuits that function as transfer mechanisms for global capital in the context of the global downturn. As such, it capitalizes on debt dynamics in the global South in a crisis context in which these countries have become increasingly subordinated to the imperatives of global finance.

Within this context, the shift within the mainstream approach to development that has aligned policy more tightly with the needs of global finance after 2008 is implicated directly in the establishment of these debt circuits in the global South. This shift, which has been characterized as a move from the Washington Consensus to the Wall Street Consensus in development policy (Gabor, 2020), is distinctive in its redirection and use of the Washington Consensus policy arsenal toward creating both debt and access to debt in the developing world so that financialized accumulation may be sustained through the crisis. The disciplinary impact on the South is clear: while global quantitative easing policies employed in the aftermath of 2008 inundated these countries with easy debt from the North, the tapering of these policies after 2013 resulted in capital flight and debt crisis

that has provided ample context for the implementation of neoliberal reforms concerned essentially with expanding investable markets for global finance.

In keeping with the foregoing, it is argued here that the neoliberalization of development through World Bank policies is linked with financialization and the dissemination of debt as a mode of capitalist crisis management across the global South, with implications for worsening social and distributional outcomes, including in the electricity sector. Through a case study of World Bank privatization policy in the Turkish electricity sector, specifically focusing on the privatization of state electricity distribution company TEDAŞ, the thesis seeks to contribute to an emerging body of work by critical writers who have put forth important insights on how development policy is transforming and how it should be understood in the context of the crisis of financialized capitalism after 2008.

In particular, the thesis subscribes to the view that what has been called “financialization of development”—generally understood as the growing impact of financial actors on developmental policies and outcomes—is linked to the creation of new imperatives around debt generation and service in the global South. The distinguishing feature of the “Wall Street Consensus” is its re-definition of development as “access to finance”, which entails a move away from more contentious state-market conceptualizations based on “free markets” or “good governance” and understands development in terms of the pragmatics of acquiring access to finance in the global South.

Within this context, the re-definition of development as “access to finance” is useful for understanding how the World Bank is operationalizing its policies in the post-crisis period, as it has very specific implications for understanding neoliberal policies in the



global South. Markets in the policies of the World Bank may now be important less in terms of “workability” as in the earlier Washington Consensus sense of creating efficiency and competition, than “financial sustainability”, or how well they integrate into global capital and debt circuits. Access to finance, within this context, is also linked to the World Bank’s current understanding of good governance as being a matter of “function over form” (WDR, 2017), whereby governance is evaluated less in terms of idealized and specifically delineated state-market interactions than how well it performs its functions of fulfilling the requirements of financialized accumulation. This means that mainstream critiques evaluating market reforms and outcomes on the basis of corruption or “poor” governance according to known templates may be missing the greater significance of the financialization process being implemented through the policies of the Bank.

In keeping with the perspective that these outcomes are better understood through an alternative approach that accounts for the social struggle at the core of the changes in development policy today, this thesis uses a critical analytical method based on the concepts developed by David Harvey in his account of neoliberalism as a global class project aimed at restoring class power through the processes currently driving social change in the contemporary period. Use of such a method reveals the significance of World Bank policies as a form of neoliberal crisis management aimed at sustaining capitalist accumulation in the context of the global crisis. For the purposes of this research, Harvey’s concepts are operationalized through a reading of the works of Cammack, Carroll and Gabor on the contemporary policies of the World Bank in its various dimensions in the post-2008 period. As will be shown in detail in Chapter 2, it is found that Harvey’s concept of “accumulation by dispossession” is central to explaining changes in development policy today and that the practice of “risk mitigation” has

emerged as the most important contemporary form of dispossession in the post-crisis period.

### **1.2. The TEDAŞ Case Study: Why the Electricity Sector?**

Public services such as water and electricity are increasingly fodder for global private financial capital seeking new profits and returns in the global downturn. The electricity sector, within this context, is an important area of study in neoliberal restructuring and changes to state policy because it provides a fundamental service with implications for social equity and social struggles that was opened to globalized accumulation through the neoliberal reforms of the past decades. As such, the electricity sector is a site of social struggle that constitutes an important test case for the impact of financialization on development. While neoliberal policies over the past four decades have always prioritized the commodification and marketization of electricity provision in the global South, it is well known that these reforms were often waysided by the social struggles they engendered, due to the fact that electricity as a site of social struggle sits at the very center of the contradictions of capitalist reform, entailing tensions between the need of the people and the profit concerns of capital, and for states which face the need to balance the support of the masses against the imperatives imposed by global finance.

The privatization of TEDAŞ, within this context, is an excellent case study of these processes in Turkey under the AKP government that demonstrates the crisis management policies of the AKP under conditions of increasing financialization. This is because electricity sector reform in general, and the TEDAŞ privatization in particular, has been one area of policy in which the AKP has most intensely had to manage social conflict due to the neoliberal market reforms demanded by global capital—namely, the tension between the need to retain control over the electricity price so as not to lose voter support

and the imperative of implementing the reform policies demanded on global markets. AKP policies and interventions in the electricity sector are frequently understood in terms of either obstructing the market reforms needed for change, or otherwise “caving in” to the demands of global capital, depending on the view taken of the necessity for market reforms. However, there is little study of the electricity sector policies of the AKP as crisis management measures that need to be understood within the context of the social struggles emanating from the contradictions of financialized globalization.

The TEDAŞ privatization is instructive in this regard in that it provides a striking example of these contradictions and of the dynamics of the global financialization policies of the contemporary period. As will be shown in detail in Chapter 5, the privatization of TEDAŞ and the terms on which the AKP implemented it in the context of 2008 was a crisis reflex that sought to balance the two contradictory objectives of attracting global finance while retaining state control over the electricity sector. The privatization of TEDAŞ had been long delayed because of the refusal of the AKP to end state subsidy of the electricity price and enact the market and pricing reforms that would make TEDAŞ “saleable” on global markets. When the sale finally eventuated, it was crisis-driven and implemented in response to pressures created in the context of 2008. The AKP sold TEDAŞ on its own terms to affiliated domestic capital over the years 2009-2013, retaining state control over the electricity price. While this generated a great deal of finance into the electricity sector, it failed to create working markets. The private debt crisis that ensued in the wake of the sale has since laid the basis for further financialization of the Turkish electricity sector through the policies of the World Bank to improve the financial viability of the private distributors. Neoliberal adjustment policy thus provided the basis for indebtedness and insolvency that has resulted in deepening

financialization as well as austerity in the electricity sector. The TEDAŞ privatization is thus understood here as representing a politics of crisis management by the AKP that is generating its own contradictions and crises in return. Within this context, the thesis seeks to fill a gap in the literature toward presenting the TEDAŞ sale as a moment of social struggle with broader implications for financialization and austerity in the electricity sector.

### **1.3. Research Methodology**

In addition to a wide reading of the published articles, the methodology used in carrying out the research on the Turkish electricity sector that is presented in Chapters 4 and 5 relies on an extensive review of evidence collected from grey literature that includes newspapers, policy blogs, official documents, reports, discussion papers and white papers. In contrast to published research that often becomes outdated by the time it is available to its readers, grey literature provides vital information in areas where developments are occurring rapidly, as in the Turkish electricity sector.

The research methodology used in Chapter 3, which presents the evolution of the World Bank's development policies over time through an overview of World Development Reports published from the 1980s to the present, is policy analysis that is based on the Critical Frame Analysis or the frame-critical approach developed by Rein & Schön (1993, 1996). Frame analysis is a multidisciplinary method that is used in a variety of contexts<sup>1</sup> in the social sciences as a way of analyzing different perspectives on a policy problem that are referred to as "frames" Thus, conceptual frames can be identified in policy actors' approaches to issues and changes to these frames can be analyzed over time. The analysis presented in Chapter 3 is based on the understanding that the World Bank is a neoliberal

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<sup>1</sup> Verloo & Lombardo (2007); Meier (2008); Mundy & Menashy (2014)

agency that is concerned primarily with facilitating capitalist accumulation through its development dealings in global South. As such, the policy analysis carried out in Chapter 3 is based on critical frame analysis that seeks to understand the World Bank's evolving conceptualization or "frame" of the policy problem of operationalizing its developmental approaches to the global South so as to sustain accumulation in the context of global changes that have included economic slowdown as well as political resistance and backlash.

#### **1.4. Structure of the Thesis**

On the basis of the foregoing, the rest of this thesis considers contemporary neoliberal electricity market reforms within the context of the World Bank's "Maximizing Finance for Development" (MFD) approach and how this approach is being implemented in the Turkish electricity sector under the AKP. Chapter 2 provides the conceptual framework used in the research, presenting the constructs of David Harvey in explaining the dynamics of neoliberal transformation over the past four decades. Within the context of Harvey's framework, the conceptual contributions of authors who have specifically written on changes in development policy are considered. Chapter 3 looks at changes in the World Bank policies from the 1980s to the contemporary period with a view to understanding the transformation of the Bank's development paradigm in the context of the global accumulation crisis, especially since 2008. The critical finding is that the MFD approach, despite the claims of the World Bank to break with the standardized Washington Consensus policies of the past, is in reality a continuation oriented predominantly toward the needs of global finance in the post-2001 period. The chapter provides a critical evaluation of eighteen World Development Reports from the beginning of the 1980s to 2022 conducted through critical frame analysis based on a categorization

by Lauridsen (2012) of the shift in the Bank's development policies over time from the 1980s to 2020. The analysis reveals that the Bank's new approach is a reworking of existing Bank practice under current conditions of financialization rather than a change in the latter's understanding of development. Chapter 4 gives an overview of the neoliberal restructuring of the Turkish electricity sector under the AKP since the early 2000s, which the World Bank considers a successful example of reform despite the crises engendered by the reform process. The chapter finds that the implementation of the World Bank's "standard model" of electricity sector reform in Turkey has ultimately led to restructuring that provided an enhanced framework for facilitating the financialization of the sector by offering varieties of different demands for financialization. Chapter 5 gives an overview of the World Bank's neoliberal policies in the Turkish electricity sector specifically with regard to the privatization of state electricity distributor TEDAŞ. The main finding that emerges is that the privatization was both facilitated by and generated massive debt that laid the basis for further indebtedness along the electricity service chain. Thus, the most important result of neoliberal reform of the Turkish electricity sector has been to open the sector to increased financialization within the global crisis conditions of the post-2008 period. Chapter 6 concludes.

## CHAPTER 2

### WORLD BANK'S MAXIMIZING FINANCE FOR DEVELOPMENT POLICY AS CREATIVE DESTRUCTION: A CONCEPTUAL DISCUSSION

#### 2.1. Introduction

The post-2008 period is seeing a revival of the concepts of development and the state in mainstream policies and discourse. At the center of this shift is the apparent change in the approaches of the World Bank and the IMF to the global South, which is generating new debate on the fate of the Washington Consensus in the post-crisis period. The Bretton Woods institutions' re-embrace of the state in the context of the global crisis has brought a new concern with development and sustainability to the mainstream agenda beyond known polemics around "state-market" and "austerity-stimulus" divisions, although what this means for the practice of development is contested in mainstream policy circles.

In a global context marked by slowing economic growth and accelerated financialization, the IMF's limited relaxation of its stance on public spending and austerity policies and the World Bank's announcement of a new "Maximizing Finance for Development" (MFD) approach to mobilize both public and private resources toward developing the global South have engendered new questions regarding debt, development, and sustainability in the post-crisis period. Policies beyond austerity are increasingly advocated toward growth in a global crisis context in which states remain subject to neoliberal debt discipline. At the same time, building markets for development has gained a new impetus in official lending practices since the crisis. Whether the apparent contradictions that are emerging

in the approaches of the international financial institutions involve repudiation of the Washington Consensus, its continuation, or simply a state of “policy incoherence” with potential to create a new space for development continues to be debated in the post-crisis period.

At root of this confusion are changes to the global economy since 2008 that have given rise to the existing deadlocks in conventional market policies and thus presented new tests of the neoliberal understanding from both sides of the mainstream state-market division. The inadequacy of existing market policies in addressing the global economic slowdown, the tightening crisis that has seen the resurgence of the state through use of unconventional monetary and spending measures, the emergence of new models of state developmentalism from within the global periphery, and repoliticization around growing social and distributional inequalities at the global level have all been cited as factors that can no longer be contained by the existing market understanding. Not least among the arguments put forward for change is the financialization of the global economy over the past twenty years that is said to have increased the recourse of the developing world to alternative sources of global financing and reduced its dependence on the policies of the World Bank and the IMF. Thus market-based financialization and the resurgence of the state in the wake of the global crisis appear paradoxically to have come together in launching the biggest challenge to mainstream neoliberalism in decades.

The implications of neoliberalism’s legitimacy crisis for mainstream development policy continue to be debated. Those who perceive the potential for a new approach to development consider that a new space may be opening for the implementation of alternative policies in the global South (Grabel, 2011: 805), or even that a full-fledged “new Washington Consensus” has emerged based on a state activism that transcends early



notions of states versus markets “in favour of an economic worldview based on finding ways in which government intervention can guide the private sector to perform better” (Sandbu, 2020). Others remain unconvinced of significant change given that structural adjustment and austerity has continued to be a mainstay of IMF programs in the global South since the 2008 crisis (Kentikelenis, Stubbs & King, 2016), and that the World Bank and the IMF have above all continued to prioritize policies to benefit global capital that constitute a real constraint on the potential for development in the periphery (Rowden, 2021). Hence the wider policy debate about whether the resurgence of states and markets signifies a real change to the neoliberal order in the post-2008 period is paralleled by the emerging debate on the international financial institutions’ incorporation of these trends in their post-crisis approach to development and lending practice and whether it holds a real potential for developing the global South.

Critical thinkers recognize neoliberalism as a global class project that over the decades of its existence has continued to renew and reconstitute itself through societal processes aimed at sustaining accumulation for the dominant interests it serves (Harvey, 2003; 2007). According to the perspective developed by Harvey, neoliberalism is a project of capitalist restructuring that continues to survive its own contradictions through processes of geographical expansion, reorganization, and market deepening that bring new areas into the reach of privatized profit in order to sustain capitalist accumulation through crisis. Because this occurs at the cost of replicating these contradictions in different forms across space and time, neoliberalism continues to regenerate itself through ongoing crisis which provides the basis for its transformation at the global level. Because it is also a political discourse and ideology that must legitimate this social reordering in line with the interests of dominant classes on a constant basis, neoliberalism is at the same time an

evolving political project the narratives of which have continued to change in response to the changing needs and requirements of global capitalism. As such, state-market interactions in neoliberal discourse and practice have never been static but are in fact strategized with respect to the requirements of capitalist accumulation, so that any critical understanding of changes in and to policy that reorganizes these interactions must consider what purpose is being served within the global crisis context.

In keeping with the critical perspective, it is contended here that changes to global policy and the apparent contradictions and paradoxes these changes are giving rise to in the post-2008 period gain coherence if they are understood in the context of the global slowdown that is accelerating the search for private profit across the globe. Regardless of how it mobilizes states and markets, the basic priority of contemporary development policy as it is emerging today is to create new venues of financialized accumulation for private global capital in the economic downturn. Thus the need emerges for a critical approach that considers how these processes are playing out in the contemporary period.

The next section elaborates further on Harvey's critical approach to neoliberalism in order to set the conceptual framework of the thesis, and so problematize how this capitalist restructuring is taking place through the transformation of mainstream development policy, in order to consider its potential implications for the countries of the global South.

## **2.2. David Harvey: Neoliberalism as Creative Destruction**

According to David Harvey, neoliberalism, which he defines as a global project to achieve the restoration of class power, is primarily a redistributive practice aimed at transferring resources from the poor to the rich at a global level. According to Harvey, this transfer of resources occurs through what he calls "accumulation by dispossession" in

contemporary capitalism. Whereas Marx had developed the concept of “primitive accumulation” to explain capitalism’s emergence through the pre-capitalist processes that converted the public commons into private property and rights, Harvey’s concept of “accumulation by dispossession” puts emphasis on similar contemporary processes that are involved in sustaining capitalism in the modern period. Hence, for Harvey, dispossession is not a pre-capitalist phenomenon but is in fact the main process implicated in sustaining neoliberalism through the current crisis of global accumulation. Accumulation by dispossession, within this context, entails four predatory practices to enable wealth transfer from the masses to the dominant class: privatization, financialization, management and manipulation of crises, and state redistributions of wealth.

The second concept used by Harvey in explaining neoliberal crisis management strategy is that of the “spatio-temporal fix, which involves capital’s search for profit across geography and over time, and which is implicated in the perpetuation of crises that lead to further restructuring and reorganizations by capital toward sustained accumulation. The creative destruction that has been wrought by these processes in restoring class power includes economic plunder as well as war (Harvey, 2003).

If contemporary development approaches to the South are understood as a form of neoliberal crisis management policy, then the processes of dispossession described by Harvey may be seen to predominate in the content of these approaches. Privatization of public assets is an unchanging outcome of debt crises in the developing world as neoliberal adjustment programs continue to impose such policies to benefit global capital seeking returns and profits in new markets. Privatization is also the main basis for the expansions in state redistributive activity and increasing financialization seen across the

global South as markets created through the dispossession process are often then sustained through various means and transfers, both private and state, that create more dispossession in support of privatized profits. This includes revenue streams guaranteed through the state or speculative profits had by way of financialized risk management schemes.

The concept of sustainability, within this context, has figured prominently in the management and manipulation of crises, as sustainable development in neoliberal practice is implicated in the creation of debt in the global South. This is because markets and projects with “sustainability” often require state support, as through incentives, guarantees, and partnerships to increase their attractiveness on global markets, which may create public debt with implications for more crisis and more neoliberal restructuring of the indebted economies. Similarly, poverty in the South—often having deepened through the neoliberal adjustment policies of past decades—continues to provide the basis for the global poverty industry that has emerged based on microfinance schemes creating what Harvey calls “debt peonage” of whole populations (Harvey, 2007: 36). Thus, debt, sustainability and crisis must always be managed in order to sustain the accumulation process.

Authors writing on the new turn in mainstream development policy have considered various aspects of these processes, especially with regard to the ways in which these are continuing to be shaped under the impact of the massive financialization of the global economy. Within this literature, the practice of “risk mitigation” emerges as the most important contemporary form of dispossession in the post-crisis period and at the root of the current shift in development policy.

The work of Paul Cammack details the emergence of the focus on “risk” in contemporary development approaches and its importance in operationalizing the creation of markets in the global South. The reconceptualization of economic development as “risk-taking” is at the center of what Cammack calls the emergence of a global liberal project of “market-building” to spread the ubiquity of capitalist social relations across the South (Cammack, 2012: 366). Cammack dates the first mention of this project, which normalizes crisis and risk while promoting the logic of markets, to the 1990 World Development Report (“Poverty”) (Cammack, 2012: 365), detailing how dispossession is inherent to “market-building” through the universalization and standardization of risk across the global periphery.

Building on Harvey’s concept of “spatio-temporal fix” and Cammack’s concept of a global market project, Toby Carroll has conceptualized contemporary development policy in terms of a new market-building initiative (“deep marketization”) that has emerged in the context of a new politics of development in the post-2008 period. This new politics of development is shaped by the changing landscape of North-South relations, the emergence of new development lenders from the South, and the immediate practical concerns around debt and profitability that have been created in the aftermath of the 2008 crisis—in particular, resulting in an acceleration in global capital’s search for returns while greatly increasing the developing world’s need for access to finance (Carroll, 2012: 21). According to Carroll, the policy response of conventional lenders such as the World Bank has been the “deep marketization” of development in the South, which continues market-building through the mobilization of the concept of risk but operates through new modalities in the post-crisis period. According to Carroll, these new modalities are in keeping with the global realities that have emerged after 2008 in that, while continuing

the reforms of the Washington Consensus and the Post-Washington Consensus, they are less policy prescriptive and operate at a more fundamental level that is directly involved in the practicalities of market-building “on the ground”, through the promotion of private sector activity and lending that targets private entities. According to Carroll, World Bank market-building activities involve “derisking” development projects for private global capital and even the imposition of “conditionalities” on private clients from the South that expands financialization in the periphery by inducting these clients into capital circuits such as stock exchanges and bond markets (Carroll, 2012: 27).

Gabor (2020) also understands the World Bank’s emerging approach to development—as put forth in the Bank’s “Maximizing Finance for Development” (MFD) paradigm—as continuing the policies of the Washington Consensus, but with specific reference to the needs of global financial capital in the post-crisis period. According to Gabor, “derisking” by the state is a cornerstone of what she calls the “Wall Street Consensus”, based on sustaining accumulation by creating transfer mechanisms to ensure returns to global financial capital. According to Gabor, World Bank policies to “derisk” the South economies for global capital through the use of Bank guarantees on development projects have resulted in enactments of structural adjustment in cases where the country could not carry out its project obligations (Gabor, 2021: 17). Thus, according to Gabor, the emergence of the Wall Street Consensus “marks a new moment in capitalist accumulation, from what (Harvey) termed ‘accumulation by dispossession’ to accumulation by derisking” (Gabor, 2021: 4).

An overview of the emerging critical writing indicates that states and societies alike are targeted in the World Bank’s new development paradigm based on creating access to finance in the global South. The subjugation of development to the needs of finance is

currently the most important mechanism through which the countries of the South are being subordinated into the discipline of global markets.

### **2.3. MFD as Creative Destruction**

This section considers how the World Bank's "Maximizing Finance for Development" (MFD) program for developing the South is playing out "on the ground" within the conceptual framework given above. Specifically, the broad changes in state-market relations that are being engendered by the restructuring wrought by this development project are overviewed in order to understand their implications for the emergence of new forms of value transfer from the South.

In keeping with the critical perspective used here, MFD is understood as a neoliberal crisis management response that is concerned above all with sustaining capitalist accumulation by opening new areas of the globe to increasingly diversified forms of financialized returns and profit, while at the same time mobilizing the Southern state toward fulfilling the actualization of this policy objective in the post-2008 period. As such, the view subscribed to here joins critical thinkers in considering the emergence of this neoliberal impulse as an iteration of the Washington Consensus that is focused primarily on meeting the needs of the now prevailing form of financialized accumulation in the contemporary period.

The specific contention made here is that the MFD must be considered in the context of the increasing influence of global financial capital on public policies, and as part of the capitalist restructuring involved in what has been called the "financialization of development", defined as the increasing prevalence of financial actors and motives in developmental objectives and outcomes in the global South. As such, MFD is consistent

with what critical thinkers have identified as a specific market-building project toward integrating the economies of the global South deeper into global capital and debt markets in the post-crisis period.

Within this context, one of the most important features of MFD program is its objective of “derisking” the economies of the South for investments by global financial capital, whether through standard market liberalization policies or unconventional forms of state stimulus. In a financialized crisis environment in which opportunities for accumulation through growth have narrowed, the reforms associated with these neoliberal derisking programs—regardless of how they mobilize states and markets—are implicated in the creation of investment and debt markets that provide new sources of financialized returns to private capital.

Since 2008, this restructuring project—which was formally operationalized by the World Bank in its inauguration of the MFD approach in 2017—has sought to channel the surplus of over-accumulated private financial capital now prevailing on global markets into development projects being created in the global periphery, as through the developmental priorities outlined in the United Nations’ Sustainable Development Goals (SDGs) for 2030, or the interventional openings provided by the failures of the early decades of neoliberal policies in the global South. But perhaps the greater significance of this market-building project is that it targets wide societal changes around debt creation and sustainability that are implicated in normalizing a new understanding of development as “access to finance”, and therefore linked to a proliferation of forms of austerity across the global South. Within this context, policy initiatives to expand private financial markets are being twinned with the broad drive to support and sustain the financialized



accumulation process by reframing the politics of development around the agenda of debt access and discipline.

Beyond creating new mechanisms of value transfer to the benefit of global capital, such policies have implications for redrawing state-capital relations and transforming societies through the discipline of debt, as the latter become reorganized around “sustainability” criteria linked specifically to the financialization of development, such as generating streams of returns to be valorized on private capital markets. Sustainability of markets also involves an increase in the variety and forms of debt and austerity prevailing throughout the global South, including through the entrenchment of what has been called “austerity through stimulus”, exemplified by public-private partnerships (PPPs) that ensure “bankability” for global capital but at the cost of generating debts that may crowd out more socially relevant forms of public spending.

As well, this financialization entails a shift whereby markets are built that are important less in terms of their “workability” in the original Washington Consensus sense of creating increased competition and efficiency, than their “financial sustainability”, or how well they integrate into global capital and debt circuits. In the absence of “functional” working markets, sustainability may entail the emergence of new patterns of state-capital relations that operationalize markets through a variety of public mechanisms and transfers to achieve conformity with the financial viability criteria on global capital and debt markets.

Use of public-private partnerships in services such as water and electricity, which are difficult to commercialize because the profit motive is incompatible with public concerns around equity and social justice, has facilitated the creation of markets that operate on the

basis of state guaranteed private revenue streams. Such partnerships have also been instrumental in facilitating the financialization of public services, as state guaranteed revenues can be securitized by the private partner for borrowing on debt markets, which in practice has led to the socialization of overextended and speculative private debt. On the other hand, market insolvencies have also continued to provide fodder for global private finance in the post-2008 period, expanding the need for “access to debt” that gives impetus to the introduction of new risk management markets and further financialization of the public services. The creative destruction entailed in the dismantling of state-provided systems of public service provision and their replacement by market systems operating on the basis of financial motives has resulted in a proliferation of forms of austerity across the global South in conjunction with the debt created through these new forms of financialization. Most importantly, dispossession has deepened as fundamental rights to basic services continue to be eroded through the financial profit motive.

In summary, development policy after 2008, emerging out of the needs of capitalist restructuring in the post-crisis period, is a specific form of neoliberal intervention toward creating new venues of financialized accumulation for global capital through the debt and development policies being implemented in the global South, with implications for reshaping state-capital relations, transforming societies, and creating new transfer mechanisms around debt and sustainability.

As such, the direction taken in neoliberal development policy in the post-2008 period cannot be understood in terms of the mainstream state-market, austerity-stimulus conceptualizations that categorize policies in simple oppositional terms and without reference to the restructuring of the global political economy toward sustaining financialized accumulation in the context of the prolonged economic downturn. This

implies that any understanding of market reforms and outcomes attached to contemporary development approaches in the global South must account for the growing impact of financialization on global policy targeting the peripheral economies, and thus the ways in which development policy has become indexed to creating demand for debt in the global South.

## CHAPTER 3

### WORLD BANK POLICIES

#### 3.1. Introduction

The purpose of this chapter is twofold. The first is to situate the World Bank's contemporary development policy in the context of financialization and broader geopolitical changes prevailing in global capitalism in the contemporary period. Within this context, the World Bank's "Maximizing Finance for Development" (MFD) approach to the global South is investigated with regard to its origins in the global financial crisis and the global changes wrought by the needs of the ensuing capitalist restructuring.

The second purpose is to understand how the World Bank is legitimating its neoliberal policies in the context of an increasingly politicized global economy. Using a critical frame analysis of key World Development Reports and selected World Bank documents from the 1980s to the post-2020 period, the evolution in the way the World Bank is operationalizing its neoliberal policies in the South is considered in the context of the shift from the Washington Consensus to the contemporary post-crisis period.

The main findings are the following. As economic growth has become deadlocked rendering existing policies ineffectual after 2008, there has been a shift in global policy toward the global South as the main venue to generate growth in the stagnating global economy. This "refocus" on the South has involved opening new spaces for financialized accumulation through development projects to accommodate the increasing volumes of

global financial capital emerging out of crisis management policies in the core, deepening the “financialization of development” in the global South. This “financialization of development” is in turn accompanied by the deepening subordination of the state to the mandate of global financial capital as more policy comes under the control of private financial markets, with implications for entrenching austerity into state policies.

The second finding emerging out of the policy analysis conducted through a reading of World Development Reports and other documents is that the World Bank is operationalizing its neoliberal policies in the global South through an approach that seeks to normalize crisis in the post-2008 period while adopting a pragmatic approach to debt in the South countries by emphasizing policies that open up access to finance in the global periphery. It is found, however, that this pragmatic approach remains within the neoliberal ideology that takes the Bank’s market-based policies for the developing world as an objective given and outside of the scope of contention.

The next two sections detail these findings. In Section 3.2 the World Bank’s MFD approach is considered with regard to its origins in the global policy response to the slowdown in the global economy. In section 3.3, changes in the World Bank’s own strategies to development policy are considered toward showing how the Bank is continuing its agenda of sustaining financialized accumulation in the post-crisis period.

### **3.2. World Bank’s Maximizing Finance for Development Approach**

The World Bank’s MFD approach is based on the so-called “Cascade” framework of investments in the global South, which puts emphasis on private sector solutions in meeting the development needs of the global South. In this approach, private capital is mobilized into development projects where possible, and where a private solution is not

possible, the World Bank intervenes to create the appropriate conditions for private investments to occur. On the basis of what it calls “derisking” in financialized language, the Bank removes bottlenecks to potentially “bankable” development projects, which involves reducing or shifting risks of projects onto the Southern state. The two modalities of “derisking” are regulatory and financial. Regulatory derisking involves removing regulatory barriers to investment, such as unbundling state utilities for sale to private investors and “cutting back” the state (private risks are reduced). Financial derisking involves situations where risks cannot be reduced and therefore must be shifted onto the state; this involves state guarantees, subsidies and incentives to private capital (private risks are shifted). As such, “derisking” essentially replicates the policies of the Washington Consensus and Post-Washington Consensus period and operationalizes them on the basis of a financialized understanding.

### **3.2.1. Maximizing Finance for Development as a Management Response to Crisis**

The subprime mortgage crisis that originated in the United States in 2008 led to financial crises that threatened to become economic crises across the globe—the most prominent being the Eurozone crisis in 2010—resulting in the slowdown of economic growth within the core and the periphery (Akçay & Güngen, 2014). This has given rise to the main controversy of the post-crisis period: how to address the global economic slowdown within the constraints of the neoliberal order. The failure of mainstream crisis measures to re-start growth has set the context of the main policy debates on global recovery after 2008, including: the ongoing debate on the cause of the crisis and what needs to be done (“secular stagnation” vs “debt supercycle”)<sup>2</sup>; and the related debates on the role of the

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<sup>2</sup> Two approaches to debt predominate in the mainstream within this context: 1) The understanding of global crisis as the outcome of a “debt supercycle” views the global Keynesianism of the post-2008 period as potentially counterproductive because it interferes with debt deleveraging, thus delaying recovery which would otherwise occur (Rogoff, 2016). 2) The understanding of global crisis as the result of lagging global

state in capitalism (neoliberalism, ordoliberalism, state capitalism)<sup>3</sup>, which accelerated with the rise of China as an emerging power and competitor from within the periphery.

It is in the context of this policy deadlock that the new development agenda emerged around the global South based on sustaining private returns and profits through the creation of new spaces for accumulation by way of long-term and sustained investments to the developing world. This “turn” to the global South in the revamped post-2008 development agenda is very much a result of the contradictions of the crisis as seen in the tensions and failures of crisis management policies implemented in the North in the immediate aftermath of 2008:

- Quantitative Easing (QE) policy in the US, which was initially seen as a temporary measure in the early crisis period, became a point of contention between the US, Europe and Asia as the economic slowdown dragged on, creating the risk of trade wars as disagreements grew over competitive currency devaluations in the context of poor global demand (Davas & Pisany-Ferry, 2010).
- While there was little growth in the core countries due to structural and demographic factors, peripheral countries—beneficiaries of the debt capital originating from the quantitative easing (QE) policies employed in

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demand (“secular stagnation”) emphasizes state spending and expansionary policies in order to jumpstart the global recovery (Summers, 2018; Krugman, 2013; Blanchard et al., 2016); debt reduction, within the context of chronic lagging demand, is counterproductive because it may send the global economy deeper into recession and deflation.

A third approach acknowledges the existence of pervasive structural and demographic factors in the global economy that go beyond “market failure” and “state failure” and that therefore may render needed global stimulus policies ineffective (generating only temporary growth); according to this approach, a new “social contract” may be needed to redraw the lines between politics and economics in the global economy in order to address distributional issues and make neoliberal growth workable (Derviş, 2014; Shafik, 2021).

<sup>3</sup> Petersmann & Steinbach (2021).

the core after 2008—initially re-emerged as a strong locus of debt-driven growth in the otherwise lagging global economy.

- The emergence of BRICS and, in particular, of China, as rivals to the core in financing development accelerated the competition over the global South.<sup>4</sup>

As a result of the above, a consensus emerged in global policy about the need to expand economic growth by channeling global financial investments into planned infrastructure and development projects in the South (the G20 “infrastructure initiative” of 2010).<sup>5</sup> This unconventional stimulus for global finance is legitimated on the basis of environmental, social and developmental objectives that link to the global South, indicating a concern with managing the global repoliticization over social and developmental inequities that also seeks to entrench a new neoliberal politics of development beyond economic policy.

On the other hand, this emerging initiative continues to be complicated by the realities of the post-crisis period, especially as they pertain to the countries of the global South. While in the immediate aftermath of the crisis, quantitative easing policies employed in the core countries had accelerated capital flows to the periphery, massively increasing the indebtedness of the latter, the tapering of expansionary policies in the core after 2013 has since resulted in capital flight, worsening debt burdens and imposing new pressures on these countries to find access to finance on global capital markets in the context of lagging growth. Thus, while the global South has emerged on the neoliberal policy agenda as the primary targeted venue of financialized accumulation in the post-crisis

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<sup>4</sup> Update: BRICS group of nations sets up development bank to rival IMF, World. (July 16, 2014). South China Morning Post. Bank <https://www.scmp.com/news/china/article/1555232/brics-development-bank-headquartered-shanghai-first-president-indian>

<sup>5</sup> Tadas (2023: 3-4); see also Ougaard, 2018



period, such investments to the South have in fact weakened with the tapering of quantitative easing policies in the North and the further increase in the global debt overhang in the aftermath of the COVID pandemic of 2019.

Within this context, the chief concern of the development agenda that has emerged in the post-2008 period has been to ensure sustained accumulation on the basis of continuing investments to the global South in a global context that is marked by lacking “risk appetite”, the repoliticization around existing policies, and debt. It is this concern that is shaping the trajectory of development policy after 2008 and that is determining the political and economic restructuring now ongoing in the global South through a new discipline of debt that is being imposed by international financial institutions such as the World Bank in a global environment where the prospects for implementing autonomous state policies have dimmed. In practice, the new development understanding, as exemplified in the World Bank’s MFD approach, is based on the principle that indebted countries of the South must improve their prospects for gaining access to global debt markets by competitively restructuring their economies so as to provide the returns demanded on private capital markets.

This crisis response of the international financial institutions, targeting the South, has thus been in continuation of existing neoliberal policies but with priority shifting to the privileging of global finance in the contemporary period. Since 2008, and increasingly after 2013, the overarching objective of sustaining markets has led to increasing financialization of the South economies in conjunction with a new political restructuring of the state toward ensuring privatized returns to financial capital.

This neoliberal development project has two “legs”, seen in the emergence of two specific policy responses to the crisis in the context of the tapering policies which began to undercut global capital flows to the South after 2014:

- There is an expansion, deepening, and diversification of global capital markets across the global South as a means to compete for capital and sustain debt turnover in the context of tightening global finance—through, for example, the innovation of “green bonds” issued by sovereign and private sector actors in order to obtain access to new sources of debt finance (Volberding, 2018: 298). This involves the further deepening of the “financialization of development” and therefore the indebtedness of states and societies across the global South (Langley, 2020).
- In conjunction with the deepening and expansion of capital markets, state fiscal and monetary policies in the global South continue to come under new forms of global financial control through new rules for transfers to private capital. This includes competing for global investments and debt on the basis of expanded guarantees and concessions made to private finance, including via state reforms to “lock in” these gains: the emergence of what has been called the “de-risking” state (Schindler *et al.*, 2023).

With regard to the neoliberal reform of the state after 2013, the proposed “de-risking” approach involves:

- The state taking on its balance sheet debts resulting from transfers made to global capital by way of stimulus projects (such as the assumption of demand risks, currency risks, etc. linked to infrastructure projects), as well as debts due to “market-making” in global financial markets (the state ensures market sustainability by facilitating exit of bond investors in the event of adverse events).
- An unconventional, expanded role for the state in the context of sustainability that involves new state rules and restructuring which is deepening the financialization of state policy (ie. an expanded role for Central Banks as market-makers in private financial markets; “asset recycling” by the state through creating a portfolio of investment assets for funding foreign investors). This entails the emergence of “risk management” by the state as an important mode of neoliberal governance to fund private capital through new mechanisms of transfer created out of the public budget (Nowacki *et al.*, 2016; Regan, 2017).

All of this is implicated in the creation of new mechanisms of value transfer from the periphery to the core in the context of the global accumulation crisis, as well as the entrenchment of “austerity through stimulus” whereby state stimulus policies are coopted and channeled into funding private finance in the post-crisis period, as through massive public-private partnerships that crowd out alternative forms of public spending toward meeting social needs. Such policy is in continuation of the Washington Consensus objectives in which sustaining neoliberal returns has increasingly involved not only the creation of private markets, but state financing of those markets. This has also given rise to the main contradiction of crisis management in the neoliberal period: state spending is

increasingly in conflict with neoliberal debt management as more policy comes under the control of, and is geared toward, generating returns in financial markets. How such policy will ultimately be financed by the peripheral state remains unresolved within the mainstream.

Contemporary global development policy thus demonstrates how neoliberal transformation of states and societies across the global South continues to proceed around the imperative of sustaining financialized accumulation through the crisis. The next section considers the emergence of the new development agenda in the specific context of global policymaking since 2008, which as will be seen, is a direct response and intervention toward meeting the requirements of global financial capital in restructuring the global South.

### **3.2.2. Crisis and the Shaping of the New Developmental Agenda**

The World Bank's "Maximizing Finance for Development" (MFD) paradigm for the global South has emerged out of global policy, formulated through international organizations such as the G20 and the OECD, that corresponds to the specific needs of financialized accumulation in the post-crisis period. This includes policy to generate a global economic recovery on the basis of global stimulus targeting the global South that creates new investment opportunities for financial investors such as pension and equity funds. In fact, refinements that have been made to the global development agenda in the post-crisis period are in direct response to the needs of the pension and equity funds for portfolio investments to maximize yields in the context of the global downturn (Alexander, 2018).

This tension between the needs of financialized accumulation and worsening prospects for private investment within the global economy has marked the major shifts and turning points in global policy. The first major policy initiative to remedy this tension came in 2010, when the G20, within the context of the ongoing global economic slowdown, unveiled its plan for a new “infrastructure initiative” to restart growth based on the creation of long-term development projects in the global South. This infrastructure strategy, based on the creation of “transformational” megaprojects to augment global infrastructure capacity across sectors and borders, aims to generate massive investment opportunities by integrating infrastructure services—water, energy, transportation, telecommunications—into global infrastructure projects of a scale that are designed to create huge new returns to private capital, while stimulating global economic recovery. According to the OECD (2015: 5), infrastructure investments are integral to sustained economic growth and development, and 71 trillion dollars will be needed by 2030 to finance these projects.

On the other hand, while this OECD initiative has formed the backbone for neoliberal stimulus policies toward sustaining continued accumulation in the post-crisis period, it has fallen short of generating the private investments targeted in its mandate. In 2012, private financing for infrastructure projects dropped to its lowest level in history (Alexander, 2013). This outcome has shaped the subsequent strategy for mobilizing investments into development projects from private financial investors that involves both the deepening of the “financialization of development” through the creation of new investment assets for global finance and the concomitant creation of a “derisking” state to ensure returns and guarantees on these assets so that “bankability” requirements are met on global financial markets. In fact, the most important aspect of “bankability” within this

context is the “derisking” state, which is needed not only to ensure returns and profits to private financial capital but also to create a new privatized “investment culture” around development projects, which “the market, by its nature, is unlikely to deliver... (because) major policy initiatives in a variety of areas are needed” (Della Croce, 2011).

The historical drop in private investment to the South in 2012 set off the subsequent changes to the global development agenda toward meeting these political and economic restructuring objectives of the OECD policy by way of the expanded financialization of the global South. The content of the World Bank’s “Maximizing for Development” (MFD) Approach was determined in the ensuing policy agreements and initiatives undertaken by the G20 and other international organizations.

At the 2013 Moscow Summit of the G20, the G20 Leaders endorsed a document on the “G20/OECD High-Level Principles of Long-Term Investment Financing by Institutional Investors”, which set out the principles for attracting private pension funds, insurers and sovereign wealth funds into infrastructure and development projects in the global South: rule of law and favourable business climate; credible monetary policy framework; stable macroeconomic conditions; sound regulatory environments; and use of public-private partnerships to encourage private sector participation in long-term investment projects<sup>6</sup>. The document, referring to these private investment funds as “long-term capital” despite their short-term investment horizons, did not address the potential contradiction between the stated objectives of public subsidy of private financial capital and maintaining a stable and sound macroeconomic fiscal and monetary framework.

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<sup>6</sup> OECD (2013). G20/OECD High-level principles of long-term investment financing by institutional investors. (September 2013). <https://www.oecd.org>

Also in 2013, the concept of “derisking” was further elaborated on by the United Nations Development Program (UNDP) in a policy paper on what it identified as a “funding gap” in renewable energy in the developing world. According to UNDP, “derisking” through reduction or transfer of regulatory and financial risk from the private to the public sector is required to attract global institutional investors into renewable energy investments, particularly in the poorer countries with low sovereign credit ratings. This elaborated on the emerging new role of the Southern state as a provider of subsidy and incentives to private financial capital in the context of the financialized development understanding of the post-2008 period (UNDP, 2013). According to Gabor, the UNDP paper on “derisking” for the first time laid the basis for a “full-blown, ambitious ‘development as derisking’ paradigm” (Gabor, 2021: 6) to the benefit of global financial capital regardless of the realities of the peripheral countries involved.

In 2014, at the G20 Summit in Brisbane, the agenda of creating “bankability” for global financial capital through development projects in the South gained further impetus with the launch of two global infrastructure platforms to create “pipelines” of infrastructure investment projects for global finance: the G20 Global Infrastructure Hub and the World Bank’s Global Infrastructure Facility. Both platforms were launched with the purpose of designing projects with “bankability” in developing countries and emerging markets.

In 2014, at the G20 Summit in Brisbane, the G20 Leaders, reiterating the idea of an “investment infrastructure gap” in developing countries, released a new Roadmap for the financialization of infrastructure as an asset class<sup>7</sup>. The Roadmap set out the details for “crowding in” global financial investors into infrastructure projects by improving project

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<sup>7</sup> G20 Research Group. (2014, November 17). The G20 Brisbane Summit: Expectations, Results and the Road Ahead. The G20 Brisbane Summit: Expectations, Results and the Road Ahead (utoronto.ca)

development conditions and the investment environment. Policy prescriptions included: contractual and financial standardization; financial engineering in infrastructure projects through securitization; and the creation of risk allocation and mitigation markets and mechanisms. This approach, seeking to standardize the risk-return prospects of infrastructure projects through a common system of evaluation for global financial capital, sets out the criteria by which developing countries of the South must compete for financing on global capital markets by competitively aligning their development goals in line with the returns sought on financial markets.

Building on all of these developments in global policy, the World Bank's "Maximizing Finance for Development" (MFD) Approach, announced in 2017, ushered in what has been called the "privatization of development" whereby the Bank has withdrawn from lending and aid to the developing world in favour of helping client countries compete in private markets for financing their development needs. This essentially leaves the viability of development projects to be decided on private financial markets according to risk-return criteria, rather than on the basis of social need. As such, it also entails a new "politics of austerity" whereby the contradictions of financialized development must be managed.

### **3.3. Neoliberal Restructuring and World Bank Discourse After 2008**

Little has been written on the World Bank's approach to the state in its discourse on development in the post-2008 period, beyond the "derisking" role attributed to it in neoliberal crisis management. How does the World Bank understand, if not conceptualize, the "derisking" state that is now prevalent in neoliberal policy and that is at the forefront of the unconventional policies being adopted by even the neoliberal financial institutions in the post-crisis period? This question is of importance given that the state has a



determining role in capitalist crisis management and has “re-emerged” in ways that challenge neoliberalism as much as ensuring its continuation. Has the Bank changed its approach to the state in any pertinent way given the policies of public stimulus it advocates in the post-2008 period? How does the Bank, within this context, contend with the legitimacy crisis it is facing, especially given the fact that its previous ideas around state reform have been directly contradicted by the global crisis and the current requirements of global capitalist accumulation?

The Bank’s own statement on the issue is that it now favours a “post-ideological”, “solutions-oriented” approach based on problem-solving to concrete and pressing issues in the development of the South (the “solutions bank”)<sup>8</sup>, which implies that the Bank is stepping away from its prescriptive policies in developing countries. This approach is inherent to the Bank’s “developmental neoliberalism” of the post-crisis period, in which the stated focus of policy has shifted from restructuring states and economies for the benefit of markets toward a new perspective that highlights making “markets work for development”, with the policy emphasis on reform of the state as an outright “obstacle” to markets for their own sake transformed in the discourse to a pragmatic issue that needs to be addressed in order to meet developmental needs in the global South by expanding these countries’ access to private finance on global capital markets. Within this context, the massive financialization of the global economy since 2001, which has extended the discipline of debt over the global South, resulting in the “internalization” of the financialized logic of neoliberal markets in developing country policies, may also have

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<sup>8</sup> In 2012, World Bank President Jim Yong Kim announced that the World Bank had moved from being a reconstruction bank to a lending bank to a knowledge bank to a solutions bank. Mungcal (2012, October 12).

rendered the earlier prescriptive approaches of neoliberal policy targeting the state superfluous.

It is argued here, however, that these processes remain contended and that the main policy concern faced by the Bank in the post-2008 period continues to be that of implementing capitalist restructuring that successfully meets the current needs of global financial capital, while managing the contradictions of such policy so that the neoliberal order is preserved. In other words, the main policy concern faced by the Bank is still that of addressing the question of the state, which is necessarily an ideological endeavour that continues to be managed by the Bank in the post-2008 period.

The critical frame analysis of the World Development Reports (WDR) from the beginning of the 1980s to the post-2020 period provides an understanding of the Bank's current approach to the state. The World Development Report is chosen for this analysis because it is a publication that has been the most important in globally disseminating the content of the World Bank's policies over the past forty years of neoliberal reform. The reading of the Reports reveals that the state very much remains on the policy agenda of the Bank, with two findings emerging.

It is found, firstly, that the Bank's approaches to the state have continued to shift in line with the requirements of global capitalist accumulation over time, resulting in policies that have laid the basis for the contradictions emerging after 2008. It is found that the Bank in the WDRs actively promoted the financialization of the developing world through the "good governance" reforms of the post-2001 period, encouraging the incentivization of private finance through government subsidies and guarantees and the expansion of private capital markets despite the emerging contradiction of debt in the

South. It is found, moreover, that the World Bank in its World Development Reports of the post-2008 period is continuing in its efforts to redefine the state's role within neoliberal parameters that accommodate financialized capital accumulation in the post-crisis global context of reduced capital flows to the South, growing debt, economic slowdown, repoliticization and other emerging challenges to the neoliberal order, thus perpetuating existing contradictions. Management of the tension between the resurgence of the state in the post-crisis context and the preservation of neoliberal globalization appears as a theme in the WDRs published after 2008.

The second finding, related to the first, is that the Bank's understanding of the state as primarily an agent of capital has changed little. The Bank's "post-ideological" approach is very much pro-finance and emerging out of a perspective that depoliticizes and normalizes financial crisis and risk management in the post-crisis period, regardless of the impact of 2008 on developing countries; this is a change in method as opposed to a change in the understanding of the problem, with the result that the consequences of financialized globalization on the South are left unquestioned. Within this context, the state in the WDRs published after 2008, regardless of a stated acceptance for diversity in political forms and institutions, is still evaluated in terms of the extent to which it conforms to the neoliberal prescriptions set out in the Reports. It is found, within this context, that the Bank remains prescriptive in its approach to the state, continuing to understand the impact of the 2008 crisis on the global South as an issue of governance that must be addressed through the pro-finance policies the Bank promotes throughout the developing world.

### **3.3.1. Overview of the State and World Bank policy in the WDRs from 1980s to post-2020 period**

An overview of the WDRs from the early 1980s to the post-2020 period of neoliberal reforms is presented in this section. Lauridsen has categorized World Bank development policy from the 1980s to the present into three periods of change in the Bank's approach to policy over time, marked by the shift from "getting policies right" in the Washington Consensus period, to "getting institutions right" in the Post-Washington Consensus period, to "getting politics right" in the contemporary period (Lauridsen, 2012). These shifts in the policy focus of the Bank have emerged in response to the crises in neoliberal market policy since the 1980s. This categorization is used in this overview of the World Development Reports.

To summarize Lauridsen, the Washington Consensus reforms of the 1980s-1990s focused on "getting policies right" through extensive restructuring of economies based on the liberalization and privatization of markets, entailing "market creation" for foreign private capital in the context of the debt crisis in the global South. This discourse legitimated the reform process by defining a "predatory", "rent-seeking" or "corrupt" state that needed to be "cut back" in order to unleash the "objective" order of markets (states versus markets).

A second shift occurred through the Post-Washington Consensus period of reform after 2001, which focused on "getting institutions right" as crisis management became a priority in the wake of the failures and crises linked to neoliberal market policies. The state was brought "back in" through the good governance paradigm to manage markets. The discourse in this period legitimated crisis management by shifting the mainstream policy agenda toward creating the "virtuous" state (states complement markets).

In the post-2008 period, the Bank’s earlier understandings of “getting policies right” and “getting institutions right” have become delegitimated in the context of the global crisis and are now even de-emphasized by the Bank, but the fact of financialized capitalism remains a pillar of the latter’s emerging development agenda for the global South, with the consequence that there is a search for a new policy paradigm beyond “states versus markets” to probe why states fail to attain neoliberal parameters of development.

This emerging discourse seeks to establish a “bottom line” for states to adapt to the objective realities and new forms of market discipline while limiting potential contradictions of such policy in the context of the repoliticization of global governance. According to Lauridsen, this entails shift to a new policy focus of “getting politics right” by understanding how the broader political context in developing countries—societal actor relations beyond institutions—facilitates or obstructs the neoliberal agenda of good governance, rule of law, and entrenchment of property rights (Lauridsen, 2012), which, increasingly in the post-2008 period is being framed around a financialized global agenda of developing the South. Thus “getting politics right”, in the post-2008 context, is in continuation of the Bank’s previous approaches to neoliberal market reform and entails shaping societal incentives and preferences so that lasting adherence to capitalist restructuring is ensured.

The reduction of the impact of the global crisis to “governance failure” in the developing world therefore remains an important aspect of the Bank’s approach to development in the post-2008 period, where such shortcomings are now understood in terms of the “risk” presented to global financial capital and the implications for access to debt in the global South. In the following reading of the WDRs, each of the three periods is considered in terms of turning points in the neoliberal orthodoxy that correspond to the objectives of

creating and deepening markets for an increasingly financialized private capital implemented in order to sustain accumulation through crisis.

### **3.3.2. Washington Consensus Period: “Getting Policies Right”**

In the Washington Consensus period of neoliberal reform (1980s-1990s), the World Bank, alongside the IMF, implemented structural reforms in the periphery under a mandate of debt servicing that subordinated national economies to global capital through the transnationalization of production and of finance. Blaming the global debt crisis on the “predatory” state in the South, as opposed to the expanded financialization of the global economy resulting from the global overaccumulation crisis, the international financial institutions used the leverage of debt to impose neoliberal restructuring on the indebted countries that inducted them into the emerging global order. The privatization and deregulation of national economies through structural adjustment policy in the South laid the foundations for markets and their subsequent financialization in line with the evolving needs of global capital.

The World Development Reports published throughout the decade of the 1980s reflect this mandate and it is in the key Reports of this period that elements of the neoliberal orthodoxy in the emerging Washington Consensus are found. Pereira (2013), within this context, outlines the rise of this neoliberal orthodoxy as addressed in the early WDRs of the 1980s in the context of the debt crisis of the global South. The 1981 World Development Report (“National and International Adjustment”) had as its theme structural adjustment to adapt indebted countries to the conditions of the emerging order through policies to liberalize trade and prices, devalue the currency, and pursue export-oriented growth alongside austerity measures to cut public deficits—all of which aimed to

ensure continuing debt services while subordinating these economies to the imperatives of the globalizing order (World Bank, 1981).

The 1983 World Development Report, continuing with the focus on debt, emphasized state reforms to cut budget deficits; for the first time, political reform was mentioned with the Report proposing that the state be “cut back” as well as restructured in order to create a centralized authority charged with overseeing and coordinating neoliberal policies within the national economy (World Bank, 1983).

The 1989 World Development Report (World Bank, 1989), published in the wake of the Brady Plan to restructure South countries’ debts on global capital markets, “for the first time defended the financial deregulation of peripheral countries, insisting on the elimination of all instruments for the control of interest rates and all programs of credit aimed at industrial activity” (Pereira, 2013: 374).

Together, these policies culminated in the articulation of the so-called Washington Consensus in 1990, which set out the market-based principles through which states in the South were expected to conform to the requirements of the new order, including by way of new fiscal and monetary rules, trade and financial liberalization, and competitiveness policies that prioritized global capital in order to generate economic growth.

On the other hand, such measures to “cut back” the state by no means implied the state’s withdrawal from the economy in the Bank’s neoliberal discourse. The need for a “strong yet minimal” state to oversee the processes of capitalist restructuring was emphasized in the 1991 World Development Report (“The Challenge of Development”), which redefined the role of the state in managing the economy in the subsidiary terms of providing the legal and institutional basics within which markets could optimally deliver

growth, stating “the proper economic role of government is larger than merely standing in for markets if they fail to work well. In defining and protecting property rights, providing effective legal, judicial, and regulatory systems, improving the efficiency of the civil service, and protecting the environment, the state forms the very core of development (World Bank, 1991: 4). In this way, the report both acknowledged the centrality of the state to the emerging neoliberal agenda and reduced its role to it.

Throughout the course of the 1990s, the World Bank held to its conceptualizations of a “strong yet minimal state” to oversee these processes of capitalist restructuring. Developments that ran counter to the Bank’s neoliberal conceptualizations were revised in line with the Bank discourse. The 1993 World Bank report titled “The East Asian Miracle” attributed the East Asian growth experience to “market-friendly” programs based on neoliberal basics that included sound fiscal and monetary policies, trade liberalization and export-oriented growth, overall competitiveness of the national economy, and a supervising role for the state that was successful insofar as it kept to these international best practices; the report was criticized for its revision of the East Asian development process that downplayed evidence of substantial government intervention in the economy (financial repression, industrial policies) over the decades of the region’s rapid growth (World Bank, 1993a; Rigg, 2002).

The World Bank used the same strategic discourse over the course of the 1990s to explain away the failures of structural adjustment across the global periphery. While “The East Asian Miracle” had reaffirmed the importance of prioritizing “market-friendly” policies in order to generate economic growth and development, the 1997 World Development Report (“The State in a Changing World”) responded to the crises and contradictions of the period by elaborating further on the properties of an “effective” state to complement



the “market-friendly” growth fundamentals set out by the Bank. Arguing that it was lack of institutional quality and governance that resulted in the failure of countries to reap the benefits of the neoliberal market reforms, the 1997 WDR called for further restructuring of the state in order to improve the capacity of public institutions to manage the needs of markets.

### **3.3.3. Post-Washington Consensus Period: “Getting Institutions Right”**

While the Bank’s “good governance” discourse redefining the state as a “central to economic and social development ... as a partner, catalyst, and facilitator” (World Bank, 1997: 1) was thus present even in the time of the early neoliberal reforms, the shift in the discourse from “getting policies right” to “getting institutions right” occurred only in the context of the multiple economic crises that erupted throughout the global South in the late 1990s. The agenda of increasing the “effectiveness” of the political sphere took hold as the Bank set out on a second round of neoliberal restructuring to improve the institutional capacity of the peripheral state to meet the needs of globalizing markets.

Inherent to this discourse was the shift in focus from “cutting back” the “predatory” state to creating a “virtuous” state in order to reap the benefits of neoliberal market reform. This view held that earlier neoliberal conceptualizations of the state had overlooked a fundamental truth: since markets don’t exist in a void but within the specific institutional context of the national economy, the state plays a fundamental role in providing a regulatory institutional framework that ensures the effective functioning of markets (Evans, 1992). Thus, because markets are designed rather than simply unleashed, the state is crucial to their management and to harnessing the potential for growth inherent to the well-designed and well-regulated market. Under this “progressive” version of the Bank’s

liberal institutionalism, the question had become one of how the state could be transformed from “problem” to “solution” in the instigation of the sought-after growth.

The reduction of economic crisis to a matter of improving state management by installing the proper governance mechanisms both legitimated and facilitated the continuation of the capitalist restructuring against the existence of widening socioeconomic disparities and risk of reform reversals across the globe. The so-called Post-Washington Consensus that emerged in the wake of the neoliberal crises of the 1990s supplemented the original Washington Consensus by instituting “good governance” and “rule of law” reforms to restructure the state on one hand and expand private markets on the other.

While the Washington Consensus had narrowly focused on debt management and macroeconomic adjustment through the early structural reforms, the Post-Washington Consensus with its focus on governance and institution-building adopted a wider mandate to address the contradictions of the neoliberal reform process by presuming to remedy not only the institutional causes of economic crisis, as it saw them, but also the social and distributional consequences of crisis as they were being manifested in growing inequalities across the global South. One of the main outcomes of the Post-Washington Consensus has been the “financialization of development” as economic liberalization, austerity policies and impoverishment laid the basis for the creation of new investment markets for global financial capital that increased the indebtedness of states and societies through new mechanisms of value transfer, such as public-private partnerships and the expansion of private credit access to the poor.

This agenda is clear in the World Development Reports published by the World Bank in the post-2001 period, which took up the various policy dimensions in which governance

needed to be improved so that countries of the South could reap the benefits of an increasingly financialized globalization. In fact, a reading of the Reports makes apparent the extent to which the post-Washington Consensus agenda both “brought back” the state to improve governance and promoted global finance as a remedy for the inequalities that had been wrought by the earlier neoliberal reforms. While a major part of improving governance as prescribed in the Reports was ostensibly toward reducing social and economic inequality in the global South, even the reform prescriptions to address impoverishment appear intended to expand privatized markets and rights for global financial capital. The World Development Reports of this time thus provide a record of how financialization of the developing world continued to be promoted through the good governance policies of the Bank, resulting in crisis through the massive indebtedness of states and societies in the post-2008 period.

The 2000/2001 World Development Report (“Attacking Poverty”) depoliticized poverty by delinking it from neoliberal growth policies; arguing that worsening income distribution is the result of regional growth differences (World Bank, 2000: 53)—as opposed to the relational conflict inherent to the global market reforms—the Report called for reducing poverty through institutional reforms to improve the access of the poor to market opportunities. The role of the state, within this context, was to expand investments in infrastructure through partnerships with private capital and create private risk mitigation and credit markets to benefit the poor who were being left out of the growth process.

The World Bank continued to highlight its “two-pronged strategy for development—investing in and empowering people, and improving the climate for investment” (World Bank, 2004: xvi)—in the subsequent World Development Reports on governance. The

2002 World Development Report (“Building Institutions for Markets”) expanded upon the mandate of institutional reform prescribed by the Bank, outlining the principles of good state governance that supports the “market-friendly” investment climate benefiting corporations and poor people: enforcement of property rights; sound macroeconomic policies; providing competition and regulation for markets; and measures to reduce corruption (World Bank, 2001). The improved governance agenda set out in the Report included an expanded role for global finance that included the introduction of microcredit schemes for the poor.

A reading of the Reports of the post-2001 period also uncovers the Bank’s unease over an emerging contradiction between the prescribed state policies for “good governance” to establish a “market-friendly” investment climate for private capital and the imperative of managing debt so as to maintain sound macroeconomic policy.

Two consecutive Reports each respectively devoted to the Bank’s two-pronged agenda of improving the lot of the poor and creating a business-friendly environment for private corporations reveal this emerging concern about how “market-friendly” policy might impact government debt. While the 2004 World Development Report (“Making Services Work for Poor People”) called for greater government involvement in subsidizing public-private partnerships in order to improve service delivery to poor people given the prevalence of “market failures” in the delivery of public services (World Bank, 2003: 137), the 2005 World Development Report (“A Better Investment Climate for Everyone”) cautioned that private provision of infrastructure through government incentives could increase the “off-balance sheet” debt of governments, encouraging “privatization with few real benefits... [because] the big problem is paying for services” (World Bank, 2004: 128). The WDR advised that “the real advantage of well-designed private participation is

different and deeper: it lies in changing the political economy of infrastructure provision” toward genuine competition and cost recovery.

A reading of the remainder of the WDRs from the post-2001 period reveals the extent to which the World Bank continued to promote financialization across national economies within the global South, with key Reports putting emphasis on the expansion and diversification of private risk management markets as a remedy to the social dislocations that were being created as a result of the implementation of the Bank’s own neoliberal reforms.

The 2006 World Development Report (“Equity and Development”) addressed the problem of social and economic inequality in the global periphery, stating “it is the inequality of opportunity, and not necessarily the inequality of outcomes (e.g., incomes) that hinders growth and poverty reduction” (World Bank, 2005). The report reiterated the idea that it is through remedying the inequality of opportunity for the poor by investing in people, building the institutions and markets to improve access to “justice, land, and infrastructure”, and promoting fairness in markets that growth and income inequality could be improved.

The 2008 World Development Report (“Agriculture for Development”), focusing on agriculture’s role in generating growth and development, argued for policies to integrate the sector into export-oriented global agrifood industries, emphasizing the entrenchment of land rights, financial access, and risk mitigation schemes to underpin this integration (World Bank, 2007). The Report, which emphasized the creation of private financing and risk mitigation markets for a more equitable reform process in agriculture, was criticized

because it said little on remedying the mass dispossession of the rural poor forced out from land and means of subsistence as a result of such policy (Li, 2009).

The 2009 World Development Report (“Reshaping Economic Geography”) (World Bank, 2008), focusing on urbanization as a means to growth and development in global South, called on peripheral policymakers to act as managers of “portfolios of spaces” for private finance in developing geographies, instituting reforms to create greater flexibility in land, labour, and trade markets to the benefit of “higher-value” users (i.e., global property developers) while displacing the poor from their places of living (Maringanti, Sheppard & Zhang, 2009).

#### **3.3.4. The Post-2008 Crisis Period: “Getting Politics Right”?**

The chief problem mainstream policy faces in the post-2008 period has been to formulate a new “politics” around sustaining financialized accumulation given the rising challenges of crisis including debt, the repoliticization of governance within the context of the slowdown of the global economy, and emerging alternative models of capitalist development around the state. The main vehicle for this politics is the “neoliberal developmentalism” that has emerged after 2008 to launch a new round of neoliberal restructuring on the global South based on deepening the financialization of these economies in order to create new mechanisms of value transfer for sustained accumulation by global financial capital. Neoliberal restructuring of the South is legitimated, within this context, on the basis of expanding access to private finance on global capital markets for the purpose of meeting developmental goals in the post-crisis period. Thus the policies of the World Bank to “leverage” private financial capital to client countries within the framework of its new development agenda for the South is in

continuation of and perpetuate the contradictions of the Bank's policies of promoting financialization in the developing world since 2001.

Since the 2008 crisis, the World Bank has legitimated these policies by pleading change in its approach to the developing state. Its prescriptions for "getting policies and institutions right" having become defunct in the context of the 2008 crisis, the Bank claims to have shifted its strategy from implementing economic and political restructuring according to a standardized set of policies, as in the Washington and Post-Washington Consensus periods, toward a more pragmatic, diversified implementation, where reforms are tailored on a case-by-case basis in the direction of overcoming country obstacles to the achievement of developmental objectives through the market reform process. Building on what exists, and where possible, in the country context to enact "development-friendly" policy is at the center of this new approach.

In Bank thinking, this entails moving away from the ideological emphasis put on achieving the right "mix" or balance of state and market, as in the earlier reforms of the Washington Consensus periods, and toward a perspective that is more cognizant of country diversity and that seeks to understand how states and markets interact in order to explain and remedy development outcomes.

Thus, while the Bank in its early policies had attributed crisis in the global South to the outright failures and shortcomings of the peripheral state and framed its reforms around these, the Bank in its current policies which state a greater acceptance of diversity in the developing world appears to be distancing itself from doing so, perhaps due to the fact that the global financial crisis originated in the United States and can no longer be explained on the basis of the previous understanding.

Despite claims of a “post-ideological” approach, however, the Bank’s policy shift remains very much within the neoliberal ideology that takes the Bank’s own market-based policies for the developing world as an objective given and outside of the scope of contention. Moreover, the Bank’s “solutions-oriented” approach to development in the post-2008 period, which shies away from attributing blame on the Southern state for developmental outcomes, nonetheless remains based on the understanding that it is the specifics of the political economy in the developing world that needs to be considered and addressed to ensure the successful implementation of the neoliberal reform process. As in previous periods of neoliberal restructuring, the implications the Bank’s own policies have had for generating crisis in countries of reform are left unaddressed.

Lauridsen (2012) categorizes the apparent change in Bank policy as a shift from “getting policies and institutions right” to “getting politics right” in developing countries because policy emphasis is now put on understanding how state-market configurations that comprise the broader political economy explain country success or failure in achieving neoliberal reform objectives. Country diversity, within this context, is evaluated in reference to the neoliberal fundamentals which the Bank seeks to install through the policies it promotes in the global South, with focus put on “engineering” the incentives of societal actors so that adherence to neoliberal market policies is ensured. “Getting politics right” thus continues to be understood in terms of addressing the specifics of governance in the reform countries, since governance, to the extent that it deviates from the Bank’s neoliberal prescriptions, continues to be viewed as the cause of poor reform outcomes in the global periphery.

The focus on “getting politics right” is thus a reworking of existing Bank practice rather than a change in Bank’s understanding of development as the Bank claims because the



overarching objective remains to mobilize the developing state in line with the imperatives of neoliberal crisis management as set out in the market-oriented policies of the Bank in the post-2008 period. In fact, the entire premise of the Bank's approach to "maximizing finance for development" in the South is that of aiding a diversity of countries with poor risk ratings find access to private finance by "derisking" their economies in line with the standardized risk-return criteria of global capital markets, thereby creating new venues for financialized accumulation in the post-crisis period.

How is the Bank legitimating and operationalizing its agenda in the global South given the emerging contradictions of "bringing the state back in" in the context of the crisis? The World Development Reports published after 2008 indicate tensions between the Bank's "revival" of the state in the post-crisis period and the risks presented to neoliberalism by the same. In other words, the Reports published after 2008 appear united in the theme of establishing a "bottom line" for states to adapt to the realities of the post-crisis period that limits the potential contradictions of such policy to the existing neoliberal order. Two findings emerge within this context.

First, in contrast to the early WDRs that attributed neoliberal crisis to the Southern state, the WDRs published after 2008 appear to normalize "risk" and "crisis management" in the post-crisis period. Reframing neoliberal crisis as presenting opportunity through risk to the developing world, the 2014 World Development Report ("Risk and Opportunity") places neoliberal risk management at the center of development policy; the Report emphasizes that "governments have a critical role in managing systemic risks, providing an enabling environment for shared action and responsibility" (World Bank, 2013: 4) by building the institutions and governance of neoliberal risk management.

The 2022 World Development Report (“Finance for an Equitable Recovery”) continues the theme of building markets for global finance in the context of an overarching focus on the growing debt overhang in the developing world. Published in the wake of the tapering of quantitative easing policies after 2013 and the COVID pandemic that accelerated capital flight from the global South after 2020, the 2022 WDR tackles the debt issue as an obstacle to global recovery that must be addressed by the Southern state in part through the building of private capital markets to expand access to new sources of private finance. In the same vein, the 2022 WDR, promoting access to global financial markets as a remedy for recovery from the global crisis, further normalizes the World Bank’s policies to deepen financialization across the global South. Among the Report’s proposals for recovery from the crisis include: increasing indebted households’ access to credit markets, establishing private financial markets for distressed assets and debt (World Bank, 2022: 96), and the issue of sovereign green and social bonds for debt turnover by governments and the private sector, all of which involve integrating the peripheral South more deeply into emerging forms of capital market financing linked to the expanded financialization of the post-2008 period.

As the Reports show, the normalization of crisis and risk in the post-2008 period provides the rationale for a new round of neoliberal restructuring to integrate peripheral economies deeper into global circuits of debt, which requires the active involvement of the state in managing risks through use of both conventional and unconventional policies to benefit private finance. Given the massive indebtedness of states and societies in the global South after 2013, the emerging theme of creating opportunity out of crisis for private financial capital is linked in the Reports to proposals to build markets around debt and its management in the post-crisis period. This is in continuation of the Post-Washington

Consensus policies of financializing development as a form of crisis management for private financial capital, although it leaves unresolved the issue of how resulting debt will ultimately be managed in the developing world.

The second finding that ensues from a reading of the World Development Reports published after 2008 is that the World Bank is aware of and seeks to address newly emerging tensions between sustaining financialized globalization on one hand and “bringing the state back in” on the other. This is because while the state is needed for crisis management in neoliberal policy, its “return” also presents the most important contradiction and risk to the continuation of the neoliberal project. The World Development Reports published after 2008 reveal this tension with regard to the state in the context of both the promotion of the Bank’s own policies in the developing world and the emergence of rival models of state capitalism from within the global periphery. Within this context, the Reports of the post-2008 period reveal tension between the themes of “market-building” for private financial capital on one hand and reining in the state from stepping beyond this limit on the other.

It is in the 2010 World Development Report (“Development and Climate Change”) that the emerging importance of climate policy is highlighted for creating new venues of financialized accumulation in the post-crisis period, with the Report presenting the issue of addressing climate change primarily as a matter of mobilizing private financial capital to the global South through the adoption of new financial instruments to facilitate investments in emerging climate markets. Consistent with the “financialized Keynesianism” of the post-2008 period, the Report understands public spending on climate policy as a potential fiscal recovery measure for growth (World Bank, 2009: 26) and lists five different types of state support for the effective operation of markets, but

also argues “None of this means that the size of the state needs to expand—government size is not always associated with better provision of public goods” (World Bank, 2009: 331), (Trostle, 2010: 220).

In keeping with the World Bank’s new focus on understanding how politics and governance matters for development in the repoliticized and contended context of the post-2008 period, the 2017 World Development Report (“Governance and the Law”), distances itself from the Bank’s earlier approach to development based on implementing “best-practice solutions” standardized around a specific set of reforms and makes the case for considering “function over form” in assessing country divergence from the norms of neoliberal governance (World Bank, 2017a: 5). In the Report’s view, country divergence from standard governance prescriptions does not necessarily undermine the effectiveness of neoliberal policies and may even enhance them if governance institutions, whatever their form, conform to and properly carry out the functions needed for implementing the neoliberal market agenda. Thus, how institutions function matters more than the specifics of their form in achieving desired outcomes.

The 2017 WDR within this context notably gives specific reference to China’s model of state capitalism as a successful example of divergence from mainstream institutional norms that demonstrates state capacity in implementing effective market policies for growth (World Bank, 2017a: 3). This implies that the Bank is stepping away from its “one size fits all” approach to institutional reform and perhaps closer to alternative models of economic growth (state capitalism). On the other hand, even as it argues for a greater acceptance of diversity in development outcomes, the 2017 WDR replicates the approach of the Bank’s early standardized, “best-practice solutions” in key ways.

The Report is based on a presumed “bottom line” in development policy that limits appropriate state action to existing parameters in neoliberal governance, which is summarized in the Report as the implementation of pro-growth policies and securing property rights (World Bank, 2017a: 55). Secondly, to the extent that development outcomes are considered poor, the Report presumes that this is due to the inherent characteristics of the governance environment in reform countries, rather than the workability of its own reforms in the developing world; thus, poor governance in the domestic context—which according to the Report may be impacted by state capture, rent-seeking, clientelism, and other “power asymmetries”—remains the culprit that must be addressed in order to improve reform outcomes.

Finally, the Report advocates “correcting” governance through policies to change the societal incentives for action that determine how states and markets interact and that therefore determine developmental outcomes. Changing societal incentives, according to the Report, requires increased participation by citizens and social movements in policy platforms, a greater emphasis put on the role of law (versus “rule of law”) to change the preferences and behaviours of societal actors, and subjecting national economies to the discipline of transnational rules in order to enhance adherence to neoliberal market programs. These proposed interventions to “engineer” societal incentives and behaviours toward pre-determined neoliberal parameters of action affirm continuation of the Bank’s concerns with achieving narrowly specific ends regardless of a stated increased tolerance for diversity.

A consideration of the Southern state as both fundamental to, and a risk for, the neoliberal policy agenda further emerges from the 2020 World Development Report (“Trading for Development in the Age of Global Value Chains”). While the 2017 WDR appears to stand

closer to the Chinese model of state capitalism, which the 2017 Report describes as successful because it conforms to neoliberal policy prescriptions, the 2020 WDR reveals the Bank's unease with the potential of the Chinese model to step out of the "market-conforming" limits prescribed by the neoliberal paradigm. The 2020 WDR, which is concerned with sustaining globalization in a global context of economic slowdown and growing protectionism (Bair *et al.*, 2021: 3), promotes trade and development through country integration into global value chains; in doing so, however, the 2020 WDR cautions against a state developmentalist approach that improves the terms of trade in global value chains for developing countries (Bair *et al.*, 2021: 13).

Much as the World Bank had reworked its conceptualizations of the "East Asian Miracle" to conform with the Bank's neoliberal prescriptions of the time, the 2017 WDR and the 2020 WDR both appear to revise the realities and implications of Chinese-style state developmentalism to conform with the mainstream agenda of the post-2008 period, which is to sustain globalized accumulation. The second finding that ensues from a reading of the World Development Reports published after 2008 is that the World Bank is aware of and seeks to address newly emerging tensions between sustaining financialized globalization on one hand and "bringing the state back in" on the other.

### **3.5. Conclusion**

Chapter 3 looked at World Bank policies in the context of changes in the global conjuncture since the inception of the neoliberal reforms in the 1980s, beginning with the Washington Consensus through to the contemporary post-2008 period. The main finding of the chapter is that the World Bank's neoliberal policies are continuing and have gained increased impetus especially after 2013, when the massively-indebted developing world began to face crisis in the context of the tapering of quantitative easing policies of

advanced countries and in the aftermath of the COVID pandemic. It is found that the World Bank is continuing the neoliberal project of creating markets for global finance through the discipline of debt in developing countries; however, what is essentially structural adjustment policy is repackaged under a new approach called “Maximizing Finance for Development” (MFD) that uses the financialized language of “derisking” in the contemporary period. In this approach, the World Bank has withdrawn from direct lending for development projects in favor of helping developing countries compete for private financing on global capital markets in what has been called a “deregulatory race to the bottom” whereby profits and guarantees are ensured to global capital through measures to “derisk” national economies.

Since 2012, the Bank has restyled itself as a “solutions bank” that is “post-ideological” and that emphasizes pragmatic problem-solving in order to address development issues across the global South. In its “Maximizing Finance for Development” approach, the World Bank works to leverage private finance to developing countries that require financing but that are “risky” for global capital because they may not conform to standard neoliberal policies (i.e., financing of Turkey’s hospital megaprojects in a domestic policy context of interest rate cuts and crashing currency). The World Bank within this context sponsors projects in such countries by issuing its own guarantees to the private sector and by obliging client countries to “derisk” projects in order to ensure profits and returns to global capital. Gabor (2021) has noted that such World Bank project sponsorship often turns into structural adjustment policy if the client country is unable to pay debts under the terms and obligations of the project (ie. structural adjustment to “derisk” Nigeria’s insolvent electricity sector for private investors after the country could not pay the debt it incurred from a World Bank-sponsored electricity project in the sector).

The World Bank's new "post-ideological" approach was considered through readings of the World Development Reports from the 1980s to the most recent period using Critical Frame Analysis. While early WDRs put emphasis on prescriptive state reforms (cutting back the "predatory state"; creating a "virtuous" state), more recent WDRs emphasize "function over form" in the Bank's approach to the state, whereby "one-size-fits-all" institutional approaches are rejected but countries are nonetheless evaluated according to the extent to which they conform to neoliberal market principles (WDR 2017). Secondly, while early WDRs attributed crisis to the failures and shortcomings of the peripheral state, later WDRs normalize "risk" and "crisis management" in the post-2008 world, perhaps due to the fact that the global financial crisis originated in the United States and can no longer be explained on the basis of the previous understanding (WDR 2014: "Risk and Opportunity: Managing Risk for Development"). Finally, it has been observed that, in contrast to the structural adjustment policies of the 1980s where the emphasis was on debt payments, the Bank's emphasis in the post-2008 period is on creating access to new debt on global capital markets for the global South (Bigger and Webber, 2021), which leaves the question of debt sustainability unresolved. The WDR 2022 ("Finance for an Equitable Recovery") is devoted entirely to promoting access to global financial markets as a remedy to recovery from the global crisis.

World Bank electricity sector policies reflect all of these developments. While electricity sector reform in the Washington Consensus period was implemented on the basis of a "standard model" that countries had to follow (unbundling monopolies, etc), these requirements were steadily relaxed in the context of uneven implementation and poor workability of neoliberal markets across the global South. On the other hand, it is observed that the "standard model" of market competition remains the "gold standard" for



neoliberal reform in the electricity sector and failures to attain it are understood in terms of the specific characteristics of the countries of implementation (Dye, 2022) as opposed to the inherent incompatibility between the demands of global capital and the realities of affordability in low-income countries (Bayliss & Pollen, 2021). Thus the electricity sector remains an important area of “derisking” for indebted countries that require finance and are obligated to obtain it on private financial markets. The following chapter (Chapter 4) provides a background on electricity sector reforms in Turkey while Chapter 5 focuses on the privatization of the electricity distribution in Turkey as an illustrative case.

## CHAPTER 4

### BACKGROUND ON ELECTRICITY SECTOR REFORMS IN TURKEY

#### 4.1. Introduction

The privatization agenda in Turkey, launched in the 1980s as part of a global neoliberal reform program, also set the stage for the privatization of the electricity sector that is ongoing today. Turkey's goal of EU membership and the influence of international institutions, such as the IMF and World Bank, have provided the main impetus for the implementation of reforms in the sector. Oft-cited rationales for privatizing the electricity sector in Turkey include the inefficient operation of state-owned monopolies and the limits that fiscal constraints (budget deficits) have placed on the state's capacity to meet projected increases in energy demand (Erdoğan, 2007: 986).

Privatization of the Turkish electricity sector has involved the following reform goals: i) the unbundling of the sector into separate activities; ii) diversification of the number of buyers and sellers in electricity markets through the restructuring of state-owned enterprises into separate corporate entities; iii) the creation of an independent regulatory board; iv) the privatization of distribution and generation; and v) the creation of wholesale and retail competitive markets.<sup>9</sup> This has been the standard World Bank-IMF

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<sup>9</sup> World Bank (2009). Project appraisal document on a proposed International Bank for Reconstruction and Development loan in the amount of US\$500 million. Report No: 46808-TR (May 1, 2009: 25).  
<https://documents1.worldbank.org/curated/en/112271468311114629/pdf/468080PAD0P112101OfficialUseOnly1.pdf>

sponsored model of reform in electricity for a diverse range of countries since the beginning of the 1980s (Jamashb *et al.*, 2015).

#### **4.2. Early Reforms and the Unbundling of the Turkish Electricity Sector**

Historically, investments in the electricity sector started off in private hands with foreign companies<sup>10</sup> dominating Turkey's electricity sector as part of concession agreements left over from the pre-Republic period. From the end of the 1930s onward, as the concession periods came to an end, ownership of the companies was transferred to the state municipalities. Disagreements between the Turkish state and the profit-oriented foreign companies over tariffs and new investments along with the prevailing view of electricity as a strategic public service were the main motivations behind this transfer. In addition to the municipalities, the state-owned enterprises (SOEs), established between 1932 and 1938, also became sources of electricity production. The electricity generated from the SOE power plants was used primarily to meet the enterprises' own energy needs. Plans to merge electricity sector activities under a single institution in order to provide nationwide dissemination of electricity services began as early as the 1950s and culminated in the establishment of the Turkish Electricity Authority (TEK) in 1970 (Salman, 2008a).

TEK operated as a vertically integrated state monopoly in the Turkish electricity sector between 1970, the year of its establishment, until 1984 when the enactment of Law No. 3096 allowed entry of private investors into the sector. Under the law, domestic and foreign companies could apply for permits to generate, transmit and distribute electricity. As a result, Turkey became among the first countries to initiate investment models such as the Built-Operate-Transfer model that involved public-private investment partnerships

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<sup>10</sup> Belgian, Hungarian, German and Italian firms are cited.

(now called PPPs) in energy and in other key sectors.<sup>11</sup> The privatization of the electricity sector and Turkey's privatization program in general during the 1980s was part of a broader shift to a new global agenda of economic liberalization initiated under the auspices of the IMF and World Bank that called for a reduction in state involvement in national economies as a way to "crowd in" private investment and reduce the fiscal burdens of governments.

Facing high inflation levels accompanied by a large foreign debt and heavy debt service obligations that were deepened by the Oil Shocks of the 1970s, Turkey experienced a foreign exchange crisis in the late 1970s that became a precursor to the negotiation of structural adjustment and stabilization programs with the IMF in 1977 and in the 1980-1984 period.<sup>12</sup> In January 1980, the Turkish government announced an IMF/World Bank-backed economic program entailing a departure from the inward-oriented import-substitution strategies of the previous decades to an outward-oriented strategy with market liberalization and privatization being key elements of the program. Following the announcement, the first Structural Adjustment Loan (SAL) with the World Bank, stipulating broad-based reforms for economic liberalization that included energy as a key area of reform, was signed in March 1980.

Working in tandem with the IMF, the World Bank gave energy structural adjustment loans (ESALs) for the restructuring of the energy sector in 1987 and for the restructuring of

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<sup>11</sup> This is significant in that, as will be shown, World Bank energy reforms initially pushed for privatization of SOEs through the outright sale of public assets so as to minimize state involvement in the sector. Later, this stance changed to one that promoted state support of the private sector through PPP arrangements (see Table A.1 in Appendix A for investment models used in the electricity sector). The 2001 Electricity Market Law called for minimal state intervention in the sector with the state's role being reduced to one of supporting and regulating market activities to provide the right environment for private actors to realize profits and invest in the energy sector.

<sup>12</sup> World Bank. *Evaluation of structural adjustment lending in Turkey - Program performance audit report of the fourth and fifth Structural Adjustment Loans*. Report No. 7205.  
<https://documents1.worldbank.org/curated/en/348151468914337568/pdf/multi0page.pdf>

TEK in 1992 (Salman, 2008a: 194) initiating the unbundling of the electricity sector in preparation for privatization. Dialogue with the World Bank initially focused on capacity building and increasing private sector presence in the electricity sector, later focusing on improving TEK's performance and eventually to its restructuring in 1993. Pursuant to a Council of Ministers Decree (No. 93/4789), TEK was divided into a state-owned generation and transmission corporation TEAŞ (Turkish Electricity Generation Transmission Company) and a distribution corporation TEDAŞ (Turkish Electricity Distribution Company).

In 1993-1994, Turkey was in the midst of a foreign exchange crisis fueled by an unsustainable budget deficit, in part to be blamed on the effects of the capital market liberalization that took place in 1989 as partial fulfilment of the objectives set out in the IMF-World Bank-backed economic reform program. With this step toward full integration into the global financial system, the Turkish economy was exposed to the risks associated with short-term capital flows and the boom-bust cycles accompanying them. With the onset of the 1994 crisis, Turkey once again turned to the assistance of the international financial institutions that resulted in the signing of a 14-month Stand-By Agreement with the IMF in July 1994. Negotiations with the IMF and World Bank during this period effectively placed privatization at the forefront of the reform agenda. The Privatization Administration (PA) was established with the enactment of the Privatization Law No. 4046 in November 1994. The passing of the Build-Operate-Transfer (BOT) Law in 1994 and the Build-Operate-Own (BOO) Law in 1997 further expanded the legal basis for private sector participation in the energy sector. Financing these private investment models, however, became increasingly difficult with the onset of the East Asian Crisis in 1997 and its contagion effects in Russia, Turkey and elsewhere. Implementation of the

privatization program was further impaired, according to the World Bank, when part of the TEDAŞ loan was used after the 1999 Marmara earthquake to fund the repair of damaged electricity distribution facilities<sup>13</sup>.

Amidst these developments, surveillance and stand-by arrangements continued with the IMF in 1998 and 1999 laying the basis for further restructuring and privatization of the energy sector.<sup>14</sup> With the 1998 arrangement<sup>15</sup>, Turkey was obligated to introduce “foreign-investor friendly” international arbitration laws which necessitated an amendment to Article 47 of the Constitution in 1999.<sup>16</sup> In addition, actions taken under the various laws and regulations related to the energy sector were subject to frequent annulment by the Constitutional Court<sup>17</sup> leading to delays in the reform process that became a frequent issue of dissatisfaction during negotiations with the IMF and World Bank. The 1999 amendment to the Constitution also permitted a revision to the previous BOT law whereby contracts between the public administration and private companies would be subject to the provisions of private law allowing electricity to be treated as a commercial commodity in legal contracts.<sup>18</sup> Thus, by partially circumventing legal issues with the Constitutional Court concerning the nature of electricity as a public service, the 1999 BOT Law (No. 4493) allowed additional unbundling of the electricity sector within the

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<sup>13</sup> World Bank. (November 6, 2001). *Implementation completion report on a loan in the amount of US\$ 300 million to TEK, TEAŞ, TEDAŞ Republic of Turkey for a TEK restructuring project*. Report No: 22251 <https://documents1.worldbank.org/curated/en/782071468319153063/pdf/multi0page.pdf>

<sup>14</sup> IMF (2015). Press Release: IMF approves US\$4 billion stand-by credit for Turkey. <https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr9966>; (Salman, 2008a: p.197)

<sup>15</sup> IMF Staff Monitoring Program

<sup>16</sup> After the amendment, International Arbitration Law (No. 4686) passed in 2000 allowing for disputes “with a foreign element” to be referred to arbitration instead of being settled in national courts (Çetinel & Aydın, n.d.).

<sup>17</sup> Grounds for annulment involved the judgements that electricity has the property of being a public service rather than an ordinary commodity, and that there is no legal basis for treating the content of “concession” contracts involving public institutions and the private sector as “private law” contracts.

<sup>18</sup> Yeliz Şanlı, Elektrik hizmeti kamu hizmetidir. [https://www.emo.org.tr/ekler/a72f5d36d362c9d\\_ek.pdf](https://www.emo.org.tr/ekler/a72f5d36d362c9d_ek.pdf)

domain of private law and with fewer legal delays in the reform process. According to a Background Paper on Turkey by ESMAP (2012: 1), the main purpose for the Constitutional amendment was “to attract private, *especially foreign* investors to the power sector investments; since administrative law contracts, administrative authorities’ involvement and lack of international arbitration were deemed risky by private investors.”

In January 2000, under the pressure of mounting net public debt and inflation levels, Turkey embarked on an IMF-backed disinflation program that also included a comprehensive privatization agenda.<sup>19</sup> In May 2000, on the heels of the IMF support, the World Bank approved a 759.5-million-dollar Economic Reform Loan (ERL) that was to be paid in two parts, with disbursement of each part tied to the completion of specific reform goals in several key areas including the energy sector. The Bank’s loan along with the continuation of the IMF-backed program was expected to act as a signal of Turkey’s creditworthiness to global creditors and allow Turkey to borrow from international financial markets once again following the repercussions from the Russian crisis.<sup>20</sup> Turkey, however, experienced two financial crises while implementing the measures set out by the IMF and World Bank. The first crisis in November 2000 was followed by a deeper crisis in February 2001 that has been attributed to the unsustainability of the monetary program negotiated with the IMF which resulted in a speculative attack on the lira that ultimately necessitated abandonment of the program.<sup>21</sup>

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<sup>19</sup> The program was set out in the December 22, 1999 Stand-By Agreement with the IMF that followed the Letter of Intent to the IMF on December 9.

<sup>20</sup> World Bank. *Implementation completion report (SCL-45490) on a loan in the amount of US\$ 759.6 million to the Republic of Turkey for an Economic Reform Loan*. Report No: 31606 (February 16, 2005). The first instalment was paid in June 2000 and the second instalment was paid in April 2004.

<sup>21</sup> “Boratav: Krizin nedeni program”, (February 2, 2001). *Hürriyet Gazetesi*.

The severity of the 2001 economic crisis instigated more aid from the Bretton Woods institutions. By the end of 2001, the credit received from the IMF and the World Bank totaled a little over 17.5 million dollars since the beginning of the November 2000 crisis.<sup>22</sup> While much of this credit focused on reforms in the banking sector, the IMF and World Bank pushed ahead with the agenda to privatize key sectors in the economy including electricity. One of the conditions attached to the release of the IMF-World Bank funding was the enactment of the Electricity Market Law (EML No. 4628) in March 2001, which replaced previous laws relating to private investment in the sector and defined the electricity sector as a “market”. With this law, Turkey adopted the “standard model” of electricity sector restructuring and liberalization as implemented in Britain that had spread to a growing number of countries through the sponsorship of the IMF and World Bank. The logic of this model, as practiced up to then, required that investments in the sector shift away from the public to the private sector and that the state be relegated to a purely regulatory role<sup>23</sup>.

Prior to the passage of the Electricity Market Law, as promised in the Letter of Intent to the IMF in 2000<sup>24</sup>, a Council of Ministers Decree was issued in 2004 February 2001 unbundling TEAŞ into three separate state-owned corporations. Generation activities were assigned to EUAŞ, trading activities were assigned to TETAŞ and transmission activities were assigned to TEİAŞ. The main objective of the 2001 Electricity Market Law was to continue the restructuring of the energy sector in order to facilitate the

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[https://bigpara.hurriyet.com.tr/haberler/ekonomi-haberleri/boratav-krizin-nedeni-program\\_ID359063/](https://bigpara.hurriyet.com.tr/haberler/ekonomi-haberleri/boratav-krizin-nedeni-program_ID359063/)

<sup>22</sup> IMF'den 14.4 milyar \$ sağlandı. (January 9, 2002). *Hürriyet Gazetesi*.

[https://bigpara.hurriyet.com.tr/haberler/ekonomi-haberleri/imf-den-144-milyar-saglandi\\_ID397613/](https://bigpara.hurriyet.com.tr/haberler/ekonomi-haberleri/imf-den-144-milyar-saglandi_ID397613/)

<sup>23</sup> As indicated by Işık & Karaduman (2010), “the ultimate purpose of this process [of liberalizing the electricity market] is to create a fully liberalized system where the state acts only as a supervisory and regulatory authority instead of an investor in the market”. <https://gun.av.tr/media/ekwimzuy/29.pdf>

<sup>24</sup> 3. ve 4. Gözden Geçirmeye İlişkin 18.12.2000 Tarihli Niyet Mektubu, as cited in Salman (2008a: p.198).



creation of competitive markets in electricity. Under this law, the following steps were implemented:

- i. An independent regulatory body, the Energy Market Regulatory Authority (EMRA), was established to oversee and regulate energy markets through activities such as tariff setting, the issuing of licenses, and the prevention of noncompetitive practices;
- ii. A transition market based on voluntary bilateral contractual arrangements between distribution companies, generation companies and TETAŞ was put in place;
- iii. An interim balancing and settlement system was created where TEİAŞ, the state-owned transmission monopoly, would serve as the transmission system operator for balancing demand and supply across the sector. This entailed the establishment of a System Balancing and Settlement Center (PMUM) within TEİAŞ.

With the passage of the law, entry opportunities were created for private companies across the sector while transmission remained a state monopoly. Access to transmission and distribution came under the regulation of EMRA, which would also function as a dispute settler between parties. Despite the passage of the Electricity Market Law, the World Bank assessed the implementation of the energy reform objectives tied to the 2000 ERL loan as “moderately unsatisfactory” since the government did not meet a number of loan conditions that included the launch of pre-qualification tenders for the sale of electricity distribution companies. Failure to meet this condition resulted in the Bank’s withholding of the disbursement of the second tranche of the loan.<sup>25</sup> This condition was waived, however, in return for the development of a Strategy Paper, prepared under the World

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<sup>25</sup> World Bank. *Implementation completion report on a loan in the amount of US\$ 759.6 million to the Republic of Turkey for an Economic Reform Loan*. Report No: 31606 (February 16, 2005: p.8).

Bank's Public-Private Infrastructure Advisory Facility (PPIAF)<sup>26</sup>, which set out a comprehensive and rigorous program for the privatization of distribution and generation. With the issuing of the Energy Strategy Paper by the Higher Planning Council (HPC) in March 2004, the second instalment of the ERL was released in April 2004.

The 2004 *Energy Sector Reform and Privatization Strategy Paper*<sup>27</sup> led to the division of the generation company EUAŞ into 6 portfolio companies and distribution into 21 regions; TEDAŞ was restructured into 20 regional distribution companies (DISCOS) in preparation for its privatization.<sup>28</sup> Giving priority to distribution, the Strategy Paper arranged for a rapid privatization process whereby the privatization of distribution assets would commence in 2005 and be completed by the end of 2006. The privatization of generation was scheduled to follow in mid-2006. The Strategy Paper also made permanent the status of TETAŞ as a transitory monopoly, which according to Çetin & Yılmaz (2010: 396) reflected the AKP government's preference for control over electricity markets. Despite the intention for a speedy process, the scheduled privatization of distribution, as set out in the 2004 Strategy Paper, was stalled prompting the World Bank to extend a 205-million-Euro credit to TEDAŞ in February 2008 for its rehabilitation in order to increase its attractiveness for investors and speed up its privatization.<sup>29</sup> With the implementation of the Strategy Paper, the unbundling of the main activities of the electricity sector was completed (Figure 4.1).

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<sup>26</sup> World Bank (August 2010). *PPIAF Assistance in Turkey*. Report No 75899.

<sup>27</sup> ÖİB (2004) Elektrik enerjisi sektörü reformu ve özelleştirme strateji belgesi. 17.3.2004 Tarih ve 2004/3 Sayılı YPK Kararı.

<sup>28</sup> Among the 21 distribution regions, Kayseri was already in private hands while the remaining 20 regions belonged to TEDAŞ.

<sup>29</sup> Enerjide 2008'de neler oldu? *Cumhuriyet Energy Supplement*, (December 2008: 8); WB Report No: 46808-TR (May 1,2009: p.31).

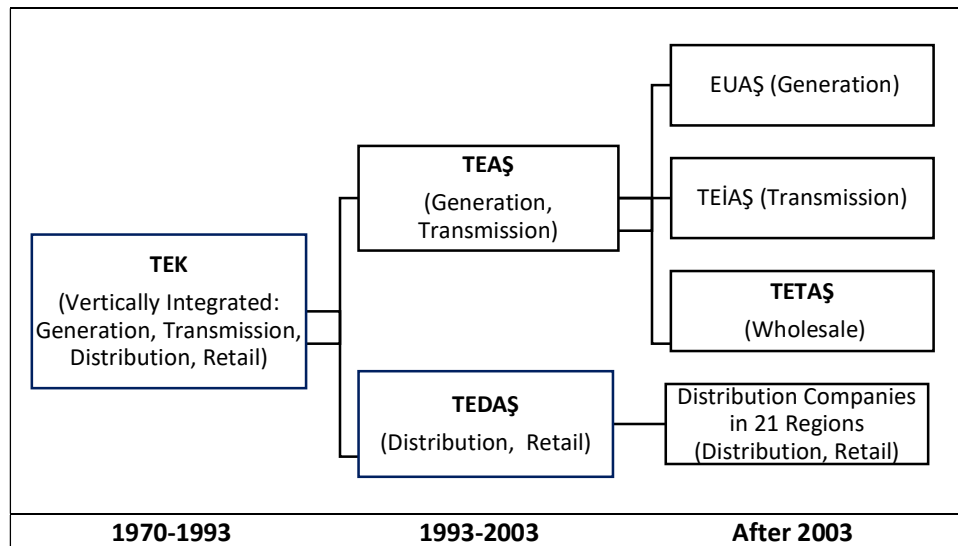


Figure 4.1 Unbundling of the Turkish Electricity Sector

### 4.3. Toward “Competitive” Markets: The Transitory DUY System

In addition to the unbundling and corporatization of generation and distribution activities, the 2004 Strategy Paper stipulated the establishment of the regulations and practices necessary for the eventual liberalization of electricity prices through the gradual operationalization of competitive markets. A transitory balancing and settlement system would be set up that consisted of i) long term (up to five year) bilateral contracts between buyers and sellers at the wholesale electricity tariff determined by EMRA and ii) a balancing market operated by TEİAŞ to settle short term imbalances between supply and demand not bound by the bilateral contracts. The transitory system was intended to provide a “soft” transition to a free-market system in electricity and would function to balance (equalize) electricity supply and demand among the public and private companies operating in the sector.

#### **4.3.1. The Price Equalization Mechanism: A Compromise**

The transition to a liberal electricity market required the adoption of cost-reflective pricing which, if fully implemented, would mean a departure from a single national wholesale electricity tariff applied equally across distribution regions to a pricing system that entailed higher wholesale prices in regions that had higher costs, i.e., due to theft/loss. The implementation of a differential regional tariff system, however, would have important political repercussions since theft/loss ratios were highest in the less developed regions of Turkey (Sevaioğlu, n.d.). While the World Bank advocated minimal intervention in the electricity tariff, the AKP government was not willing to take political risks with a differential cost-reflective regional tariff system. The 2004 Strategy Paper thus arranged for a compromise that involved the setting up of a Price Equalization Mechanism that would support the continuation of a single, national electricity tariff while at the same time accounting for cost differentials between the regional distribution companies during the transition period (i.e., by cross-subsidizing between regional distribution companies). The planned interim step toward “competitive” electricity markets was taken when the Electricity Market Balancing and Settlement Regulation (DUY)<sup>30</sup> came into effect in November 2004 (EMRA Decision No. 25632), followed by the launch of the transitional balancing market in January 2005 in virtual or simulated mode.

#### **4.3.2. Implementation of the DUY System: Operational Outcomes**

The 2001 Electricity Market Law all but prevented public investments in the electricity sector, requiring that all investments, except as absolutely necessary, be carried out by the private sector; private sector investments, however, were not to materialize as anticipated.

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<sup>30</sup> Dengeleme Uzlaştırma Yönetmeliği (See Table A.4, Appendix A for details).

According to Salman (2008b), the lack of investment by the private generation companies resulted in a balancing system that operated on a “knife-edge balance”, sustained mainly by good weather conditions that filled up the hydropower dams and allowed sufficient revenues to be generated by the private electricity generation firms. This delicate balance between supply and demand collapsed on July 1, 2006, resulting in a six-hour power outage that encompassed 13 provinces located in the Aegean, Mediterranean and Marmara regions of Turkey. Technically, the crisis was said to be due to a malfunction at the Natural Gas Conversion Plant in the province of Bursa that spread “by waves” to other provinces through an automatic system that crashed in the three thermal plants providing electricity to a greater part of the region. The underlying cause of the blackouts, however, was the failure of private autoproducer plants to provide electricity to the region after a hike in the natural gas price. The Chairman of the Board of Directors of Bursa Chamber of Commerce and Industry was reported to have said that it was normal for some parts of the region not to be given electricity by the generation companies if it meant they would be producing at a loss.<sup>31</sup>

The state-determined wholesale electricity tariff had remained constant over the past five years and the natural gas price hike resulted in generation companies withdrawing from electricity generation during the hours when they could buy electricity at the cheap tariff only to reenter the system to sell electricity in the hours when the higher rate came into effect, with this behavior contributing to the malfunctioning of the system (Salman, 2008b). On September 1, 2006, two months after the power outage and at the insistence of the private generation companies, the balancing market moved from virtual operation to cash settlements. With this move, an electricity exchange came into effect that was

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<sup>31</sup> “Doğalgaz zammi elektriğe yansıdı”, (July 3, 2006). *CNN Turk*.  
<https://www.cnnturk.com/turkiye/dogalgaz-zammi-elektrige-yansidi>

operated by the Market Financial Settlement Center (PMUM) within TEİAŞ. To counteract production costs, the private generation companies were guaranteed the highest price offered against the supply shortages by state-owned TETAŞ. In addition, they were paid an exit fee for “loading off” from the system even when a purchase had not been made. The exit fees on top of the high initial purchase price resulted in what has been described as “black market” prices in electricity.<sup>32</sup> The system operated so as to subsidize the private generation companies at the expense of the state-owned regional distribution companies.

One year after the DUY system switched to cash settlements, the İstanbul Chamber of Certified Public Accountants (İSMMMO) calculated the losses incurred by the state after a year of operation to be between 700-800 million YTL.<sup>33</sup> İSMMMO’s report emphasized that while increases in the electricity price paid to the private generation companies were not being reflected onto consumers, consumers would nevertheless be paying for them indirectly through increased taxes. By the end of 2007, TEDAŞ, the once profitable state monopoly, operating through the 20 state-owned regional distribution companies, registered losses of 1.9 billion YTL.<sup>34</sup> Thus, in spite of arguments based on the inefficiency of state-owned enterprises to justify the transfer of operation rights to the private sector, the privatization of electricity distribution, ironically, required state support to be accomplished.

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<sup>32</sup> Elektrikte vatandaşa büyük kazık. *Birgün Gazetesi*. (March 5, 2008).  
[https://www.emo.org.tr/genel/bizden\\_detay.php?kod=59150&tipi=&sube=0&yeri=27](https://www.emo.org.tr/genel/bizden_detay.php?kod=59150&tipi=&sube=0&yeri=27)

<sup>33</sup> Corresponding to around \$US 500-600 million at the average 2007 exchange rate. In 2007, as calculated by İSMMMO, private producers sold electricity to state-owned TEDAŞ at 15 Ykr/kWh, and TEDAŞ sold electricity to consumers at 12 Ykr/kWh and also had to pay a depreciation fee such that the state subsidy amounted to roughly 5 Ykr/kWh (or 1/3 of the wholesale price).

İSMMMO. (2017). “Elektrikte bir yıllık 'denge' zararı; 800 milyon YTL”.  
[https://archive.ismmmo.org.tr/docs/basin/2007/bulten/21092007\\_enerjiraporu.pdf](https://archive.ismmmo.org.tr/docs/basin/2007/bulten/21092007_enerjiraporu.pdf)

<sup>34</sup> EMO. TEDAŞ Elektrik Borsasında 1,9 milyar YTL zarara uğradı. (February, 2, 2008). Retrieved from  
[https://www.emo.org.tr/genel/bizden\\_detay.php?kod=58859](https://www.emo.org.tr/genel/bizden_detay.php?kod=58859)

### 4.3.3. Attempt at Cost-Recovery: Shift to Automatic Pricing?

With the approach of early elections in July 2007, the AKP had held off on raising electricity tariffs. This changed in October 2007 when MENR Minister Hilmi Güler announced a new automatic pricing system for the electricity sector that would allow electricity tariffs to be adjusted on a quarterly basis to reflect changing costs. The switch to automatic pricing would entail regular increases in the electricity bill faced by consumers, which the AKP government had carefully avoided in the years leading up to the elections. Güler was forced to retract the announcement of the new pricing system the following week pending the approval of Prime Minister Erdogan.<sup>35</sup>

The stalled privatization of distribution, however, which had been a sour point with the World Bank, was set to resume in 2008 necessitating a resuscitation of TEDAŞ's balance sheets, and the shift to an automatic pricing system would increase the profitability of TEDAŞ along with its attractiveness to private investors. The switch to automatic pricing in the electricity sector was approved in 2008 by a Higher Planning Council decision<sup>36</sup> but it wasn't until May that the AKP government announced the new pricing system to the public.<sup>37</sup> In February 2008, following the HPC's decision, The World Bank released the 205-million-euro loan to Turkey for the rehabilitation of TEDAŞ, which had been approved in April 2007. The purpose of the Electricity Distribution Rehabilitation Project Loan was "to make the electricity sector more attractive for private investment", reduce

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<sup>35</sup> Elektrik zammı Eroğan'ın kararını bekliyor. (October 18, 2007). *Hürriyet*. Retrieved from [https://bigpara.hurriyet.com.tr/haberler/genel-haberler/elektrik-zammi-erdogan-in-kararini-bekliyor\\_ID620199/](https://bigpara.hurriyet.com.tr/haberler/genel-haberler/elektrik-zammi-erdogan-in-kararini-bekliyor_ID620199/)

<sup>36</sup> Official Gazette numbered 26920 and dated 28 June 2008. Retrieved from <https://www.resmigazete.gov.tr/eskiler/2008/06/20080628-5.htm>

<sup>37</sup> EMO - Elektrikte otomatik fiyatlandırma mekanizması derhal devreden çıkarılmalı. (30.06.2010). Finans.mynet.com. [https://www.emo.org.tr/genel/bizden\\_detay.php?kod=77003](https://www.emo.org.tr/genel/bizden_detay.php?kod=77003)

supply interruptions and support investments that improved the “reliability of power supply to consumers in Turkey.”<sup>38</sup>

The automatic pricing mechanism was initiated in July 2008 and within a year, electricity prices had increased by around 40 percent. The World Bank viewed this to be an “an important step in the reform program” as it would ensure “the financial viability of the sector and “more immediately” enable the privatization of distribution.<sup>39</sup> Auctions in distribution would commence in 2008 and the privatization of TEDAŞ would be finalized by the end of August 2013.<sup>40</sup> The AKP government took liberties in implementing the automatic or cost-based pricing mechanism, often gauging the political situation and, according to EMO, enacting “hidden” price hikes without regard to falling costs in order to benefit crony distribution companies.<sup>41,42</sup>

#### **4.3.4. Plans for a Competitive Spot Market in Electricity**

The transitory market balance and settlement system (the DUY system) implemented since 2005-2006 was to serve as the foundation for the realization of a fully competitive market system in electricity. The next step was to establish a competitive spot market in electricity. In 2009, the Higher Planning Council (YPK) issued the *Strategy Paper on*

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<sup>38</sup> World Bank. Government of Turkey and World Bank Sign Agreement on Electricity Distribution Rehabilitation Project Loan. (February 11, 2008). <https://www.worldbank.org/en/news/press-release/2008/02/11/government-of-turkey-and-world-bank-sign-agreement-on-electricity-distribution-rehabilitation-project-loan>

<sup>39</sup> World Bank. *Project appraisal document on a proposed International Bank for Reconstruction and Development loan in the amount of US\$500 million*. Report No: 46808-TR (May 1, 2009: 26). <https://documents.worldbank.org/en/publication/documents-reports>

<sup>40</sup> The privatization of TEDAŞ was done through the block sale of the shares of the 20 regional companies. The winning bidders were transferred operating rights and became regional monopolies. Ownership remained with TEDAŞ.

<sup>41</sup> EMO: Elektrik fiyatlarına yine gizli zam yapıldı. (2 October 2015). *Enerji Günlüğü*. <https://www.enerjigunlugu.net/emo-elektrik-fiyatlarina-yine-gizli-zam-yapildi-15514h.htm>

<sup>42</sup> EMO'ya göre AKP döneminin özeti: Düzenli zam, seçim yaklaşınca küçük bir indirim. (31 March 2023) *Gazete Pencere*. [https://www.emo.org.tr/genel/bizden\\_detay.php?kod=142027&tipi=2&sube=0](https://www.emo.org.tr/genel/bizden_detay.php?kod=142027&tipi=2&sube=0)



*Electricity Energy Market and Supply Security* with the stated purpose of supplying “continuous, quality, low-cost and environment-friendly electricity services to all consumers”<sup>43</sup>. The 2009 Strategy Paper called for the creation of a competitive spot market in electricity in addition to the completion of the privatization of generation and distribution companies, which had been stalled. The issuing of the 2009 Strategy Paper led to the following decisions (ÖİB, 2009):

- i. The continuation of medium- and long-term bilateral contract arrangements between generation and distribution companies to promote an environment conducive to new investments in energy and ensure supply security;
- ii. The expansion of the scope of bilateral contracts to include other actors in the sector (i.e., via the unbundling of retail from distribution activities to allow end users to enter into contractual arrangements with the retailer of their choice);
- iii. The development of the DUY system operated by TEİAŞ via PMUM into a separate day-ahead planning and a real time hourly balancing market (to be effective as of 1 October 2009);
- iv. The creation of an hourly day-ahead spot power market to replace the DUY system;
- v. The creation of a futures market in electricity in the medium term;
- vi. The creation of an independent market operator (EPIAŞ) to oversee the balancing system as well as the spot and futures markets;
- vii. The continuation of the price equalization mechanism to keep regional tariffs the same among distribution regions,
- viii. The continuation of the cost-based pricing system initiated on July 1, 2008.

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<sup>43</sup> 2009 Energy Strategy Paper (Elektrik Enerjisi Piyasası ve Arz Güvenliği Stratejisi Belgesi), p. 2.

The implementation of these steps involved the increasing financialization of the electricity sector and increased complexity of its operation (legal, technical, relational) so as to increase the costs of possible policy reversals.

#### **4.4. The Unbundling of Distribution and Retail Activities**

The Strategy Paper also stipulated the legal unbundling of distribution and retail services by the end of 2012. The distribution companies were licensed by EMRA to carry out their distribution and retail activities within their assigned distribution regions. As a first step in the unbundling of the two activities, the distribution companies were required to obtain a separate license for each activity. The 2012 decision by EMRA led to the legal separation of distribution activities from retail sale activities so that, as of the beginning of 2013, distribution companies previously involved in retail sale activities could only do so now under separate legal entities.<sup>44</sup>

The premise for this was to promote greater competition in the electricity sector and to prevent distribution companies from “cross-subsidizing” between their distribution and retail activities. The legal separation created retail companies linked to the distribution companies that operated as separate corporate entities. To foster competition in the retail electricity market, the distribution companies were required, under the supervision of EMRA, to practice nondiscrimination toward new entrants that were not affiliated with them (Figure 4.2).

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<sup>44</sup> EMRA decision No. 4019 dated September 12, 2012.

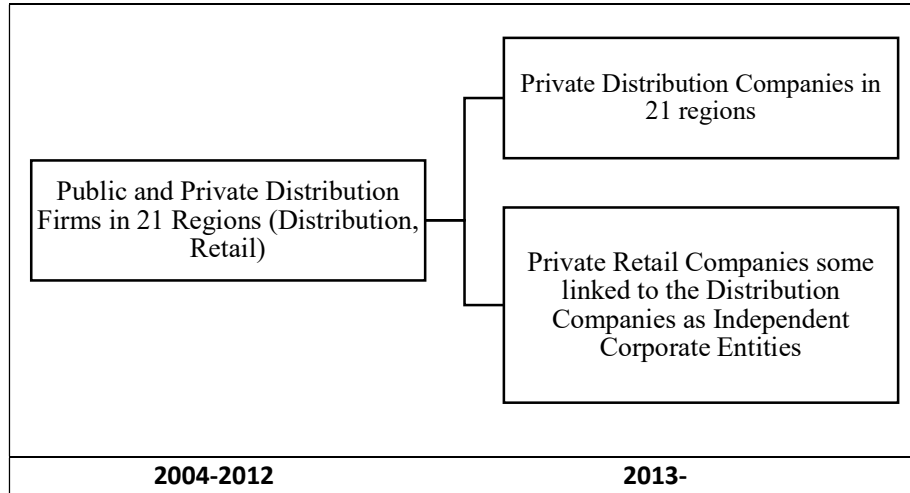


Figure 4.2 Unbundling of Distribution and Retail Activities

#### 4.5. The 2013 Electricity Market Law: Creation of a Spot Power Market

In 2013, the Electricity Market Law (No. 6446) was enacted with the stated purpose of establishing “a financially sound, stable and transparent electricity market operating in a competitive environment” which would operate under the provisions of private law supervised by an independent regulatory authority. As a next step toward achieving fully competitive electricity markets, the law stipulated the establishment of a spot power market to replace the existing PMUM with the goal of providing “sufficient, good quality, uninterrupted, low cost and environment-friendly electricity to consumers.” Despite this intention, spot prices hit record high in March 2022 prompting price ceiling policy to protect public interest by the government.<sup>45</sup>

<sup>45</sup> Spot elektrik fiyatı üst üste ikinci kez rekor kırdı. (15 March 2022). *Sabah Gazetesi*. <https://www.sabah.com.tr/finans/doviz-emtia/spot-elektrik-fiyati-ust-uste-ikinci-kez-rekor-kirdi-591015>

In March 2015, a massive 10-hour nationwide blackout occurred that spread to more than two-thirds of Turkey's 81 provinces. The blackout was reported to be the worst power failure in Turkey over the past 15 years.<sup>46</sup> While a number of technical explanations were given by public officials, The Chamber of Electrical Engineers of Turkey (EMO) stated that the blackout was mainly the result of the government's faulty energy policies. According to EMO, transmission lines have not been upgraded since the privatization due to a lack of investment in the sector.<sup>47</sup>

A Council of Ministers Decree (No. 2015/8317) in December 2015 led to the continuation of the unified national tariff and cross-subsidization system across distribution and retail sale regions. Another widespread electricity outage occurred in early August 2021<sup>48</sup> that EMRA blamed on excessive air conditioning use and decreased production from the hydroelectric and wind power plants due to drought conditions. The distribution companies AYEDAŞ and UEDAŞ, on the other hand, announced that the cuts were due to problems with the national transmission lines<sup>49</sup>.

These are some examples that show the conflict between pursuing standard liberalization goals in the electricity sector as prescribed by international financial institutions and required as part of harmonization with the EU electricity grid, and the realities domestically where the public interest is not being served but has to be considered due to

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<sup>46</sup> Çağrı Özdemir. (1 April 2015). Turkey's power outage reinforces political polarization. *Middle East Eye* <https://www.middleeasteye.net/>; Rengin Arslan. (31 March 2015). Elektrik kesintisi: Türkiye bir gün elektrik alamadı. *BBC News Türkçe*. <https://www.bbc.com>

<sup>47</sup> Elektrik Mühendisleri Odası: 31 Mart 2015'deki çöküşün benzeri her an yaşanabilir. (3 August 2021). *Cumhuriyet Gazetesi*. <https://www.cumhuriyet.com.tr>

<sup>48</sup> Son dakika: Bakanlıktan elektrik kesintilerine ilişkin açıklama. (2 August 2021). *Cumhuriyet Gazetesi*. <https://www.cumhuriyet.com.tr>

Son dakika: Çok sayıda ilde elektrik kesintisi meydana geldi. (2 August 2021). *Cumhuriyet Gazetesi*. <https://www.cumhuriyet.com.tr>

<sup>49</sup> Power outages hit several provinces. (August 2, 2021). *Hürriyet*. <https://www.hurriyetdailynews.com>

the possibility of political fallouts. Regional tariffs are too politically risky and are not implemented; powerouts have become commonplace due to a lack of investment by the profit-seeking private sector while the state has to incur losses to preserve its commitment to the neoliberal policies as well as its clientelist relations and its voter base. It is a balancing act in pursuit of contradictory goals with inevitable crises along the way along political, economic and social dimensions.

#### **4.6. Conclusion**

The liberalization of the Turkish electricity sector has involved the step-by-step implementation of the standard model of electricity reform promoted by the Bretton-Woods institutions. This initially reflected the neoliberal position of minimizing state presence in the sector through privatization, requiring the splitting of the vertically integrated state monopoly TEK into separate corporate entities involved in different aspects of the electricity service (generation, transmission, distribution, and wholesale and retail trade). Later, the World Bank stance evolved into one of pragmatic tolerance of country-specific idiosyncrasies leading to the acceptance of certain state interventions for the sake of progression on reform objectives, as evidenced by its “patience” toward the delays in the privatization of the Turkish distribution companies and the failure to transition toward a regional pricing tariff system that penalized regions characterized by high theft/loss ratios. Ultimately, departing from its previous policies, the World Bank has come to view state interventions such as state subsidies and guarantees (e.g., the state picking up the tab where necessary) to be useful in ensuring the financial viability of the sector and thus “incentivizing” the private sector to make privatization “work”.

Although there were lags and delays along the reform path, overseeing of the restructuring of the Turkish electricity sector by the IMF-World Bank has been rigorous

and relentless, often with key funding/assistance interventions synchronized with the cyclical crisis patterns of the Turkish economy and carefully tied to the advancement of the reform goals. While some issues such as cost-based market pricing could not be implemented as envisioned, electricity sector reform was “successful” from the viewpoint of the international financial institutions insofar as setting up the foreign investor friendly legal, bureaucratic and financial apparatuses necessary to establish enduring changes in the sector that would lay the groundwork for the expanding presence of global capital in the Turkish electricity sector. The “new” MFD approach has become a vehicle for preferentially subsidizing (via the state) profit accumulation by foreign companies and asset managers, which the Turkish government has turned on its head with respect to electricity distribution and made it a vehicle for subsidizing profit accumulation for its own affiliated capital (as illustrated in the next chapter).

The 2018-2021 Country Partnership Framework report described the privatization of the Turkish energy sector as a “success”, attributing this apparent success to “strong country ownership” cultivated by the Bank’s use of the “cascade approach” in its decades-long negotiations and dealings with Turkey.<sup>50</sup> The “cascade” is described as “how the World Bank Group operationalizes its Maximizing Finance for Development approach” and the World Bank has claimed that the privatization of the Turkish electricity sector provides an exemplary implementation of this approach. Considering the numerous country examples in which World Bank-backed energy/electricity sector reforms have been abandoned or have led to disappointing results, the Bank’s main yardstick for success in the case of the Turkish electricity sector appears to be the fact that it was actually realized. The reform

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<sup>50</sup> World Bank (2017b). *International Bank for Reconstruction and Development International Finance Corporation Multilateral Investment Guarantee Agency Country Partnership Framework for the Republic of Turkey for the Period FY18-FY21*. Report No. 11096-TR  
<https://documents1.worldbank.org/curated/en/585411504231252220/text/Turkey-CPF-08072017.txt>

goals of reducing direct public investments in the electricity sector and the shifting of the delivery of electricity services from the public to the private domain were certainly attained. The much-anticipated private investments were not realized to any degree of satisfaction and often needed support and cajoling from the state.

Electricity distribution was prioritized in the privatization of the Turkish electricity sector for the strategic reason that cost-recovery or profitability was essential for private actors throughout the sector (especially generation) to be motivated to enter the electricity market. The frequently stated goal of “low-cost, high-quality, uninterrupted electricity to all consumers” appearing in numerous official documents (Letters of Intention, Laws, Regulations, Energy Strategy Papers), however, remains to be accomplished and appears in practice to be in direct contradiction to the workability of the model itself.

The reform process led to TEDAŞ, a then profitable state monopoly, being split into 20 distribution companies and privatized over a long period of negotiation with the IMF and World Bank. Within this context, the next chapter will provide details of the privatization of TEDAŞ, which has generated much debate as to whether it was a success or a mismanaged process. While privatization of the strategically important regional distribution companies has been completed, the overseeing of the Turkish electricity sector by the World Bank Group is by no means concluded. Sector reforms continue with the passing of legislation that defines new roles and activities in the sector, such as that of market aggregators<sup>51</sup> that will “enable consumers and producers operating in the electricity market to act as a single entity in their actions in the energy markets”<sup>52</sup>

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<sup>51</sup> An aggregator is a role that has been necessitated by the inefficiencies resulting from a switch from single operators (monopolies) to multiple “market players” (see *Reaching the optimum: from monopoly to aggregators*. Deloitte Power and Utilities Newsletter). Ironically, the increased complexity and ensuing inefficiencies from a liberalized multi-player market is addressed through the aggregation of these players

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via an intermediary (the market aggregator). More importantly, this appears to be yet another example of how new avenues may be created for private capital accumulation (as per Harvey).

<sup>52</sup> Mehmet Suat Kayıkçı, Alican Tokmak & İrem Ezgi Çavuşođlu. (January 2023). Turkey: aggregation activity in the electricity market. <https://www.mondaq.com/turkey/oil-gas--electricity/1267220/aggregation-activity-in-the-electricity-market>



## CHAPTER 5

### THE TEDAŞ PRIVATIZATION

#### 5.1. Introduction

This chapter looks at the privatization of Turkish state electricity distributor TEDAŞ between 2009-2013 toward understanding how the controversial sale was actualized under conditions that were less than amenable. As the only great privatization of a major state enterprise in the post-2008 AKP period, the TEDAŞ sale is also one of the most contentious with regard to market-based reforms in Turkey, generating debate as to whether it was a success or a mismanaged process. The facts of the sale indicate its exceptionality, as the divestiture netted the AKP government 13.3 billion dollars in the global crisis context—which was the highest privatization revenue reached since the 8.2 billion dollars that had been acquired from the combined sales of Türk Telekom, Erdemir, PETKİM, and TÜPRAŞ in 2005 (ÖİB, 2016). The sale thus filled the public coffers and increased Turkey’s credit rating during a time when privatization had stalled around the world in the post-2008 environment. From the perspective of the World Bank, which provided the loan for the privatization, the sale was a success, attracting a large volume of new private investment into the sector in the context of the global capital influx that ensued over the next decade, and that would bring about the transformation of the country’s existing electricity supply shortage into one of booming supply.

Moreover, these outcomes were said to be achieved despite the fact that the TEDAŞ privatization was also one of the least “investor-friendly” of the entire AKP period, as the concern of the government to retain control over the electricity price in order to preserve voter support led to massive divergence from the privatization criteria demanded by global buyers. In fact, the privatization was “designed” and implemented such that TEDAŞ was rendered practically unsaleable to global capital: the state retained the subsidy of the electricity price while leaving the entirety of the risks on the private purchasers. Made to AKP-affiliated domestic capital and financed entirely by the Turkish banking system, the TEDAŞ sale was for the most part a domestic affair “authored” by the AKP against the imperatives of global markets. Ultimately, the greater significance of the TEDAŞ privatization is that it presented a “breaking point” with the neoliberal reform template originally set out for the electricity sector, entrenching a new pattern of state-capital relations and changing, rather than ending, the form of state control over the sector.

On the other hand, capital flight and currency depreciation after 2013 have led to a rethinking of the TEDAŞ privatization as the terms of the deal turned against the domestic purchasers, generating a debt crisis in the privatized electricity distribution sector that has threatened to become banking sector crisis as a result of the dollar-denominated privatization debt owed by the distribution companies to the banks. The electricity distribution sector has reportedly become insolvent after privatization, and continues to be subsidized by the state, which in turn has led to “de-investment” in the sector because of the pull-out of other private investors impacted by the currency crisis as well as the state’s continuing interventions into “markets” and the electricity price. The expected investment boom has thus turned into bust in the Turkish electricity sector.

Moreover, claims to market efficiency, improved prices, and quality of service have not been borne out as the privatization crisis led to major blackouts as well as price hikes in 2022, generating mass discontent. Thus, the privatization's legitimating rationale of creating "working" markets in the electricity sector to increased social benefit appears not to have borne fruit as operational markets appear not to have emerged.

Liberal market reformers differ in their views on the privatization of TEDAŞ. Mainstream views that are critical of the privatization put emphasis on the stalled liberalization process, continuing state subsidy of the electricity price, and the emerging patterns of state-business relations seen as inimical to the creation of markets. Within this context, one of the main criticisms of the trajectory policy has taken in the Turkish electricity sector is that "[t]he government, against the global trends, wants to push a more state-oriented energy market... Apparently, it is inconsistent to argue for a more liberal market structure on the one hand, and to become more dominant over the market on the other" (Çetin and Yılmaz, 2010: 394-395).

Other mainstream views focusing on the corporate side of the deal have criticized the way the privatization tenders were held in the context of poor public governance. In this view, the electricity privatization strategy of the AKP was revenue-driven, which means that the state sold the TEDAŞ assets to whoever was willing to pay the highest price. This in turn attracted investors who were not necessarily the most efficient, but more confident that they could influence the setting of electricity prices in the future through the regulatory process (Atiyas *et al.*, 2012: 39). Thus, within the context of the existing institutional framework for the tenders, the privatization process was "captured" by interests close to the privatizing authority that led to the poor outcome.

The fact that the privatization was made to business groups close to the AKP government and funded by domestic banks—there was almost no foreign interest in the auctions—reinforced the idea that the privatization process was poorly motivated and implemented in the existing institutional context.

In stark contrast to these interpretations is the view of the World Bank, which has celebrated the privatization of TEDAŞ regardless of the ensuing failures of the policy. A World Bank report has considered the privatization a success due to strong government ownership of the reform and the “strength of the overall legal and regulatory framework” (Dilli and Nyman, 2015), which attracted the buyers despite the global crisis. In a similar vein, another World Bank report has argued that the success of the privatization was due to the fact that “the large lending volumes (disbursed in line with the World Bank’s privatization program for TEDAŞ) provided a strong incentive for the government to comply with all major policy conditionalities (IEG, 2016). Within this context, World Bank reports on the privatization of TEDAŞ make no reference to the chief criticisms of the policy, which is that the state has continued to subsidize the electricity price alongside the informal subsidies provided to the privatized distribution companies. In fact, the World Bank has reaffirmed its ownership of the TEDAŞ deal in the 2017 Turkey Country Partnership Framework, stating “now that the electricity distribution network is fully privatized, (the Bank) will focus on providing post-privatization financial support to strengthen the financial structure of distribution companies and to attract long-term financing to upgrade the distribution network, which has been under-invested during public ownership” (World Bank, 2017b). Within this context, the poor “financial sustainability” of the distribution companies is attributed to public ownership in the past, as opposed to the reported impact of the growing burden of privatization debt after 2013.

On the other hand, mainstream opinions of the TEDAŞ privatization that acknowledge the failure of the sale by conventional criteria view the outcomes as the result of “poor politics”, or politics as an obstacle to market reform, which is also a mainstay of the World Bank in explaining the poor outcomes associated with the Bank’s policies in the global South (Foster *et al.*, 2017; Lee & Usman, 2018; Foster & Rana, 2020).

In contrast to these views, it is argued in this chapter that the crisis due to the sale of TEDAŞ cannot be accounted for on the basis of poor state politics or “institutional capture” by individual interests alone, but is more broadly linked to the contradictions of financialized globalization and their management by the AKP in the post-crisis period. In fact, in contrast to the explanations that see poor implementation of the TEDAŞ privatization as the primary cause of the resulting crisis, it is argued here that the crisis occurred precisely because the market-based reform was successfully implemented in the post-2008 period.

This is because the TEDAŞ privatization was a successful “moment” of crisis management linked to the struggle to sustain accumulation through the intensified competition for global capital inflows after 2008, which generated its own crises within the constraints of this financialized context. In the neoliberal policies of the World Bank, electricity market privatization has proved to be one of the most difficult to implement because of the targeted impact on the electricity price, and experiments with the market model have led to price hikes that resulted in social resistance and policy reversals across the global South.<sup>53</sup> The TEDAŞ case is noteworthy in that the AKP, faced with the 2008 global financial crisis that threatened to disrupt its short-term credit-led growth policies,

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<sup>53</sup> For examples of policy reversals, see Foster & Rana (2020) for Peru, Senegal and others; Yi-Chong (2005) for India and China, Bayliss (2008) for Tanzania, and Kingsley (2020) for Nigeria.

did its utmost to actualize the sale and fulfill the terms of the neoliberal program carried out with the World Bank, while retaining state control over the electricity sector. While in the wake of the sale made to domestic capital the AKP was able to keep control of the electricity price and fulfill its neoliberal agenda without upsetting its voter support, the sustainability of this balance ultimately depended on the availability of global capital because the privatization was both facilitated and limited by the dependence on short-term capital inflows. As such, the success and the failure of the policy were two sides of the same coin within the context of the political mandate of the AKP to manage the imperatives of financialized globalization.

This means that the lack of attention paid to the global context in the contemporary criticisms of the TEDAŞ privatization precludes the question of how global factors may have been even more important in shaping domestic reform outcomes. Two results ensue from contextualizing “politics” within the broader global context.

First, accounting for global factors allows for better explanation of the role “politics” plays in market outcomes. Ultimately, it was the emerging pattern of state-capital relations in the AKP era that allowed the implementation of a policy which, as it stood, was proving unworkable because of lack of domestic support. Global pressures for reform facilitated forms of state-capital relations in the Turkish electricity sector that allowed the implementation of the market reforms. The reality is that what is considered “poor politics” has often facilitated and complemented the emergence of markets in the implementation of the neoliberal restructuring process. This is clearly seen in the implementation of neoliberal “shock therapy” programs in the former Soviet Union during the 1990s, in which global policymakers knowingly facilitated the emergence of private markets through the creation of rent-seeking, “predatory” classes that benefited

from the mass privatizations of the time (Bedirhanoglu, 2007: 1242). Thus, focus on domestic politics in abstraction from the global context may obfuscate the fundamental role global factors and institutions play in the domestic reform politics of countries.

Secondly, and more fundamentally, the issue of change in global capitalism goes unaccounted for, and how “market” models for the developing world may be evolving and can therefore no longer be adequately explained with reference to conceptualizations of “good politics” and “good governance” used to legitimate earlier periods of neoliberal market restructuring. With the growing financialization of the global economy since the early 2000s, “market creation” has increasingly come under the control of global financial capital and continues to be incentivized by states in their domestic policies. Financialization is becoming a reality even in public services such as water and electricity, which are now seen as potential sources of revenue streams on global financial markets. Given the difficulty of cost recovery in these services, value creation and transfer may have less to do with the “workability” of markets in an operational sense than “financial sustainability” in terms of the ability to generate continued revenues on financial markets, so that the content of state-capital relations may ultimately be less relevant than their functionality in securing privatized financial returns.

In the public service sectors, this is seen in “risk management” practices such as public-private partnerships, blended finance, and state guarantees and subsidies aimed at generating private returns that continue to blur the lines between the public and private spheres in the new conceptualizations of governance and that are central to sustaining processes of financialization. What this means in practice for “good governance”, “rule of law” and “transparency” changes. Whether specific patterns of emerging state-capital relations—transparent, or corrupt—are useful to the generation of financial returns is

specific to the domestic context. In cases where this remains unclear, international financial institutions such as the World Bank have been acting as a signaling mechanism for financial markets in their dealings with client countries. One explanation of the incongruity between what by all accounts should indicate the failure of market policy according to standard mainstream criteria and the World Bank's continuing support of such policy may be that it is simply not relevant, as "financial sustainability" in these cases may have less to do with "working" markets than the existence of "working" transfer mechanisms, whether transparent or not.

In the rest of this chapter, the TEDAŞ privatization will be described with a view to showing how the AKP balanced the imperatives of carrying out its neoliberal agenda against its domestic political concerns in the context of the pressures presented by the growing financialization of the global economy.

## **5.2. Background: Market Reform and the Structure of the Turkish Electricity Sector**

Market reform in the Turkish electricity sector, driven by economic crisis, has followed the sequence of policies set out by the IMF and the World Bank in most of the other Southern countries. As discussed in the previous chapter, early reform of the sector, pushed through after the economic crisis of 2001, unbundled the state monopoly into its production, transmission, distribution, and retail components for sale to foreign investors by the Electricity Market Law No. 4628.

To recapitulate, activity in each of these parts is now priced separately within the market framework, with production and retail defined as "competitive" and subject to market determination, and transmission and distribution defined as "monopolistic". Within this context, distribution is subject to price regulation by the Energy Market Regulatory



Authority (EPDK). These prices are factored into the national tariff; however, in practice, the state continues to set the electricity price.

The private sector and the state company (The Electricity Generation Corporation, EÜAŞ) operate in production, while the transmission monopoly remains in state hands. The distribution monopoly was separated out into 21 regions for privatization; all of these were privatized as “transfer of operating rights”, thus are operated as public-private partnerships (PPPs) with the state.

In parallel with what is seen across the globe, Turkish electricity sector reform from its inception has been a complicated and contentious process with contradictory demands made on the state. Within this context, given the centrality of electricity as a public service, the trajectory of the market reforms in the Turkish electricity sector continues to be determined by the state’s need to manage social reactions that might be generated by neoliberal reforms.

### **5.3. Electricity Sector Market Reform and AKP’s Crisis Management Policies**

AKP’s crisis management policies in the electricity sector have revolved around the need to manage social tensions around the pricing of electricity, which is central to the global agenda for the neoliberal reform of the sector. Possible social impact of the rise in electricity price and the implications of this for weakening domestic political support are the main reasons why, when it came to the sale of state electricity distributor TEDAŞ, the AKP could not keep to the “merchant” mentality it had shown in the privatization of the other giant state enterprises early on in its rule (Angın and Bedirhanoğlu, 2013: 88-92). Consequently, while state enterprises such as Türk Telekom, ERDEMİR, PETKİM,

TÜPRAŞ, and POAŞ were divested relatively quickly over 2005-2006, the privatization of TEDAŞ was completed only by 2013, a decade after the coming to power of the AKP.

Within this timeframe, market pricing of electricity continued to be pushed by the World Bank and the IMF as a cornerstone of the neoliberal reforms intended to incentivize foreign capital into the Turkish electricity sector (ESMAP, 2012) and, as this entailed an end to the state electricity subsidies, was a major source of the tension between these institutions and the AKP. This section shows how crisis management policies of the AKP in response to global pressures in the Turkish electricity sector changed in line with the global conjuncture and its impact on the limits of the capacity of the AKP to balance its neoliberal agenda against its need to preserve voter support.

Within this context, three periods appear to be relevant for the policies of the AKP in the electricity sector. In the early AKP period between 2002 and 2008, the reform process was marked by delays and prevarication over the neoliberal measures to be implemented by the newly elected AKP government, which continued subsidizing the electricity price despite the demands placed on it by international financial institutions to complete the market reform of the electricity sector. Consequently, the electricity price remained unchanged for five years<sup>54</sup> and privatization plans linked to the neoliberal programs of the World Bank and the IMF were stalled or, where enacted, diverged significantly from the policy recommendations of these institutions (as will be illustrated). Within this context, the 2004 Energy Strategy Paper is a key document of the early AKP period that is the first indication that the government intended to “go its own way” in privatizing TEDAŞ as it

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<sup>54</sup> Çiğdem Toker (6 January 2007). Özelleştirmede Başbakan şoku. *Hürriyet Gazetesi*.  
<https://www.hurriyet.com.tr/ekonomi/ozellestirmede-basbakan-soku-5728441>

broke with the market pricing principle it had committed to with the neoliberal program for electricity.

In the period after 2008, the change in the global conjuncture due to the global crisis created uncertainty for the future of electricity sector reform in Turkey. On one hand, the crisis accelerated the market reforms implemented in conjunction with the World Bank; on the other hand, the prospects for privatization remained uncertain. It is during this period that the privatization strategy set out in the 2004 Energy Strategy Paper was put to the test. With the resumption of global capital inflows into the Turkish economy, TEDAŞ was “successfully” privatized in the biggest sale undertaken by the AKP in the post-2008 period, albeit to domestic capital on terms that remained less than “investor-friendly”, thus creating fragilities in the deal.

In the period after 2013, capital flight and currency depreciation led to crisis in the privatized electricity distribution sector due to the dollar-denominated privatization debt owed to Turkish banks, which had financed the sale. This demonstrated the dependence of the “success” of the TEDAŞ privatization on the availability of short-term capital, which was reversed with the capital flight.

In the next section, the early points of disagreement with the World Bank and the IMF surrounding the TEDAŞ privatization are outlined from the outset with a view to showing how the AKP balanced its domestic electoral interests against global pressures. Disagreements over the method of privatization to be used, size of distribution regions to be privatized, and transition from state control of the electricity price to market pricing are all fundamental issues with direct bearing on private investment in the electricity sector; these were at the core of all of the main debates on the sale of TEDAŞ, resulted in

delay of market reforms, and were ultimately settled against the demands of the international institutions so that the privatization, when it did occur, effectively precluded foreign entry.

The 2004 Energy Strategy Paper formulated in response to a World Bank loan conditionality that prioritized the sale of TEDAŞ as a precursor to overall market reform of the Turkish electricity sector remains the most important document in terms of showing how the strategy of the AKP to actualize the sale diverged from the demands of the Bank; after this document is introduced in the context of its origins in the history of early tensions with the World Bank and the IMF over neoliberal market reform of the Turkish electricity sector, each of the main points of contention with regard to the TEDAŞ privatization will be considered.

### **5.3.1. 2004 Energy Strategy Paper**

It was with the release of the 2004 Energy Strategy Paper (ÖİB, 2004) that the AKP government took its first concrete step toward privatizing state electricity distributor TEDAŞ and completing market reform of the Turkish electricity sector. The document is significant in that, after two years of delay in which the implementation of the electricity market reforms fell into question, it reaffirmed the commitment of the AKP to privatizing TEDAŞ even while announcing the government's intent to "break" from the reform principles that would make the sale tenable on global markets. It is stated in the Strategy Paper, for example, that "[t]he implementation of a cost-reflective pricing system in regulated fields of activity in the electricity sector will be essential; however, the national tariff will continue to be applied [via] a sales price equalization mechanism" for at least the 5-year transitory period to prevent differential pricing among consumers and regions (ÖİB, 2004: 1, 5), which is at odds with market pricing as it involves cross-subsidizing

from efficient to inefficient distribution regions and undermines the profit-maximization principle thus making the privatization of TEDAŞ less attractive to foreign and domestic investors.

The most important of these reform principles concerned governmental non-interference with the market pricing of electricity, which had long been a tenet of the neoliberal program the World Bank sought to entrench in the Turkish electricity sector. By the time the AKP came to power in 2002, it had already inherited a ready-made mandate for neoliberal reform that was set out in Electricity Market Law 4628, enacted by the previous government in the context of the 2001 economic crisis that had cleared the way for the neoliberal restructuring of the Turkish economy in line with new structural adjustment agreements signed with the IMF and the World Bank. Market pricing, a core principle of this neoliberal program for electricity sector reform, was intended to make the sector viable for private investors; hence, it was seen as fundamental to the privatization of state electricity distributor TEDAŞ in fulfilling the terms of the commitments made to the international financial institutions (ESMAP, 2012: 16). On the other hand, market pricing of electricity was also the most problematic aspect of the neoliberal measures to implement in practice because it could entail loss of voter support.

This meant that by the time the AKP came to power, it was faced with two contradictory imperatives in the electricity sector that complicated the implementation of the neoliberal agenda in a way that had not been an issue in other areas of reform. As a majority government of a neoliberal bent that had committed to carrying out the requirements of the crisis program, the AKP was saddled with meeting demands for completing the

privatization of TEDAŞ so as to establish credibility on global markets;<sup>55</sup> on the other hand, by the end of its first term in power, it had also accrued considerable voter support as the government that had not increased the price of electricity for five years despite ongoing pressures to do so by the international institutions.

Consequently, electricity sector market reform came to be viewed as the “sticking point” of the entire reform program of the post-2001 period, the one policy area in which the AKP diverged significantly from the prescriptions of the World Bank and the IMF and lagged behind its own performance in the privatization of the state economic enterprises. In fact, it was due to the perceived lack of progress in electricity sector reform that release of a World Bank structural adjustment loan (Economic Reform Loan) was delayed by four years in the policy confusion of the early years of the AKP (see Section 4.2).

Within this context, the 2004 Strategy Paper on electricity sector reform was the first major break from the privatization program agreed with the international financial institutions, as it indicated that the AKP would “go its own way” when it came to the sale of TEDAŞ. Ultimately, the Strategy Paper deferred market pricing in favour of continuing the electricity price subsidy, thereby depriving the planned privatization of its most crucial foundation. As Çetin and Yılmaz (2010: 396) also argue “the strategy paper reflects the government’s political preferences over electricity markets. As a strong government, AKP preferred to control electricity markets.”

The result was that, because it altered the terms of the auctions on TEDAŞ, “the new strategy paper without any legal enforcement changed the course of the privatizations”

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<sup>55</sup> According to a 2006 Energy Charter document, Turkish authorities have been “encouraged to assure that delays in the privatization of electricity distribution do not block the effective implementation of the reform program and hamper investor confidence and the required new private investments under the market regime”. [Energy Charter Conference Decision](http://www.energycharter.org) www.energycharter.org

(Çetin and Yılmaz, 2010: 396). The 2004 Strategy Paper thus laid the basis for changes in the form of state control over the sector: contrary to the expectation that the privatization would fail because it was not in keeping with global market norms, TEDAŞ was successfully sold to domestic capital affiliated with the AKP, with implications for establishing a new set of incentives and policies linked to emerging state-capital relations in the electricity sector that were not foreseen in the original reforms.

Understanding this direction in the trajectory of AKP policy in the electricity sector requires understanding the reform mandate enacted in Electricity Market Law 4628, and how the Law was ultimately changed in line with the 2004 Strategy Paper in order to retain state control in the face of the challenges the reform agenda presented to the rule of the AKP. Enacted in economic crisis year 2001 within the context of the 17<sup>th</sup> stand-by agreement signed with the IMF in 1999 and the Economic Reform Loan (ERL) signed with the World Bank in 2000, Law 4628 provided for the creation of a private market in the Turkish electricity sector and the restructuring of the state electricity assets on terms and conditions favourable to global private investors.<sup>56</sup>

The Law, based on a narrow understanding of governance that prioritized unlocking global capital flows through the reform process, sought to redesign the Turkish electricity sector around the objective of privatized cost recovery, and market pricing was at the core of this program. In this context, the neoliberal agenda that prioritized global private investors clashed with the concern of the AKP to maintain the support of its domestic voters, and the implementation of Law 4628, emerging as a direct source of tension

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<sup>56</sup> 2001 Electricity Market Law as originally enacted in Parliament. Retrieved from <https://www.tbmm.gov.tr/kanunlar/k4628.html>

between the AKP and the World Bank early on came to be seen as the most important test of the “neoliberal resolve” of the AKP in its first years in power.

Initially, the World Bank had put great stock in the passing of Law 4628, which was considered to be a “breakthrough” law that, for the first time after more than a decade of attempted reform in the Turkish electricity sector, had established the “free market” as the main organizing principle through which electricity would be provided, making provision for the buying and selling of electricity by private entities in a market system in which prices would be determined freely by the laws of supply and demand (Dilli & Nyman, 2015). With Law 4628, controversial elements entailed in neoliberal electricity market reform that had been struck down by the Turkish legal system were enacted in the body of a single law for the neoliberal restructuring, privatization, and market pricing of the electricity service; the Law made provisions for separating out the state monopoly into its constituent components of production, transmission, and distribution for sale to private investors, did away with state subsidy and “non-market” elements in the pricing of electricity, and introduced a new privatization regime for the divestiture of the state electricity assets that sought to expand the rights of private investors beyond what was legally possible under the traditional concession regime. Thus, Law 4628 for the first time did away with the traditional legal understanding of electricity as a “public service” and allowed it to be treated as a “commodity” that could be bought and sold “freely” on commercial markets.

This meant a radical change in the working of the sector based on the withdrawal of the state from the provision of electricity and the creation of a private market in which prices would be determined by “objective,” cost-based rules. One of the most important expected outcomes of Law 4628 was that the principle of cost recovery would lead to the



abolition of the national electricity tariff in favour of regional pricing that better accounted for regional losses and theft; this was a cornerstone reform for the planned privatization of TEDAŞ aimed at ending cross-subsidy between regions of the country and incentivizing sale of the regional state distribution plants to private investors. At the same time, Law 4628 shaped the governance of the new electricity market around the “rules-based” approach to sector policy, establishing an “independent regulator” responsible for overseeing the market at a distance from the Energy Ministry and thus without undue influence of “political” concerns that might otherwise factor into issues such as pricing.

Although legal ambiguities over privatization remained, Electricity Market Law 4628 was considered the most comprehensive, “investor-friendly” market law that had been enacted in the history of Turkish electricity sector market reform, and much was seen to ride on its successful carry-through. The fact that an incoming majority government had “inherited” this governance template had raised global market proponents’ hopes for swift completion of the electricity reform process. The long history of failed neoliberal reform due to legal objection by the court system added increased expectation to the passing of the Law. Given that previous governments had “gone out of compliance” with earlier loan agreements to privatize the Turkish electricity sector in the face of challenges presented by the domestic court system, the enactment of Law 4628 was interpreted in a World Bank report, erroneously, as a landmark development that had finally settled the issue of legal challenge to privatization. As far as the Bank was concerned, Law 4628 “held all of the answers to reforming the Turkish electricity sector”, and “what was needed was

political will and management of the process.<sup>57</sup> Given its status as a majority government, it was thought that the AKP would gather this momentum.

On the other hand, the market provisions set out in Law 4628, put to the test with the coming to power of the AKP government, did not prove politically workable in the domestic context. From the outset, price reform became the major factor in tensions over electricity market reform that resulted in the delay of the sale of state electricity distributor TEDAŞ. Tariff hikes that formed the backbone of the neoliberal reform program to privatize the electricity sector were put off for five years, earning the AKP points with the electorate while domestic and international haggling continued over the content of the market reforms.

Even within the AKP administration, there was no consensus on the objectives of the reforms and how market policies would be realized. Governmental institutions were deadlocked on whether the market reforms should be implemented on the basis of technocratic considerations for debt reduction or whether they should also account for pricing concerns in the electricity sector. Within this context, a major “split” had occurred between the Treasury, which sided with the World Bank in prioritizing foreign investors in the electricity sector, and the Energy Ministry, which wanted to keep the electricity price unchanged, contributing to the delays in reform implementation. There was also no agreement on how TEDAŞ should be privatized, and divisions remained within the government on “basics” such as the terms of the sale (transfer of operating rights vs sale of property rights) and the size of the distribution regions to be sold because these also had implications for cost recovery and pricing in the electricity sector. Then, a consensus

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<sup>57</sup> Sağlam (2004). Enerjide serbest piyasa kavgası bitmiyor. *Hürriyet*.  
<https://www.hurriyet.com.tr/ekonomi/enerjide-serbest-piyasa-kavgasi-bitmiyor-38564408>

that was reached in 2003 between the Treasury, Energy Ministry, state-owned TEDAŞ and market regulator EPDK on transitioning from the national tariff to a system of regional tariffs failed to translate into policy because politicians from Southeast Turkey, which was the region expected to incur the most harm from the measure, blocked its implementation (Cengiz, 2006: 142-143; Çetin and Yılmaz, 2010: 396).

This meant that the privatization of TEDAŞ, which had come up against the difficulties of implementing price reform, failed to be actualized within the two years originally stipulated in Law 4628, and was effectively at a dead end by 2004 when the release of the World Bank's Economic Reform Loan was due. Ultimately, "market pricing" had proved difficult to achieve, if not impossible, in the Turkish electricity sector. This resulted in a change of direction in AKP's electricity reform policy that appeared to turn the tide completely against the privatization of TEDAŞ.

Release of a second tranche of the Economic Reform Loan signed with the World Bank that had been delayed earlier due to the government's failure to meet the Bank's condition for the sale of TEDAŞ was secured in 2004 when the AKP committed to the future privatization of the state electricity distribution plants by releasing its Strategy Paper on electricity market reform to address outstanding concerns over the government's privatization strategy. Despite approving the completion of the release of the Economic Reform Loan, the World Bank, in a report in which it assessed the outcome of the structural adjustment program as being "moderately unsatisfactory" in the energy sector, stated that the 2004 Strategy Paper remained far from clarifying how the privatization

was to take place, given the Bank's interpretation of the document as one leaving key issues unresolved.<sup>58</sup>

In fact, the Strategy Paper was not unclear in setting out its own terms for policy in the electricity sector, as it was apparent in the document that technocratic concerns around making privatizations viable for private investors had been overtaken by the government's concern with keeping control over the electricity sector and its voter base intact. However, how this shift would translate into the successful privatization of electricity distributor TEDAŞ was less than certain, as in the new strategy the AKP had revised or abandoned elements of the reform program that were seen as indispensable to the actualization of the sale. For, the strategy document did away with regional and market pricing policies and privatization methods favouring global investors, and retained the control of the state over sector policies that had been at issue in delaying the planned privatization of TEDAŞ (p.3, p.5).

Thus, the new guidelines set out by the AKP in the 2004 Strategy Paper were at odds with the document's stated commitment to markets in the main areas of reform that were relevant to the privatization of TEDAŞ, with the result that the strategy broke with the neoliberal market principles that had been enacted through Electricity Market Law 4628 in 2001. While the document declared the commitment of the AKP to the market pricing of electricity, for the duration of a transition period until 2012 this was deferred in favour of a "price equalization mechanism" between the electricity distribution regions that kept in place subsidy of the electricity price and preserved the national tariff (p.5). Hence, the regional pricing system demanded by global investors was shelved for the duration of the

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<sup>58</sup> World Bank. Implementation Completion Report on a Loan in the amount of US\$ 759.6 million to the Republic of Turkey for an Economic Reform Loan. Report No: 31606 (February 16, 2005).

transition period for reasons the critics understood as political expediency in keeping state control over the electricity price.

At the same time, the Strategy Paper confirmed that the state would retain ownership of the distribution assets as the privatization of TEDAŞ would proceed through the “transfers of operating rights” (TORs) method against the property rights sales demanded by global investors (p.3). Thus TEDAŞ, if privatized, would be within the scope of concession agreements made with the state, which meant that ownership of new investments made into the distribution grid would remain with the state.

Moreover, the Strategy Paper further undermined the “sales potential” of the distribution companies by obligating them to purchase electricity from the public sector so that supply security could be ensured during the transition period (p.5). For the market proponents who continued to advocate fully operational, privatized markets in the electricity sector, this held additional dangers. Not only was such an arrangement not in keeping with the “freedom of contract” principle in a “free market”, but it also implied that the privatized distribution companies would be forced to buy expensive electricity from the state because of the public sphere’s own purchase obligations in the context of the “extra-market” guarantees given by the state to private producers in the electricity sector. This meant that the electricity price would be kept subsidized for the duration of the transition period, but the privatized distribution companies’ costs could increase because of the purchase obligations incurred through the state.

Furthermore, market proponents feared that measures enacted within the context of the transition period could gain permanence, effectively ending prospects for the creation of markets in the electricity sector. Thus, it was largely agreed that by the criteria set out in

the 2004 Energy Strategy Paper, TEDAŞ had become far from “saleable” on global markets.

Electricity Market Law 4628 was revised, within this context, to include the measures in the 2004 Strategy Paper for electricity market reform and the privatization of TEDAŞ. Law 5398 enacted in 2005 specified that the privatization of TEDAŞ would be on the basis of transfers of operating rights made to private investors, rather than asset sales, which confirmed that ownership of investments made by private investors in the distribution companies would remain with the state, and that the private sector, within the scope of these concession agreements, would be subject to state public policy and hence state intervention into markets.

Later, Law 5496 enacted in 2006 made provision for the “price equalization mechanism” that would be effective to the end of the transition period, and also legalized the “transition period contracts” that obligated the privatized distribution companies to purchase electricity from the state.

### **5.3.2. Accelerated Reform of the Turkish Electricity Sector Under Crisis**

With the release of the 2004 Strategy Paper and subsequent amendments made to Electricity Market Law 4628, the AKP had taken “ownership” of market reform of the Turkish electricity sector and “authored” its own terms for privatizing TEDAŞ. However, the implementation of the electricity privatization strategy continued to be delayed. It is within the context of the 2008 crisis that the electricity strategy of the AKP was put to the test under increasing domestic as well as global pressure to complete reforms. The changes in the world conjuncture had only increased the uncertainty with regard to the reform process: while the pressure had increased on the government to “cut back” the

state in the electricity sector, how privatization would proceed remained less than clear within the global crisis context.

At the same time, developments showed the extent of the crisis that was brewing in the electricity sector and that was only complicating the reform agenda for privatizing TEDAŞ. The first indication of the emerging crisis was seen in 2006 when an increase in the price of natural gas led to a blackout in thirteen provinces of western Turkey by private gas turbine producers protesting the state subsidy of the electricity price.<sup>59</sup> In response to these demands of the electricity producers, the AKP instituted an electricity spot exchange for the market pricing of electricity and mandated then state-owned TEDAŞ to purchase at the “market price” from the producers, which only worsened the prospects for the successful privatization of TEDAŞ given the continuation of the state electricity subsidy in the context of the obligated purchase of expensive electricity.

The situation deteriorated in 2008 when a supply crisis emerged in the electricity sector as a result of lack of public or private investments during the first five years of the AKP, when the government had kept the electricity price low but held off on investing in the electricity sector in line with the requirements of the neoliberal reform program; it was revealed that this was part of a bargain made with the IMF, which had been pushing for price hikes but agreed to accept state non-intervention in the electricity sector (Salman, 2008a: 206). This worsening electricity supply bottleneck only increased the pressure on the AKP to complete the market reforms that would attract global investments into the electricity sector—this during a crisis period in which it would be even more politically costly to enact price hikes.

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<sup>59</sup> See Section 4.3.2 of the previous chapter for details.

Further adding uncertainty to the prospects for market reform was the single-handed cancellation by the Prime Minister of the planned first auction on TEDAŞ just prior to the 2007 election on the basis that the sale would cause price hikes<sup>60</sup>. However, foreign interest in the auction had been high, newspapers reporting offers being made by top multinational energy companies on the three electricity distribution regions slated to start off the sale process. The cancellation, coming in the uncertainty of a gathering global crisis that was already seeing investments drop in developing countries, led observers to question whether the AKP government's privatization program had not been derailed entirely. The AKP leadership was at a cross-roads in its policies: dependent on foreign capital inflows to keep the economy afloat, it was also increasingly at odds with the World Bank and IMF programs to impose unpopular policy measures that could cost it votes in the context of the looming global crisis and key elections to be held at home.

The cancellation of the first tenders on the TEDAŞ distribution companies indicated an emerging "hard line" in electricity sector policy that did not bode well for successful neoliberal reform of the electricity sector. Reporting on the cancellation of the tenders right before the 2007 election, the *Financial Times* wrote that "the decision to postpone was a sign of how politics was starting to dominate the agenda... after four years during which the focus was on stability and structural, social and political reforms".<sup>61</sup> According to the newspaper, the more important question was whether the investor-friendly Erdoğan, whose electoral victory had been celebrated by foreign investors, would make good on the promised reforms.

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<sup>60</sup> Elektrik dağıtımında iptal gibi erteleme. (1 January 2007). *Hürriyet Gazetesi*.  
[https://bigpara.hurriyet.com.tr/haberler/genel-haberler/elektrik-dagitimda-iptal-gibi-erteleme\\_ID589607/](https://bigpara.hurriyet.com.tr/haberler/genel-haberler/elektrik-dagitimda-iptal-gibi-erteleme_ID589607/)

Süleyman Yaşar (1 January 2007). Başbakan özelleştirmeyi neden erteledi? *Radikal*.  
[https://www.emo.org.tr/genel/bizden\\_detay.php?kod=51548](https://www.emo.org.tr/genel/bizden_detay.php?kod=51548)

<sup>61</sup> Vincent Boland. (January 10, 2007). Turkey postpones electricity sell-off. *Financial Times*.



#### 5.4. The TEDAŞ Privatization

The tide turned in favour of a successful privatization of TEDAŞ after 2008, when global quantitative easing policies resulted in the massive influx of short-term global capital into the Turkish economy, allowing the AKP leadership to sell TEDAŞ on its own terms, which were less than “investor-friendly”. In fact, the terms of the sale—made to AKP-affiliated domestic capital—appeared to be tailor-made to favour the AKP government, which retained control over electricity price, but without assuming any of the private risk involved in partnerships with private capital as will be discussed below. Financed chiefly by the Turkish banking system<sup>62</sup> on the basis of the short-term, dollar-denominated loans made through the “hot money” they held on their balance sheets, the privatization which by global criteria would not have been actualized because it was too risky, was successfully carried out.<sup>63</sup>

On the other hand, in financing the deal, the banks were taking on the risk of currency and maturity mismatches in a context in which the state’s control of the electricity price presented additional hazard. Although the sale of the transfers-of-operating-rights (TORs) on TEDAŞ involved PPP contracts, Turkish banks that financed the sales “preferred corporate finance instead of project finance”, meaning “they have required investors to take primary risk” (Dilli & Nyman, 2015). This meant that the private purchasers of the TOR contracts assumed the entirety of the currency risks on loans they took out for the privatization of TEDAŞ. One reason why banks chose corporate finance over project finance may have been the fact that project finance is “non-recourse”, meaning that in the

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<sup>62</sup> According to Nyman & Dilli (2015: 38), “a leading private sector role has been played by Turkish [energy] investors and their mostly Turkish financiers.”

<sup>63</sup> Hayes, G. (2014, January 8). Turkey's \$350 bn big bid to test financing capacity limits. Global Capital. Retrieved from <https://www.globalcapital.com/article/28muov30eh3o2jee3iznk/turkeys-350bn-big-build-to-test-financing-capacity-limits>

event of non-payment of debt, lenders lack recourse to the assets of the borrowers. In contrast to corporate finance in which debt is obtained “on the strength of (the borrowers’) balance sheets” (Dilli & Nyman, 2015), the amount of debt that can be raised in project finance is determined by the project’s expected cash flows, which in a sector like electricity, remains uncertain due to state policies and other factors. In corporate finance, lenders have recourse to the assets of the borrowers.

This meant that the government had managed to sell TEDAŞ and fill the public coffers without assuming any risk in the sale, thereby also preserving its sovereign credit rating on global markets. In fact, the Fitch rating agency increased Turkey’s credit rating after the sale and the country enjoyed a new influx of global inflows.

#### **5.4.1. The Auction Process**

Within this context, TEDAŞ was successfully privatized to domestic capital linked to the AKP. Below are some highlights of the privatization.

Privatization of 18 of the distribution regions—Başkent, Sakarya, Meram in 2009; Osmangazi, Çamlıbel, Uludağ, Çoruh, First, Yeşilirmak in 2010; Trakya in 2011; Akdeniz, Boğaziçi, Gediz, Aras, Dicle, İstanbul Anadolu Yakası, Vangölü and Toroslar in 2013—was completed by the Privatization Administration (PA) Law 4046.<sup>64</sup>

Privatization of the Menderes region in 2008 and the Göksu region in 2011 was completed by the Energy Ministry under the build-operate-transfer (BOT) Law 3096; these regions were transferred to the private sector without auction.<sup>65</sup>

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<sup>64</sup> Ertilav & Aktel (2017: 103)

<sup>65</sup> Ibid.

The 21st region, Kayseri, was being served since 1990 by the country's oldest private distributor of electricity, established through a concession agreement in 1926; it continued to operate subject to Law 3096.<sup>66</sup>

Regardless of the laws referenced or the decision-making authority involved, the privatization of TEDAŞ between 2008 and 2013 in all regions involved political interference, lack of transparency, and serious allegations of corruption. In a majority of the privatizations, operating rights were transferred to business groups with ties to the AKP leadership and well known through the Deniz Feneri, 17 December and Zarrab money laundering scandals.<sup>67</sup>

The Menderes and Göksu regions are the only two regions to be privatized without auction under Law 3096. Among the earliest attempts at privatization in the electricity distribution sector, Menderes EDAŞ and Göksu EDAŞ were privatized to companies that had signed concession contracts for these regions in the 1990s, but their contracts had been cancelled by previous governments, causing a decades-long legal battle between the companies and the state. The AKP finalized the privatizations in 2008<sup>68</sup> and in 2011<sup>69</sup> when the two companies changed their partnership structures to include business groups affiliated with the AKP that had links to the Deniz Feneri scandal in Germany.<sup>70</sup>

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<sup>66</sup> Ibid.

<sup>67</sup> "EMO'dan sarsıcı rapor", (1 December 2009). *Cumhuriyet Gazetesi*.  
<https://www.cumhuriyet.com.tr/haber/emodan-sarsici-rapor-102556>

<sup>68</sup> "Menderes Edaş'ın işletme devir hakkının verilmesine tepki", (14 May 2008) *haberler.com*  
<https://www.haberler.com/guncel/menderes-edas-in-isletme-devir-hakkinin-haberi/>

<sup>69</sup> "GEDAŞ özelleşti AKEDAŞ oldu", (3 January 2011). *elbistaninsesi.com*  
[https://www.emo.org.tr/genel/bizden\\_detay.php?kod=81451](https://www.emo.org.tr/genel/bizden_detay.php?kod=81451)

<sup>70</sup> "EMO - 'Fener ışığında gölge oyunu' ", (1 December 2009). *Cumhuriyet Gazetesi*.  
[https://www.emo.org.tr/genel/bizden\\_detay.php?kod=72245](https://www.emo.org.tr/genel/bizden_detay.php?kod=72245)

Menderes EDAŞ, distributing to the Aydın-Denizli-Muğla regions, was privatized to the Aydem Elektrik-Bereket Enerji company for \$110,000.000 in 2008. Before the transfer, the partnership structure of the company was changed to include members of a media group linked to a pro-government television channel (Kanal 7) and to Radio and Television Board head Zahid Akman, who were implicated in defrauding Turkish migrants in Germany during the Deniz Feneri charity organization between 2002-2007.<sup>71</sup>

Göksu EDAŞ, distributing to the Kahramanmaraş-Adıyaman regions, was privatized to the AKEDAŞ company for \$60,000,000 in 2001. In 2008, partnership structure of AKEDAŞ was changed to include the newly-formed ASEL company, with links to the same pro-government media groups implicated in the Deniz Feneri scandal.<sup>72</sup>

In both privatizations, the transfers of Menderes and Göksu EDAŞ were finalized through the directives of the Privatization Higher Council (PHC) headed by Prime Minister soon after changes were made to the company's partnership structures and the contracts were renewed to include expanded privileges for the companies in the electricity sector. However, the legality of the PHC directives regarding Menderes and Göksu EDAŞ have been called into question given the fact that Privatization Higher Board has no decision-making authority over contracts signed under Law 3096.

The privatization of the remaining 18 regions of TEDAŞ through auctions held between 2008-2013 have given rise to similar allegations of corruption and fraud privileging business groups close to the AKP. The auctions were carried out in the near-absence of foreign interest and financing, and participants were almost exclusively business groups

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<sup>71</sup> “Yargıç: Deniz Feneri Almanya tarihinin en büyük dolandırıcılığı”, (17 September 2008) bianet.org. <https://bianet.org/bianet/dunya/109759-yargic-deniz-feneri-almanya-tarihinin-en-buyuk-dolandiriciligi>

<sup>72</sup> EMO (n.d.) Adıyaman-Kahramanmaraş elektrik dağıtımında yeni özelleştirme oyunu. Elektrik Mühendisleri Odası. [https://www.emo.org.tr/genel/bizden\\_detay.php?kod=71728](https://www.emo.org.tr/genel/bizden_detay.php?kod=71728)

operating in the construction and media sectors that had grown exponentially under the AKP. In all, 16 of the 18 auctions held over five years involved divestitures to AKP-linked businesses, either as winning bidders in the auctions, or through partnerships created after the fact.<sup>73</sup>

Within this context, there are only two instances of foreign participation in the TEDAŞ sale, both of which occurred as partnerships with Turkish companies in the first sales in 2008. Operating rights to Başkent EDAŞ, distributing to the Ankara, Kırıkkale, Zonguldak, Bartın, Karabük, and Kastamonu regions, were sold to Enerjisa and the Austrian Verbund consortium for \$1.225 billion.<sup>74</sup> Operating rights to Sakarya EDAŞ, distributing to Sakarya, Bolu, Düzce and Kocaeli, were sold to the AKCEZ Consortium (partnership between Ak Enerji-Akkök and Czech CEZ Company) for \$600,000.<sup>75</sup>

According to the Union of Chambers of Turkish Architects and Engineers (TMMOB), auction contracts in the TEDAŞ privatizations had new clauses not seen in previous privatizations that allowed winning groups to bring new partners with up to a 49% stake into the deal. One of the most important results of this development as seen in practice is that the partnership structures of purchasing companies in some cases were changed after the auctions to include AKP-linked companies.<sup>76</sup>

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<sup>73</sup> Elektrik şirketleri yandaşlara gitti. (November 8, 2009). [gggmedya.com](http://gggmedya.com).  
[https://www.emo.org.tr/genel/bizden\\_detay.php?kod=71815](https://www.emo.org.tr/genel/bizden_detay.php?kod=71815)

<sup>74</sup> BEDAŞ'ın EnerjiSA'ya devri gerçekleşti. (January 28 2009). Haber7.com  
<https://ekonomi.haber7.com/ekonomi/haber/375295-bedasin-enerjisaya-devri-gerceklesti>

<sup>75</sup> 300 milyon dolar peşin yattı Sakarya Elektrik AkCez'e geçti. (12 February 2009). *Hürriyet Gazetesi*.  
<https://www.hurriyet.com.tr/ekonomi/300-milyon-dolar-pesin-yatti-sakarya-elektrik-akcez-e-gecti-10983150>

<sup>76</sup> TMMOB (20 Ağustos 2010). Elektrik dağıtım şirketlerinin özelleştirilmesiyle ilgili oda deklarasyonu.  
<https://www.mmo.org.tr/merkez/haber/elektrik-dagitim-sirketlerinin-ozellestirilmesiyle-ilgili-oda-deklarasyonu>;

EMO. (6 Kasım 2009). Elektrik dağıtımında Ali Cengiz oyunları.

This new procedure created considerable concern regarding the transparency of the TEDAŞ privatizations, since in practice it allowed rivals in the auctions to form partnerships after the sale. A significant number of the TEDAŞ distribution regions were divested to such partnerships. For example, operating rights to Meram EDAŞ, distributing to Kırşehir, Nevşehir, Niğde, Aksaray, Konya and Karaman were sold to the Alarko-Cengiz partnership for \$440,000 in 2008. The winning company was Alsim Alarko, which had bid against Cengiz Holding during the auction, but formed the Alcen partnership with Cengiz Holding after the auction.<sup>77</sup> In the same way, the Van, Fırat, Çamlıbel, and Uludağ regions were divested to partnerships formed by groups that had been rivals in the auctions.<sup>78</sup>

The TEDAŞ privatization was unprecedented in the extent to which it generated allegations of corruption. A 2012 Turkish Court of Accounts (Sayıştay) report on TEDAŞ found that in the privatizations of Başkent, Sakarya, Meram, Çoruh, Osmangazi, Yeşilirmak, Çamlıbel, First, Uludağ, Aras and Trakya undertaken between 2008-2011, massive amounts of capital had been transferred to the purchasers of the companies by way of money left in the vaults of the companies. The Sayıştay report found that \$1 billion had been transferred in this way.<sup>79</sup>

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[https://www.emo.org.tr/genel/bizden\\_detay.php?kod=71755&tipi=3&sube=6](https://www.emo.org.tr/genel/bizden_detay.php?kod=71755&tipi=3&sube=6)

<sup>77</sup> Elektrik şirketleri yandaşlara gitti, Ibid.

<sup>78</sup> EMO – Uludağ ve Çamlıbel elektrik ihalede rakip, sonrasında ortak. (6 September 2009). *Cumhuriyet Gazetesi*. Retrieved from. [https://www.emo.org.tr/genel/bizden\\_detay.php?kod=78489&tipi=&sube=0](https://www.emo.org.tr/genel/bizden_detay.php?kod=78489&tipi=&sube=0)

<sup>79</sup> T.C. Sayıştay Başkanlığı. (2013). Türkiye Elektrik Dağıtım A.Ş. (TEDAŞ) 2012 Yılı Raporu. <https://docplayer.biz.tr/2075966-Turkiye-elektrik-dagitim-a-s-TEDAŞ-2012-yili-raporu.html>

## 5.5. Crisis in the Electricity Sector

The TEDAŞ privatization was credited with generating new investments in the electricity sector that took the latter from supply crisis to investment boom. In fact, the Fitch rating agency increased Turkey's credit rating after the sale and the country enjoyed a new influx of global inflows. The inflow of short-term capital created an investment boom and increased generation capacity with private investment flourishing on the basis of more of the speculative financing that was being made available to the banks. With the electricity sector booming in the context of plentiful finance and more forecasted growth for the economy, major foreign companies also began investing in the Turkish electricity market.

On the other hand, depreciation of the TL after 2013 revealed the longer-run implications of the privatization. Two years later (in 2015) a major debt crisis emerged in the electricity distribution sector that was threatening to become a banking sector crisis. By 2018, global capital inflows were fast receding, and the situation in the entire electricity sector was such that debts to the banks were said to amount to \$40 billion<sup>80</sup>. Some generation assets with bad debt were transferred to bank ownership through debt-equity swaps. The AKP pressured the banks to restructure the bad energy debt, while the banks called on the government to hike the electricity price or to assume the debts of the bankrupt companies<sup>81</sup>. With the AKP and the banks passing the ball into each other's courts, there was no foreseeable resolution of the crisis in sight.

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<sup>80</sup> Falakoğlu, Bülent. "Elektrikte beklenen alıcenaplık neden gelmiyor?", *Evrinsel*. (12 February 2022) <https://www.evrinsel.net/yazi/90400/elektrikte-beklenen-alicenaplik-neden-gelmiyor>

<sup>81</sup> Reuters: AKP 13 milyar dolarlık enerji borçları için bankalara baskı yapıyor. (13 May 2018). [sendika.org](https://sendika.org/2019/05/reuters-akp-13-milyar-dolarlik-enerji-borclari-icin-bankalara-baski-yapiyor-547701/) <https://sendika.org/2019/05/reuters-akp-13-milyar-dolarlik-enerji-borclari-icin-bankalara-baski-yapiyor-547701/>

As the economy went into downturn, foreign investors began to pull out of the Turkish electricity sector.<sup>82</sup> But more fundamentally, the debt crisis that began with the privatization of the electricity distribution sector has had implications for the sustainability of the electricity service, generating indebtedness across the entire electricity service chain and worsening the quality of electricity provision. It was reported that with the dip in the value of the Turkish lira in 2018, the total debts of the AKP-linked capital that is now in ownership of the twenty-one electricity distribution regions had exceeded 45 billion dollars, with 10 billion dollars of this privatization debt owed to the banks.<sup>83</sup> Some of the electricity distribution companies with outstanding debts in 2018 included: Boğaziçi EDAŞ (BEDAŞ), operated by Cengiz-Kolin-Limak and having bank debt of over 1 billion dollars; Akdeniz EDAŞ (AKEDAŞ), operated by Cengiz-Kolin-Limak and having bank debt of 500 million dollars; Gediz EDAŞ, operated by Bereket Enerji which entered into negotiations to restructure the 650 million dollars it owed to the banks; Uludağ EDAŞ, operated by Cengiz-Kolin-Limak with bank debt of 691 billion dollars and commercial debt of 346.5 million dollars; and Osmangazi EDAŞ, transferred to Zorlu Holding with 120 million dollars in unpaid debts owed to the state and now said to be holding new investment debts owed to the banks.<sup>84</sup>

While costs of new investments made by distribution companies are allowed to be reflected onto consumer tariffs, payments made to the Privatization Administration are not (Özbuğday, Öğünlü & Alma, 2016: 56). On the other hand, privatization debt owed to

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<sup>82</sup> Hümeýra Pamuk. "Once a darling of foreign investors, Turkey's power market struggles", (10 September 2018). *Reuters*. <https://www.reuters.com/article/us-turkey-currency-energy-idUSKCN1LQ1S3>

<sup>83</sup> Mustafa Mert Bildircin. "Elektrik dağıtım şirketleri krizde: Toplam borç 45 milyar dolara ulaştı", *Birgün*. (12 February 2018). <https://www.birgun.net/haber/elektrik-dagitim-sirketleri-krizde-toplam-borc-45-milyar-dolara-ulasti-203952>

"Turkey to restructure \$10 bln electricity sector debt this year - banking association", (10 September 2019). *Reuters*. <https://www.reuters.com/article/turkey-banks-energy-idINI7N25W00A>

<sup>84</sup> Mustafa Mert Bildircin, op.cit.



the banks appears to have emerged recently as a regulatory concern within the sector with specific reference to consumer tariffs. Thus, the AKP-affiliated capital that holds this growing debt burden has sought to find new sources of value transfer through predatory practices that have ultimately led to increased risk, higher costs, higher prices, and poorer quality of service in the electricity sector.

Developments within this context illustrate the patterns of state-capital relations in the electricity distribution sector that have led to these outcomes. In 2015, after the Turkish lira depreciated by 63 percent, leading to a massive increase in privatization debt owed by the electricity distribution companies to the banks (a loss of 13.5 billion TL incurred over the tender price according to the news report), the regulatory board EPDK decided that the financial sustainability of the Turkish electricity sector was at stake and that significant risk had emerged at the existing tariff structure including the potential of bankruptcies and non-payments to the state as well as to generators, which could result in service cuts.<sup>85</sup>

The same year, the EPDK issued an edict<sup>86</sup> on distribution system revenues that allowed the privatized electricity distribution companies to profit from unrelated activities such as advertisement revenues on public property belonging to the state-owned TEDAŞ directorate. According to a Court of Audits (Sayıştay) report, the private companies profited from public property with no payments made to TEDAŞ and without the official

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<sup>85</sup> “Elektrik dağıtım şirketlerinden 7.7 milyar borç”, (8 September 2015). *Fortune Türkiye*.  
<https://www.fortuneturkey.com/elektrik-dagitim-sirketlerinden-77-milyar-dolarlik-borc-19059>

<sup>86</sup> EPDK. Dağıtım Sistemi Gelirinin Düzenlenmesi hakkında Tebliğ. 19.12.2015, published in the Official Gazette numbered 29567. <https://www.morogluarseven.com/wp-content/uploads/2018/11/20151219-4.pdf>

consent of TEDAŞ, which is required because TEDAŞ is by law the owner of the property.<sup>87</sup>

In addition to the added private revenue accruing to the distribution companies from activities unrelated to the electricity sector, there are also reports that investments made by these companies into the distribution plants have become a source of rent transfer as well. This is because these companies have reportedly used their own subcontracting firms in order to increase the costs of investments, which were then reflected onto the consumer tariffs.<sup>88</sup>

At the same time, there are reports that these investments were made on the basis of bank credits, which has ultimately resulted in a new debt burden for the private distribution companies.<sup>89</sup> While the companies initially profited from this debt-based investment mechanism, the profit turned into loss with the unconventional interest rate policy implemented by the Central Bank. On the basis of this loss, the private distribution companies then stopped making payments to electricity market operator EPIAŞ for the electricity they were purchasing from the private generators, creating a cash flow crisis in the electricity sector in which 65 percent of collections owed to the generators had not been paid. The AKP government responded to this situation by enacting a legal amnesty for the private distribution companies that delayed payments to a later date.<sup>90</sup>

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<sup>87</sup> Çiğdem Toker, “Dağıtım şirketlerine bitmeyen avanta(j)lar”, (6 January 2023). T24.com.tr

<sup>88</sup> “EMO: Elektrik dağıtımında vurguna rekabet kurumu incelemesi”, (3 March 2016). *Sabah Gazetesi*. Retrieved from [https://www.emo.org.tr/genel/bizden\\_detay.php?kod=112776](https://www.emo.org.tr/genel/bizden_detay.php?kod=112776)

<sup>89</sup> Ümit Özlale, “Dağıtım şirketlerinin son marifeti: Nakit akışı sıkıntısı ve üretim açığı riski”, (29 July 2022). [www.politikyol.com](http://www.politikyol.com)

<sup>90</sup> Ibid.

In addition to these, the World Bank, which sponsored the privatization of TEDAŞ, has also continued to support market reform of the Turkish electricity sector despite the fact that such reform has not indeed proved workable. Thus, within the framework of the MFD approach, the International Finance Corporation (IFC) linked to the World Bank is providing post-privatization financial support to the electricity companies in order to improve their financial structure so that they may attract long-term finance from global markets. Specifically, the IFC is planning to provide debt denominated in Turkish lira to the distribution companies and address currency mismatches by offering suitable financing schemes to hedge their foreign exchange risks.<sup>91</sup>

On 1 January 2022, the AKP government enacted what has been called “the biggest electricity price hike in Turkey’s history”, when power prices were raised by 125 percent for industry and 50 percent for households respectively.<sup>92</sup> The price increases on electricity were part of a general price hike on goods and services across all sectors of the economy that followed in the wake of a global inflation in energy prices and the “unorthodox” interest-rate cutting policies of the AKP that had led to a crash in the value of the Turkish lira by fifty percent since September and the worst inflation seen in two decades.<sup>93</sup> On 20 January, the electricity crisis deepened when Iran, a major exporter of the natural gas used in Turkish electricity production, cut the flow of gas to Turkey citing

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<sup>91</sup> World Bank (2017b). Turkey - Country partnership framework for the period FY18 - FY21 (English). Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/585411504231252220/Turkey-Country-partnership-framework-for-the-period-FY18-FY21>

<sup>92</sup> Daren Butler. (4 January 2022). “Factbox: Turkey starts 2022 with flurry of price hikes after inflation surge”, *Reuters*. <https://www.reuters.com/markets/europe/turkey-hikes-energy-prices-istanbul-monthly-inflation-highest-decade-2022-01-01/>

<sup>93</sup> Daren Butler & Ali Küçükgöçmen. (4 April 2022). “Turkey's inflation jumps to 20-year high as energy prices surge”. *Reuters*. <https://www.reuters.com/world/middle-east/turkeys-inflation-jumps-611-march-highest-since-2002-2022-04-04/>

technical failures due to the pipeline.<sup>94</sup> In the days that ensued, Turkey halted gas to power plants supplying the country's industrial zones and a three-day cut in electricity to industry followed, resulting in production halts that led to an estimated loss of up to \$1 billion in revenue in the country's economically important productive sectors already hit by economic crisis.<sup>95</sup> The disruption in electricity production also resulted in shortages and blackouts across the country, and households across Turkey's provinces bore the brunt of electricity cuts in wintertime when demand for heating was surging. In the following months, people across the country demonstrated in the streets in protest of the soaring electricity price, signaling a new crisis in the making for the AKP government.<sup>96</sup> Faced with mass discontent, the AKP by the end of January was forced to backtrack, partially taking back the price hikes.<sup>97</sup> On the other hand, the fallout from the crisis has continued. As of the end of 2022, the Turkish electricity sector is reportedly insolvent and in arrears with risk of new shortfalls in production.

Currently, there are continuing news reports that the electricity sector remains mired in a "cash flow" issue or that it may even be insolvent due to the accumulated debts in the distribution sector and the rising costs of energy inputs since the beginning of the year.<sup>98</sup>

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<sup>94</sup> Muhdan Sağlam. (31 January 2022). "Iran's gas cut exposes Turkey's vulnerability to energy risks", *Al-Monitor*. <https://www.al-monitor.com/originals/2022/01/irans-gas-cut-exposes-turkeys-vulnerability-energy-risks>

<sup>95</sup> Ibid.

<sup>96</sup> Hazar Dost. (11 February 2022). "Popular anger simmers in Turkey over ballooning electricity bills", *Al-Monitor*. <https://www.al-monitor.com/originals/2022/02/popular-anger-simmers-turkey-over-ballooning-electricity-bills>

<sup>97</sup> "Elektrikte kademeli fatura krizi: Tepkiler karşısında Erdoğan'dan kısmi geri adım", (31 January 2022). *sendika.org* <https://sendika.org/2022/01/elektrikte-kademeli-fatura-krizi-tepkiler-karsisinda-erdogandan-kismi-geri-adim-645362/>

<sup>98</sup> Ümit Özlale, op. cit.;  
6 soruda elektrik sektörünün krizi. (12 September 2019). *birgun.net*. <https://www.birgun.net/haber/6-soruda-elektrik-sektorunun-krizi-268163>

## **5.6. Conclusion**

The privatization of TEDAŞ is one of the most controversial sales of recent times, not only within the Turkish electricity sector but also in the broader history of Turkish privatizations under the AKP rule. The TEDAŞ privatization was the last major privatization under the AKP, it took place in the post-2008 period when global investment finance to developing countries had tailed off, and it was entirely “made in Turkey”—sold to domestic capital and with financing from domestic banks. The privatization was a “risk” to the AKP in its bid to compete for global capital inflows in the global economic downturn; it had a high initial payoff that a decade later turned into a massive crisis in the electricity and banking sectors, with implications for crisis in the broader economy.

The crisis also caused hikes in the price of electricity—a crucially important development for the AKP, which had maintained the support of its electorate by keeping electricity prices low throughout the entirety of the neoliberal reform process, despite the pressures by the IMF and the World Bank to end the policy. As such, the TEDAŞ privatization is a good case study of the way the AKP is managing the contradictions of financialized globalization in the post-2008 period, and how it has internalized the imperatives of globalized accumulation in the highly “politicized” electricity distribution sector. The case may provide insight into how future AKP interventions may occur under financialized crisis.

## CHAPTER 6

### CONCLUSION

Since the global financial crisis of 2008, neoliberalism has been challenged by a legitimacy crisis that is calling into question the fate of the past forty years of market-oriented policies toward the global South. The end of the Washington Consensus has been widely predicted. This has its basis in the “re-emergence” of the state after the global crisis and the massive growth in the financialization of the global economy that supposedly reduced the developing world’s dependence on traditional sources of donor finance and opened space for implementation of alternative policies. At the same time, international policy institutions such as the World Bank and the IMF have seemingly softened their neoliberal stance toward the global South, taking a step back from neoliberal dogma in order to at least partially re-embrace the state, especially in its newly-given role in developmental objectives, such as the UN Sustainable Development Goals (SDGs). Whether the apparent contradictions that are emerging in the approaches of the international financial institutions involve repudiation of the Washington Consensus, its continuation, or simply a state of “policy incoherence” with potential to create a new space for development continues to be debated in the post-crisis period.

This thesis has shown that changes in global policy since the great financial crisis signal a new round of neoliberal restructuring is underway within the global economy that is in continuation of the Washington Consensus austerity policies in the global South. This new policy agenda has emerged out of post-crisis conditions that are at the root of the

new turn to the global South. Summarized as the “financialization of development” and spearheaded by the World Bank, this development agenda has been capitalizing on the growing debt burden of the global South by redefining development as “access to finance” in order bring these countries deeper into emerging financial and debt circuits in the post-crisis period.

The thesis has found, within this context, that the World Bank has been continuing the neoliberal project in the global South to the benefit of a now predominantly financial global capital. In 2017, introducing its new “Maximizing Development for Finance” (MFD) approach, the Bank announced it was withdrawing from direct development lending to the South and shifting its activities toward assisting the indebted economies to regain access to global financial markets. In what is essentially a repackaging of structural adjustment policy, the MFD approach requires indebted economies to compete for finance by competitively restructuring their economies around the requirements of “bankability” sought on global financial markets.

In the MFD approach, private capital is mobilized into development projects where possible, and where a private solution is not possible, the World Bank intervenes to create the appropriate conditions for private investments to occur. On the basis of what it calls “derisking” in financialized language, the Bank removes bottlenecks to potentially “bankable” development projects, which involves reducing or shifting risks of projects onto the Southern state. As in structural adjustment policy, “derisking” involves creating markets by removing barriers to private investment, such as unbundling state utilities for privatization or providing state guarantees, subsidies, and incentives to private capital. “Derisking” thus replicates the policies of the Washington Consensus and Post-

Washington Consensus periods and operationalizes them on the basis of a financialized understanding.

Facilitated through the disciplinary debt dynamics of global finance, the World Bank's MFD approach has been implicated in the integration of the South countries deeper into emerging debt circuits that function as transfer mechanisms for global capital in the context of the global downturn. The subjugation of development to the needs of finance is currently the most important mechanism through which the countries of the South are being subordinated into the discipline of global markets.

Another major finding of the thesis, within this context, is the impact this “financialization of development”—defined as the increasing influence of financial actors and motives in developmental objectives and outcomes—has had for social and distributional outcomes in the South. The orientation of development policy primarily toward the needs of global finance in the post-2008 period has been implicated in expanding debt and austerity across the developing world through the establishment of new mechanisms of value transfer, such as public-private partnerships, that are creating new forms of austerity in the global periphery.

A critical evaluation of the World Bank's MFD approach conducted within the scope of this thesis with reference to David Harvey and other authors writing from within a critical perspective on World Bank policies has revealed the implications of this neoliberalization of development in the contemporary period. One of the most important findings of the thesis is that Harvey's concept of “accumulation by dispossession” emerges as central to explaining the changes in development policy today. Within this context, the concept of “risk mitigation”—as manifested in the emergence of state policies as well as financial risk markets “derisking” development for global capital—emerges as the most important



contemporary form of dispossession in the contemporary period. As such, the most important implication of the transformation of development policy over the past four decades has been the dissemination of neoliberal transfer mechanisms into the global South. Within this context, the World Bank's development policy after 2008 may be understood as a neoliberal crisis management response aimed at sustaining financialized globalization.

The Turkish electricity sector under the neoliberal reforms of the AKP period has undergone a similar change through the debt dynamics prevalent in the South. The privatization of state electricity distributor TEDAS is instructive in that it provides a striking example from Turkey of how acquiring "access to finance" through the reforms being promoted by the World Bank can lead to increased indebtedness and austerity by way of expanded financialization in the electricity sector.

The sale of TEDAS, within this context, is distinctive in the conditions under which it was carried out. It is easily one of the most controversial sales of recent times, not only within the Turkish electricity sector but also the broader history of privatization in Turkey's AKP period. The TEDAS privatization was the last major privatization under the AKP, and it took place in the post-2008 period when global investment finance to developing countries had tailed out.

Long delayed because the AKP was reluctant to enact price reform that would increase the "saleability" of TEDAS on global markets, thus attracting foreign capital, the privatization was finally carried out under the pressure of the global financial crisis and an emerging supply shortage in the electricity sector. The sale of TEDAS was also distinctive in that it took place under the own terms of the AKP leadership, who retained the state control over the electricity price but sold TEDAS to affiliated capital groups in

the absence of foreign interest. Entirely “made in Turkey”—sold to domestic capital groups and with funding from domestic banks—the sale generated the biggest privatization revenue in AKP history. On the other hand, the high initial payoff a decade later turned into a massive crisis in the electricity and banking sectors, with implications for crisis in the broader economy.

The debt crisis ensuing from the TEDAS privatization has been determining, contributing to debt and insolvency that has created the need for “access to finance” across the Turkish electricity sector. The quality of the electricity service has suffered under the growing burden of debt. Lagging investments in the distribution service have been manifested in blackouts and price hikes. At the same time, the debt crisis is creating a new impulse toward financialization and debt as under the sponsorship of the World Bank the indebted distribution companies are inducted into hedging and financing schemes to improve their “financial sustainability” and gain access to debt on global capital markets.

The outcomes of the TEDAS privatization have been criticized on the basis that the crisis occurred because of how the sale was mismanaged, with the AKP retaining state control over the electricity price and failing to complete market liberalization so as to achieve sustainable and working markets. Hence, the electricity sector was not properly “derisked” in the current vernacular. However, this critique fails to account for the reality of the social conflict at the core of neoliberal reforms to commodify electricity. Tactics employed by the AKP to keep the electricity price low are reflective of a more fundamental tension between the profit motive and social needs that states must universally manage. As such, the TEDAS privatization constitutes a good case study of how neoliberal development policies promoting financialization may play out “on the

ground”. The case may provide insight into how future AKP interventions may occur under financialized crisis.

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## APPENDICES

### APPENDIX A. SUPPLEMENTARY TABLES AND FIGURES

Table A.1 Types of Private Investment Models in the Electricity Sector

<b>Model</b>	<b>Description</b>
TOR Transfer of Operating Rights	Operating rights of public assets (such as TEK, TEAS, TEDAŞ) are transferred to private investors for a specific period of time as indicated in the TOR contract. At the end of the period operating rights revert back to the state.
BOT Build-Operate-Transfer	Private investors build, finance and operate a facility (e.g., electricity generation) for a specified amount of time (a concession period), then transfer ownership of the facility to the state.
BOO Build-Operate-Own	Private investors retain ownership of the facilities they build and operate and can sell electric power to an end user, the state-owned electricity authority, or the national grid. (Öztürk et al. 2007)
Autoproduction Investment Model	Autoproduction owners (private individuals and institutions) establish electricity production facilities and produce electricity mainly for their own needs and can sell excess production to the state or other third parties.

Table A.2 Activities and Service Providers in the Turkish Electricity Sector

<b>Activity</b>	<b>Service Providers</b>
Generation	<p>EUAŞ and subsidiaries, affiliates, partnerships, portfolio generation groups</p> <p>BOT – BOO – TOR Power Plants</p> <p>Private Generators</p> <p>Autoproducers</p>
Transmission	TEİAŞ
Wholesale	<p>TETAŞ</p> <p>Other Wholesale Companies</p>
Distribution	21 Private Regional Distribution Companies
Retail	Private Retail Companies
Market Operations	EPIAŞ
Market Aggregator (December 2022)	To be established

Table A.3 Selected Laws, Decrees and Regulations affecting the Turkish Electricity Sector

Passage	Law, Decree, Regulation	Enactment in Official Gazette	Content
15.07.1970	Law No. 1312 Law on Turkish Electricity Administration	25.07.1970 No. 13559	<ul style="list-style-type: none"> <li>- Establishment of Turkish Electricity Administration (TEK) as a monopoly in the electricity sector</li> <li>- All generation, distribution and transmission activities gathered under TEK</li> </ul>
4.12.1984	Law No. 3096 Assignment of Electricity Production, Transmission, Distribution and Trade to Establishments other than TEK	19.11.1984 No. 18610	<ul style="list-style-type: none"> <li>- Allowing private participation in the electricity sector</li> <li>- Outlining the use of transfer of operating rights (TOR) in the private provisioning of electricity services</li> </ul>
12.08.1993	Council of Ministers Decree No. 93/4789 Decision on the Organization of the Turkish Electricity Authority	15.09.1993 No. 21699	<ul style="list-style-type: none"> <li>- Division of TEK into state-owned TEAS (generation, transmission, and trade/supply) and TEDAŞ (distribution) under affiliation with MENR</li> </ul>
08.06.1994	Law No. 3996 On the Realization of Certain Projects under the Build-Operate-Transfer (BOT) Model	13.06.1994 No. 21959	<ul style="list-style-type: none"> <li>- BOT (Build-Operate-Transfer) Model</li> <li>- Electricity generation-transmission-distribution and trade added to Law No. 3996 (BOT) with amendment in 1999</li> </ul>

Table A.3 Continued

24.11.1994	Privatization Law No. 4046	27.11.1994 No. 22124	- Establishment of the Privatization Administration (PA)
16.07.1997	Law No. 4283 On the Establishment and Operation of Electricity Generation Plants and Energy Sales under the Build-Operate (BO) Model	19.07.1997 No. 23054	- Specifying the terms for establishment and operation of electricity generation plants under BO arrangements
21.01.2000	Law No. 4501 On the Principles Governing Disputes Arising out of the Concession Contracts Concerning Public Services and Submitted to Arbitration Law	22.1.2000 No. 23941	- foreign companies allowed to settle disputes through international arbitration
20.02.2001	Electricity Market Law No. 4628 Renamed 'Law on Organization and Duties of Energy Market Regulatory Authority' upon enactment of EML No. 6446 in 2013	03.03.2001 No. 24335	- Establishment of competitive markets in the electricity sector - Establishment of the Energy Market Regulatory Authority
21.06.2001	International Arbitration Law No. 4686	05.07.2001 No. 24453	- Procedures and principles concerning international [commercial] arbitration
17.03.2004	High Council for Privatization (ÖYK) Decision No. 2004/3 Electricity Sector Reform and Privatization Strategy Paper		- 2004 Energy Strategy Paper
02.04.2004	High Council for Privatization (ÖYK) Decision No. 2004/22	03.04.2004 No. 25422	- Inclusion of TEDAŞ within the scope and program of privatization

Table A.3 Continued

2004	EMRA Decision No. 25632 Electricity Market Balancing and Settlement Regulation (Dengeleme-Uzlaştırma (DUY) Yönetmeliği)	03.11.2004 No. 25632	- Outlining the principles and procedures regarding the activities related to real-time balancing and settlement of electricity demand and supply - Prepared in conjunction with the 2001 Electricity Market Law
09.07.2008	Law No. 5784 Law Concerning Changes to be Made to The Electricity Market Law and Some Other Laws	26.07.2008 No. 26948	- To do with compliance to EU regulations etc...
13.10.2008	Council of Ministers Decree No. 2008/14201 Article 17. Determination of sales prices and tariffs	18.10.2008 No. 27028	- Public enterprises may freely determine the prices and tariffs of the goods and services they produce within the scope of the "Procedures and Principles of the Cost Based Pricing Mechanism to be implemented by Energy SEEs" adopted by the High Planning Council Decision
18.05.2009	High Council for Privatization (ÖYK) Decision No. 2009/11 <i>Electricity Energy Market and Supply Security Strategy Paper</i>		- Establishment of a spot market in electricity - "Account unbundling" of generation, distribution and retail activities by 1 January 2013
14.03.2013	Electricity Market Law (EML) No. 6446	30.03.2013 No. 28603	- Establishment of a spot power market to replace PMUM
14.12.2015	Council of Ministers Decree No. 2015/8317	14.12.2015	- Extending unified national tariff and cross-subsidization across regions until December 13, 2020
25.04.2017	Decision of the High Council for Privatization (ÖYK) No. 2017/12		- TEDAŞ removed from the scope and program of privatization and returned to its previous status under affiliation with MENR



Table A.4 Allocation of Provinces to 21 Distribution Regions

<b>Region</b>	<b>Provinces in Distribution Region</b>
1	Diyarbakır, Mardin, Siirt, Şanlıurfa, Batman, Şırnak
2	Bitlis, Hakkari, Muş, Van
3	Ağrı, Erzincan, Erzurum, Kars, Bayburt, Ardahan, Iğdır
4	Artvin, Giresun, Gümüşhane, Rize, Trabzon
5	Bingöl, Elazığ, Malatya, Tunceli
6	Sivas, Tokat, Yozgat
7	Adana, Mersin, Osmaniye, Hatay, Gaziantep, Kilis
8	Kırşehir, Nevşehir, Niğde, Aksaray, Konya, Karaman
9	Ankara, Kırıkkale, Zonguldak, Bartın, Karabük, Çankırı, Kastamonu
10	Antalya, Burdur, Isparta
11	İzmir, Manisa
12	Balıkesir, Bursa, Çanakkale, Yalova
13	Edirne, Kırklareli, Tekirdağ
14	İstanbul (Anadolu)
15	Sakarya, Bolu, Düzce, Kocaeli
16	Afyon, Bilecik, Eskişehir, Kütahya, Uşak
17	İstanbul (Rumeli)
18	Kayseri
19	Aydın, Denizli, Muğla
20	Adıyaman, Kahramanmaraş
21	Amasya, Çorum, Ordu, Samsun, Sinop

*Source: Appendix 2, 2004 Energy Sector Reform and Privatization Strategy Document*

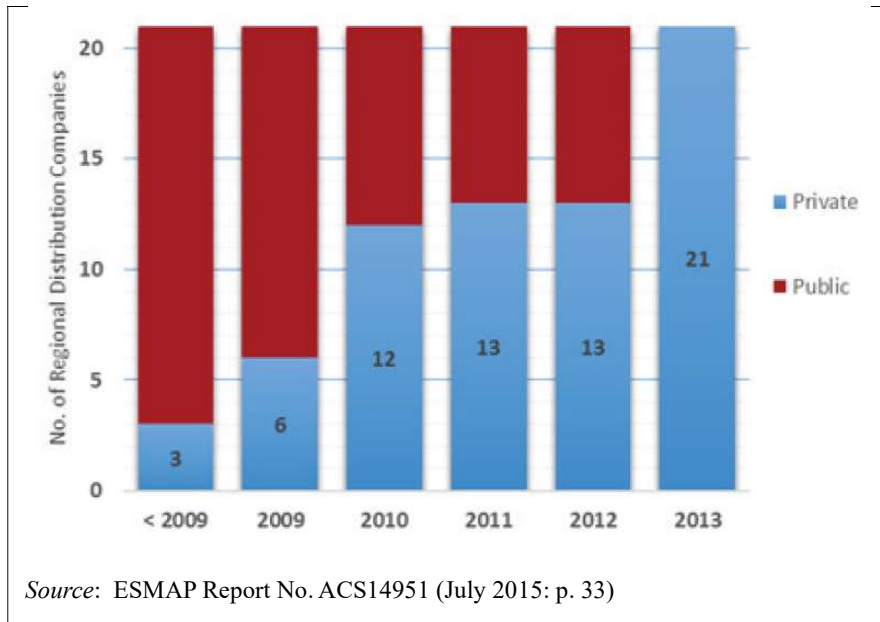


Figure A.1 Public-Private Composition of Regional Distribution Companies

Table A.5 Privatization of Turkish Electricity Distribution Companies

	<b>Distribution Companies</b>	<b>Date of Auction</b>	<b>Purchasing Company</b>	<b>Total Payment (\$)</b>	<b>Date of Privatization</b>
1	Göksu EDAŞ	07.01.1999	AKEDAŞ	60.000.000	23.06.2000
2	Menderes EDAŞ	17.07.2008	AYDEM	110.000.000	17.07.2008
3	Başkent EDAŞ	01.07.2008	ENERJİSA- VERBUND	1225.000.000	28.01.2009
4	Sakarya EDAŞ	01.07.2008	AKCEZ	600.000.000	11.02.2009
5	Meram EDAŞ	25.09.2008	ALORKO-CENGİZ	440.000.000	30.10.2009
6	Osmangazi EDAŞ	06.11.2009	ETİ GÜMÜŞ	485.000.000	31.05.2010
7	Çamlıbel EDAŞ	18.02.2010	LİMAK-KOLİN- CENGİZ	258.500.000	31.08.2010
8	Uludağ EDAŞ	18.02.2010	LİMAK-KOLİN- CENGİZ	940.000.000	31.08.2010
9	Çoruh EDAŞ	06.11.2009	AKSA ELEKTRİK	227.000.000	30.09.2010
10	Yeşilirmak EDAŞ	06.11.2009	ÇALIK ENERJİ	441.500.000	29.12.2010
11	Fırat EDAŞ	18.02.2010	ARSA ELEKTRİK	230.250.000	31.12.2010
12	Trakya EDAŞ	09.08.2010	IC HOLDING	575.000.000	30.12.2011
13	Akdeniz EDAŞ	12.11.2012	LİMAK-KOLİN- CENGİZ	546.000.000	28.05.2013
14	Boğaziçi EDAŞ	14.12.2012	LİMAK-KOLİN- CENGİZ	1960.000.000	28.05.2013
15	Gediz EDAŞ	19.12.2012	ELSAN-TÜMAŞ- KARAÇAY	1231.000.000	29.05.2013
16	Aras EDAŞ	25.09.2008	KİLER ALİŞVERİŞ HİZ.	128.500.000	28.06.2013
17	Dicle EDAŞ	15.03.2013	İŞKAYA-DOĞU	387.000.000	28.06.2013
18	AYEDAŞ	15.03.2013	ENERJİSA	1227.000.000	01.09.2013
19	Toroslar EDAŞ	15.03.2013	ENERJİSA	1725.000.000	01.09.2013
20	Vangözü EDAŞ	15.03.2013	TÜRKERLER	118.000.000	01.09.2013
				<b>TOTAL: 12.914.750.000</b>	
Source: Ertlav & Aktel (2017).					

## APPENDIX B. TURKISH SUMMARY / TÜRKGÇE ÖZET

### TÜRKGİYE'DE ELEKTRİK SEKTÖRÜ ÖZELLEŞTİRME POLİTİKALARI: GELİŞME İÇİN FİNANS KİMİN İÇİN?

AKP, 2009-2013 yılları arasında Avrupa'nın ikinci büyük elektrik dağıtıcısı olan Türkiye Elektrik Dağıtım Şirketi TEDAŞ'ı toplam 13,3 milyar dolar karşılığında özelleştirdi. Bu dönemde ülke tarihinde ulaşılan en yüksek özelleştirme geliri idi. Özelleştirmelerin tüm dünyada durduğu 2008 krizinin ardından gerçekleşen bu satış AKP için bir zaferdi: ülkenin küresel piyasalardaki kredi notunun yükselmesine katkıda bulundu, Türk ekonomisinin görünümünü değiştirdi ve ilerleyen birkaç yıl içinde hızlı ekonomik büyümenin yanı sıra Türk elektrik sektöründe uzun süreli bir yatırım patlamasıyla sonuçlanan bir özel finansman akışına yol açtı. Dünya Bankası kalkınma kredileriyle desteklenen bu özelleştirme, doğru politikaların uygulanmasının gelişmekte olan dünyada yatırımlar ve büyümeyi desteklemek için özel finansmanı nasıl harekete geçirebileceğinin en iyi örneği olarak gösterildi—Banka'nın küresel Güney'e yönelik "Maximizing Finance for Development" (MFD) yaklaşımının bir temel taşı.

Özelleştirmenin tamamlanmasının üzerinden on yıl geçtikten sonra bu başarı öyküsü tersine döndü. TEDAŞ'ın satışı, sürdürülebilir bir kalkınma yerine, elektrik sektöründe kesintilerden fiyat artışlarına kadar geniş kapsamlı olumsuz toplumsal yansımaları olan, devam eden bir özel borç krizi yarattı. Bu krizin merkezinde, TEDAŞ satışı yoluyla yerel bankacılık sistemine dolar cinsinden borçlanan AKP'ye bağlı özelleştirilmiş dağıtım şirketleri yer almaktadır. Bu şirketlerin borç profili, 2013'ten sonra yaşanan sermaye

kaçışı ve dövizdeki değer kaybı bağlamında kötüleşmiş, elektrik hizmet zincirinde ödeme gecikmeleri ve iflaslarla sonuçlanmış ve sorunlu elektrik kredilerinin orantısız bir hacmini elinde tutan yerel bankacılık sektöründe kriz riski ortaya çıkmıştır. Bu bağlamda, özelleştirme ve piyasa reformunun daha fazla verimliliğe ve fiyatların düşmesine yol açacağı iddiaları doğru çıkmamıştır. Ocak 2022'de özelleştirme krizi, AKP'nin "Türkiye tarihindeki en büyük elektrik zammı" olarak adlandırılan ve elektrik fiyatlarının sanayi için yüzde 125, haneler için yüzde 50 oranında artırıldığı bir uygulamayı yürürlüğe koymasına yol açmıştır (Butler, 2022). Fiyat artışları daha sonra kitlesel protestolar karşısında AKP hükümeti tarafından geri çekilmiştir. Ayrıca, piyasa reformlarının elektrik hizmeti sunumunun kalitesinde bozulmaya yol açtığı bildirilmiştir, çünkü borçlu özel şirketler elektrik sektöründe uygun yatırımları yapmamış ve 2022 kışının ortasında Türkiye'nin bazı illerinde büyük elektrik kesintilerine neden olmuştur.

Türkiye elektrik sektöründeki piyasa reformunun bu sonuçlarının değerlendirilmesi şu sorunun yeniden sorulmasını gerektirmektedir: özel finans, elektrik gibi önemli bir kamu hizmetinin adil ve sürdürülebilir bir şekilde sağlanmasıyla ne kadar uyumludur? Dünya Bankası reformun zayıf kalkınma sonuçları konusunda sessiz kalırken, özel finansman ve yatırımların harekete geçirilmesinde etkili olduğu için başarılı bir reform örneği olarak gördüğü Türkiye elektrik sektöründe "finansmanın maksimize edilmesini" vurgulamaya devam etmiştir. MFD yaklaşımı çerçevesinde, Dünya Bankası'na bağlı Uluslararası Finans Kurumu (IFC), iflas eden elektrik dağıtım şirketlerine, küresel piyasalardan uzun vadeli finansman çekebilmeleri için mali yapılarını iyileştirmek amacıyla özelleştirme sonrası mali destek sağlamaktadır. Böylece, elektrik piyasası reformlarının yol açtığı borç krizi ve iflas, Dünya Bankası politikalarında daha fazla borcun yaratılmasıyla çözülmeye çalışılmaktadır.

Bu tezin iddiası, Dünya Bankası'nın yaklaşımındaki bu uyumsuzluğun ancak 1980'lerden bu yana kalkınmanın neoliberalleşmesi bağlamında ve özellikle 2000 sonrasında küresel ekonominin finansallaşmasına atıfla anlaşılabilir. Bu görüşe göre, 2008'den sonra ortaya çıkan ana akım kalkınma politikası, her şeyden önce küresel krizin ardından finansallaşmış birikimi sürdürmekle ilgilenen neoliberal bir kriz yönetimi tepkisidir. Bu kriz tepkisi, küresel Güney'i, küresel gerileme bağlamında küresel sermaye için transfer mekanizmaları olarak işlev gören yeni borç devrelerine entegre etmeyi amaçlamaktadır. Bu nedenle, bu ülkelerin küresel finansın zorunluluklarına giderek daha fazla tabi hale geldiği bir kriz bağlamında küresel Güney'deki borç dinamiklerinden faydalanmaktadır.

Bu bağlamda, 2008'den sonra politikayı küresel finansın ihtiyaçlarıyla daha sıkı bir şekilde hizalayan ana akım kalkınma yaklaşımındaki değişim, küresel Güney'de bu borç devrelerinin kurulmasında doğrudan rol oynamaktadır. Kalkınma politikasında Washington Uzlaşısı'ndan Wall Street Uzlaşısı'na geçiş olarak nitelendirilen bu değişim (Gabor, 2020), finansallaşmış birikimin kriz boyunca sürdürülebilmesi için Washington Uzlaşısı politika cephaneliğinin gelişmekte olan dünyada hem borç hem de borca erişim yaratmaya yönelik olarak yeniden yönlendirilmesi ve kullanılması açısından ayırt edicidir. Güney üzerindeki disipliner etki açıktır: 2008 sonrasında uygulanan küresel niceliksel genişleme politikaları bu ülkeleri Kuzey'den kolay borçla doldururken, 2013'ten sonra bu politikaların daraltılması, esasen küresel finans için yatırım yapılabilir piyasaları genişletmekle ilgilenen neoliberal reformların uygulanması için yeterli bağlam sağlayan sermaye kaçıışı ve borç kriziyle sonuçlanmıştır.

Yukarıda belirtilenlerle uyumlu olarak, burada Dünya Bankası politikaları aracılığıyla kalkınmanın neoliberalleştirilmesinin finansallaşma ve borcun küresel Güney'de bir kapitalist kriz yönetimi biçimi olarak yaygınlaştırılmasıyla bağlantılı olduğu ve bunun

elektrik sektörü de dahil olmak üzere sosyal ve dağılımsal sonuçların kötüleşmesine yol açtığı savunulmaktadır. Tez, Dünya Bankası'nın Türkiye elektrik sektöründeki özelleştirme politikasına devletin elektrik dağıtım şirketi TEDAŞ'ın özelleştirilmesi üzerinden odaklanan bir vaka çalışması aracılığıyla, kalkınma politikasının nasıl dönüştüğüne ve 2008 sonrası finansallaşmış kapitalizmin krizi bağlamında nasıl anlaşılması gerektiğine dair önemli içgörüler ortaya koyan gelişmekte olan eleştirel yazına katkıda bulunmayı amaçlamaktadır.

Tez, özellikle "kalkınmanın finansallaşması" olarak adlandırılanın (bu genel olarak finansal aktörlerin kalkınma politikaları ve sonuçları üzerindeki artan etkisi olarak anlaşılmaktadır) küresel Güney'de borç üretimi ve hizmeti etrafında yeni bir "kalkınma politikasının" ortaya çıkmasıyla bağlantılı olduğu görüşünü benimsemektedir. Küresel Güney için "finansmana erişim" fikrine dayanan yeni bir kalkınma politikası kavramı, Dünya Bankası'nın kriz sonrası dönemde politikalarını nasıl işlevsel hale getirdiğini anlamak açısından faydalıdır. "Wall Street Uzlaşısı"nın ayırt edici özelliği, kalkınmayı "finansmana erişim" olarak yeniden tanımlamasıdır; bu da "serbest piyasalar" veya "iyi yönetim"e dayalı daha tartışmalı devlet-piyasa kavramsallaştırmalarından uzaklaşmayı gerektirir ve kalkınmayı küresel Güney'de finansmana erişim elde etmenin pragmatikliği açısından anlar.

Gelişmekte olan kalkınma paradigmasında "finansmana erişimin" bu şekilde önceliklendirilmesinin, küresel Güney'deki çağdaş neoliberal politikaları anlamak açısından çok özel sonuçları vardır. Dünya Bankası'nın politikalarındaki piyasalar artık Washington Uzlaşısı'nın verimlilik ve rekabet yaratma anlamında "işleyebilirlik" açısından değil, "finansal sürdürülebilirlik" ya da küresel sermaye ve borç devrelerine ne kadar iyi entegre oldukları açısından önemli olabilir. Bu bağlamda finansmana erişim,

Dünya Bankası'nın iyi yönetişimi "biçimden çok işlev" meselesi olarak gören mevcut anlayışıyla da bağlantılıdır; bu anlayışa göre yönetişim, idealize edilmiş ve özel olarak tanımlanmış devlet-piyasa etkileşimlerinden ziyade finansallaşmış birikimin gerekliliklerini yerine getirme işlevlerini ne kadar iyi yerine getirdiği açısından değerlendirilmektedir. Bu da piyasa reformlarını ve sonuçlarını bilinen şablonlara göre yolsuzluk veya "zayıf" yönetişim temelinde değerlendiren ana akım eleştirilerin, Banka politikaları aracılığıyla uygulanan finansallaşma sürecinin daha büyük önemini gözden kaçırabileceği anlamına gelmektedir.

Su ve elektrik gibi kamu hizmetleri, küresel krizde yeni kârlar ve getiriler arayan küresel özel mali sermaye için giderek daha cazibeli hale gelmektedir. Bu bağlamda elektrik sektörü, neoliberal yeniden yapılanma ve devlet politikalarındaki değişiklikler açısından önemli bir çalışma alanıdır, çünkü sosyal eşitlik ve sosyal mücadeleler açısından sonuçları olan temel bir hizmet sunmaktadır ve geçtiğimiz on yıllardaki neoliberal reformlar aracılığıyla küreselleşmiş birikime açılmıştır. Bu nedenle elektrik sektörü, finansallaşmanın kalkınma üzerindeki etkisi açısından önemli bir örnek teşkil eden toplumsal mücadele alanıdır. Son kırk yıldaki neoliberal politikalar küresel Güney'de elektrik tedarikinin metalaştırılmasına ve piyasalaştırılmasına her zaman öncelik vermiş olsa da, bir toplumsal mücadele alanı olarak elektriğin kapitalist reformun çelişkilerinin tam merkezinde yer alması, halkın ihtiyaçları ile sermayenin kâr kaygıları arasındaki gerilimleri ve devletler için küresel finansın dayattığı zorunluluklara karşı kitlelerin desteğini dengeleme ihtiyacından kaynaklanan gerilimleri beraberinde getirmesi nedeniyle, bu reformların genellikle yol açtıkları toplumsal mücadeleler tarafından yönlendirildiği iyi bilinmektedir.



Bu bağlamda TEDAŞ'ın özelleştirilmesi, AKP hükümeti altında Türkiye'de yaşanan bu süreçlere ilişkin mükemmel bir vaka çalışmasıdır ve AKP'nin artan finansallaşma koşulları altında kriz yönetimi politikalarını ortaya koymaktadır. Çünkü genel olarak elektrik sektörü reformu ve özel olarak TEDAŞ özelleştirmesi, AKP'nin küresel sermayenin talep ettiği neoliberal piyasa reformları nedeniyle toplumsal çatışmayı en yoğun şekilde yönetmek zorunda kaldığı politika alanı olmuştur—yani seçmen desteğini kaybetmemek için elektrik fiyatı üzerindeki kontrolü elinde tutma ihtiyacı ile küresel piyasaların talep ettiği reform politikalarını uygulama zorunluluğu arasındaki gerilim. AKP'nin elektrik sektöründeki politikaları ve müdahaleleri, piyasa reformlarının gerekliliğine ilişkin görüşe bağlı olarak, sıklıkla ya değişim için gerekli piyasa reformlarını engellemek ya da küresel sermayenin taleplerine "boyun eğmek" şeklinde anlaşılmaktadır. Ancak AKP'nin elektrik sektörü politikalarının finansallaşmış küreselleşmenin çelişkilerinden kaynaklanan toplumsal mücadeleler bağlamında anlaşılması gereken kriz yönetimi tedbirleri olarak ele alındığı çok az çalışma bulunmaktadır.

TEDAŞ'ın özelleştirilmesi bu çelişkilere ve içinde bulunduğumuz dönemin küresel finansallaşma politikalarının dinamiklerine çarpıcı bir örnek teşkil etmesi açısından öğreticidir. Beşinci Bölümde ayrıntılı olarak gösterildiği üzere, TEDAŞ'ın özelleştirilmesi ve AKP'nin bunu 2008 bağlamında uygulamaya koyduğu koşullar, elektrik sektörü üzerindeki devlet kontrolünü korurken küresel finansmanı çekmek gibi iki çelişkili hedefi dengelemeye çalışan bir kriz refleksi idi. TEDAŞ'ın özelleştirilmesi, AKP'nin elektrik fiyatındaki devlet sübvansiyonuna son vermeyi ve TEDAŞ'ı küresel piyasalarda "satılabilir" hale getirecek piyasa ve fiyatlandırma reformlarını gerçekleştirmeyi reddetmesi nedeniyle uzun süre ertelenmişti. Nihayet satış gerçekleştiğinde, bu satış krize

bağlıydı ve 2008 bağlamında yaratılan baskılara yanıt olarak uygulandı. AKP, elektrik fiyatı üzerindeki devlet kontrolünü koruyarak TEDAŞ'ı 2009-2013 yılları arasında kendi şartlarıyla bağlı yerli sermayeye sattı. Bu durum elektrik sektörüne büyük miktarda finansman sağlamış olsa da, işleyen piyasalar yaratmakta başarısız oldu. Satışın ardından ortaya çıkan özel borç krizi, Dünya Bankası'nın özel dağıtıcıların mali uygulanabilirliğini iyileştirmeye yönelik politikaları aracılığıyla Türkiye elektrik sektörünün daha fazla finansallaşmasına zemin hazırladı. Böylece neoliberal uyum politikası, elektrik sektöründe kemer sıkmanın yanı sıra finansallaşmanın da derinleşmesine neden olan borçlanma ve iflasın temelini oluşturmuştur. Dolayısıyla burada TEDAŞ özelleştirmesi, AKP'nin kendi çelişkilerini ve krizlerini üreten bir kriz yönetimi politikasını temsil ettiği şeklinde anlaşılmalıdır. Bu bağlamda tez, TEDAŞ satışını elektrik sektöründeki finansallaşma ve kemer sıkma politikaları açısından daha geniş sonuçları olan bir toplumsal mücadele anı olarak sunarak literatürdeki bir boşluğu doldurmayı amaçlamaktadır.

Yukarıda belirtilenler temelinde tez, Dünya Bankası'nın "Kalkınma için Finansmanı Maksimize Etme" (MFD) yaklaşımı bağlamında çağdaş neoliberal elektrik piyasası reformlarını ve bu yaklaşımın AKP döneminde Türkiye elektrik sektöründe nasıl uygulandığını ele almaktadır. Tezin ikinci bölümünde araştırmada kullanılan kavramsal çerçeve sunulmuştur.

## KAVRAMSAL ÇERÇEVE

2008 sonrası dönem, ana akım politika ve söylemlerde kalkınma ve devlet kavramlarının yeniden canlanmasına tanıklık etmektedir. Bu değişimin merkezinde, Dünya Bankası ve IMF'nin küresel Güney'e yaklaşımlarındaki belirgin değişim yer almakta ve bu da kriz

sonrası dönemde Washington Uzlaşısı'nın kaderi konusunda yeni tartışmalara yol açmaktadır. Bretton Woods kurumlarının küresel kriz bağlamında devleti yeniden kucaklaması, "devlet-piyasa" ve "kemer sıkma-teşvik" ayrımları etrafındaki bilinen polemiklerin ötesinde kalkınma ve sürdürülebilirlikle ilgili yeni bir kaygıyı ana akım gündeme getirmiştir, ancak bunun kalkınma pratiği için ne anlama geldiği ana akım politika çevrelerinde tartışmalıdır.

Yavaşlayan ekonomik büyüme ve hızlanan finansallaşmanın damgasını vurduğu küresel bağlamda, IMF'nin kamu harcamaları ve kemer sıkma politikaları konusundaki tutumunu sınırlı ölçüde gevşetmesi ve Dünya Bankası'nın küresel Güney'in kalkınması için hem kamu hem de özel kaynakları harekete geçirmeye yönelik yeni bir "Kalkınma için Finansmanı En Üst Düzeye Çıkarma" (MFD) yaklaşımını duyurması, kriz sonrası dönemde borç, kalkınma ve sürdürülebilirlikle ilgili yeni sorular ortaya çıkarmıştır. Devletlerin neoliberal borç disiplinine tabi olmaya devam ettiği bir küresel kriz bağlamında büyümeye yönelik kemer sıkma politikalarının ötesinde politikalar giderek daha fazla savunulmaktadır. Aynı zamanda, krizden bu yana resmi kredi uygulamalarında kalkınma için piyasaların inşası yeni bir ivme kazanmıştır. Uluslararası finans kuruluşlarının yaklaşımlarında ortaya çıkan belirgin çelişkilerin Washington Uzlaşısı'nın reddi mi, devamı mı yoksa kalkınma için yeni bir alan yaratma potansiyeline sahip bir "politika tutarsızlığı" durumu mu olduğu kriz sonrası dönemde tartışılmaya devam ediyor.

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Bu kafa karışıklığının temelinde, 2008'den bu yana küresel ekonomide meydana gelen ve geleneksel piyasa politikalarında mevcut çıkmazlara yol açan ve böylece ana akım devlet-piyasa ayrımının her iki tarafında da neoliberal anlayışın yeni testlere tabi tutulmasına neden olan değişiklikler yatmaktadır. Mevcut piyasa politikalarının küresel ekonomik yavaşlamayı ele almadaki yetersizliği, geleneksel olmayan para ve harcama önlemlerinin kullanılması yoluyla devletin yeniden dirilişine tanık olan sıkılaştırıcı kriz, küresel çevre içinden yeni devlet kalkınmacılığı modellerinin ortaya çıkması ve küresel düzeyde artan sosyal ve dağılımsal eşitsizlikler etrafında yeniden siyasallaşma, artık mevcut piyasa anlayışı tarafından kontrol altına alınamayan faktörler olarak gösterilmiştir. Değişim için öne sürülen argümanlar arasında son yirmi yılda küresel ekonominin finansallaşmasının, gelişmekte olan dünyanın alternatif küresel finansman kaynaklarına başvurusunu artırdığı ve Dünya Bankası ve IMF politikalarına bağımlılığını azalttığı söylenmektedir. Dolayısıyla piyasa temelli finansallaşma ve küresel krizin ardından devletin yeniden canlanması, paradoksal bir şekilde, ana akım neoliberalizme karşı son on yılların en büyük meydan okumasını başlatmak üzere bir araya gelmiş gibi görünmektedir.

Neoliberalizmin meşruiyet krizinin ana akım kalkınma politikası üzerindeki etkileri tartışılmaya devam etmektedir. Kalkınmaya yönelik yeni bir yaklaşım potansiyeli görenler, küresel Güney'de alternatif politikaların uygulanması için yeni bir alan açılabileceğini (Grabel, 2011: 805), hatta "devlet müdahalesinin özel sektörü daha iyi performans göstermeye yönlendirebileceği yolları bulmaya dayalı bir ekonomik dünya

görüŖü lehine" (Sandbu, 2020) piyasalara karŖı devletlerin eski kavramlarını aŖan bir devlet aktivizmine dayanan tam teŖekküllü bir "yeni Washington Mutabakatı"nın ortaya çıktıđını düşünmektedir. Diđerleri ise yapısal uyum ve kemer sıkma politikalarının 2008 krizinden bu yana küresel Güney'deki IMF programlarının temel dayanađı olmaya devam ettiđi (Kentikelenis, Stubbs & King, 2016) ve Dünya Bankası ile IMF'nin her Ŗeyden önce küresel sermayeye fayda sađlayacak politikalara öncelik vermeye devam ederek çevredeki kalkınma potansiyeli üzerinde gerçek bir kısıtlama oluŖturduđu (Rowden, 2021) göz önünde bulundurulduđunda önemli bir deđişim yaşanacađına ikna olmamıŖlardır. Dolayısıyla, devletlerin ve piyasaların yeniden canlanmasının 2008 sonrası dönemde neoliberal düzende gerçek bir deđişiklik anlamına gelip gelmediđine iliŖkin daha geniŖ politika tartıŖması, uluslararası finans kuruluŖlarının bu eđilimleri kriz sonrası kalkınma yaklaŖımlarına ve kredi verme uygulamalarına dahil etmeleri ve bunun küresel Güney'in kalkınması için gerçek bir potansiyel taşıyıp taşımadıđına iliŖkin ortaya çıkan tartıŖmayla paraleldir.

EleŖtirel düşünürler neoliberalizmi, var olduđu on yıllar boyunca hizmet ettiđi egemen çıkarlar için birikimi sürdürmeyi amaçlayan toplumsal süreçler aracılıđıyla kendini yenilemeye ve yeniden oluŖturmaya devam eden küresel bir sınıf projesi olarak kabul etmektedir (Harvey). Harvey tarafından geliŖtirilen perspektife göre neoliberalizm, kapitalist birikimi kriz yoluyla sürdürmek için yeni alanları özelleŖtirilmiŖ kârın eriŖimine açan cođrafi geniŖleme, yeniden örgütlenme ve pazar derinleŖtirme süreçleri yoluyla kendi çeliŖkilerinden kurtulmaya devam eden bir kapitalist yeniden yapılanma projesidir. Bu çeliŖkilerin zaman ve mekânda farklı biçimlerde tekrarlanması pahasına gerçekteŖtiđi için neoliberalizm, küresel düzeyde dönüşümünün temelini oluŖturan süregelen krizler aracılıđıyla kendini yeniden üretmeye devam etmektedir. Neoliberalizm aynı zamanda bu

toplumsal yeniden düzenlemeyi egemen sınıfların çıkarları doğrultusunda sürekli olarak meşrulaştırmak zorunda olan bir siyasi söylem ve ideoloji olduğu için, küresel kapitalizmin değişen ihtiyaç ve gerekliliklerine yanıt olarak anlatıları değişmeye devam eden, evrim geçiren bir siyasi projedir. Bu nedenle, neoliberal söylem ve uygulamalardaki devlet-piyasa etkileşimleri hiçbir zaman durağan olmamış, aksine kapitalist birikimin gerekliliklerine göre stratejileştirilmiştir; dolayısıyla bu etkileşimleri yeniden düzenleyen politikalarındaki ve politikalarındaki değişikliklere ilişkin her eleştirel anlayış, küresel kriz bağlamında hangi amaca hizmet edildiğini göz önünde bulundurmalıdır.

Bu perspektife uygun olarak, bu bölüm 2008'den sonra kalkınma politikasındaki değişiklikleri, her şeyden önce dünyanın yeni alanlarını giderek çeşitlenen finansallaşmış getiri ve kâr biçimlerine açarak kapitalist birikimi sürdürmekle ilgilenen ve aynı zamanda Güney devletini kriz sonrası dönemde bu özel politika hedefinin gerçekleştirilmesi için harekete geçiren neoliberal bir kriz yönetimi tepkisi olarak anlamaktadır. Bu bağlamda, burada benimsenen görüş, 2008'den sonra ana akım kalkınma politikasında görülen değişiklikleri bir "politika tutarsızlığı" ya da Washington Uzlaşısı'ndan bir "kopuş" olarak görmekten ziyade, esasen çağdaş dönemde hakim olan finansallaşmış kapitalizm biçiminin ihtiyaçlarını karşılamaya odaklanan bir yineleme olarak gören eleştirel düşünürlere katılmaktadır. Burada öne sürülen spesifik iddia, küresel krizin ardından ortaya çıkan kalkınma yaklaşımlarının, küresel mali sermayenin devlet politikaları üzerindeki artan etkisi bağlamında ve küresel Güney'deki kalkınma hedefleri ve sonuçlarında mali aktörlerin ve güdülerin artan yaygınlığı olarak tanımlanan "kalkınmanın finansallaşması" olarak adlandırılan kapitalist yeniden yapılanmanın bir parçası olarak daha iyi değerlendirilebileceğidir. 2008 sonrası dönemde kalkınma politikasının en önemli özelliklerinden biri, küresel Güney'de uygulanmakta olan

neoliberal uyum programlarının artık ister standart piyasa liberalizasyonu politikaları isterse geleneksel olmayan devlet teşviki biçimleri yoluyla olsun, bu ekonomileri küresel mali sermayenin yatırımları için "riskten arındırma" politika hedefine sahip olmasıdır. Büyüme yoluyla birikim fırsatlarının daraldığı finansallaşmış bir kriz ortamında, bu neoliberal riskten arındırma programlarıyla ilişkili reformlar -devletleri ve piyasaları nasıl harekete geçirdiklerine bakılmaksızın- özel sermayeye finansallaşmış yeni getiri kaynakları sağlayan yatırım ve borç piyasalarının yaratılmasıyla ilgilidir.

Bu nedenle, 2008'den sonraki kalkınma politikası Washington Uzlaşısı politikalarıyla süreklilik arz etmekte ve eleştirel düşünürlerin kriz sonrası dönemde Güney ekonomilerini küresel sermaye ve borç piyasalarına daha derinlemesine entegre etmeye yönelik belirli bir piyasa oluşturma projesi olarak tanımladıkları şöyle tutarlılık göstermektedir. 2008'den bu yana, Dünya Bankası'nın 2017'de "Kalkınma için Finansmanı En Üst Düzeye Çıkarma" (MFD) yaklaşımı ile resmi olarak işlevsel hale getirilen bu proje, şu anda küresel piyasalarda hakim olan aşırı birikmiş özel finansal sermaye fazlasını, Birleşmiş Milletler'in 2030 Sürdürülebilir Kalkınma Hedefleri'nde (SDG'ler) ana hatları çizilen kalkınma öncelikleri veya küresel Güney'deki neoliberal politikaların ilk on yıllarındaki başarısızlıkların sağladığı müdahale açıkları yoluyla küresel çevrede yaratılan kalkınma projelerine yönlendirmeye çalışmıştır. Ancak bu piyasa oluşturma projesinin belki de en büyük önemi, kalkınmanın "finansmana erişim" olarak yeni bir anlayışının normalleştirilmesinde rol oynayan ve bu nedenle küresel Güney'de kemer sıkma biçimlerinin yaygınlaşmasıyla bağlantılı olan borç yaratma ve sürdürülebilirlikle ilgili geniş toplumsal değişiklikleri hedeflemesidir. Bu bağlamda, özel finans piyasalarını genişletmeye yönelik politika girişimleri, kalkınma politikasını borç

erişimi ve disiplini gündemi etrafında yeniden şekillendirerek finansallaşmış birikim sürecini destekleme ve sürdürme yönündeki geniş çaplı dürtü ile eşleştirilmektedir.

Küresel sermayenin yararına yeni değer aktarım mekanizmaları yaratmanın ötesinde, bu tür politikaların devlet-sermaye ilişkilerinin yeniden çizilmesi ve toplumların borç disiplini yoluyla dönüştürülmesi üzerinde etkileri vardır; çünkü bu politikalar, özel sermaye piyasalarında değerlendirilecek getiri akışları yaratmak gibi, özellikle kalkınmanın finansallaştırılmasıyla bağlantılı "sürdürülebilirlik" kriterleri etrafında yeniden düzenlenmektedir. Piyasaların sürdürülebilirliği aynı zamanda küresel Güney'de hakim olan borç ve kemer sıkma politikalarının çeşitliliğinde ve biçimlerinde de bir artışa yol açmaktadır; buna küresel sermaye için "bankaya yatırılabirliği" sağlayan, ancak sosyal açıdan daha uygun kamu harcaması biçimlerini devre dışı bırakabilecek borçlar yaratma pahasına kamu-özel ortaklıkları (PPP'ler) ile örneklendirilen "teşvik yoluyla kemer sıkma" olarak adlandırılan politikaların yerleşmesi de dahildir.

Aynı zamanda bu finansallaşma, Washington Uzlaşısı'nın rekabet ve verimlilik artışı yaratma anlamında "işleyebilirliklerinden" ziyade "finansal sürdürülebilirlikleri" ya da küresel sermaye ve borç devrelerine ne kadar iyi entegre oldukları açısından önemli olan piyasaların inşa edildiği bir değişimi de beraberinde getirmektedir. "İşlevsel" işleyen piyasaların yokluğunda, sürdürülebilirlik, küresel sermaye ve borç piyasalarında mali uygulanabilirlik kriterlerine uygunluğu sağlamak için çeşitli kamu mekanizmaları ve transferler yoluyla piyasaları işlevsel hale getiren yeni devlet-sermaye ilişkileri modellerinin ortaya çıkmasını gerektirebilir. Su ve elektrik gibi ticarileştirilmesi zor olan hizmetlerde kamu-özel sektör ortaklıklarının kullanılması, kar güdüsünün eşitlik ve sosyal adaletle ilgili kamusal kaygılarla bağdaşmaması nedeniyle, devlet garantili özel gelir akışları temelinde işleyen piyasaların oluşturulmasını kolaylaştırmıştır. Bu tür ortaklıklar



aynı zamanda kamu hizmetlerinin finansallaşmasını kolaylaştırmada da etkili olmuştur, çünkü devlet garantili gelirler özel ortak tarafından borç piyasalarında borçlanmak için menkul kıymetleştirilebilir, bu da uygulamada aşırı ve spekülatif özel borcun sosyalleştirilmesine yol açmıştır. Öte yandan, piyasa iflasları da 2008 sonrası dönemde küresel özel finans için yem sağlamaya devam etmiştir.

Yukarıdakilerle uyumlu olarak, bu tezin iddiası, kriz sonrası dönemde kapitalist yeniden yapılanmanın ihtiyaçlarından doğan 2008 sonrası kalkınma politikasının, küresel Güney'de uygulanan borç ve kalkınma politikaları aracılığıyla küresel sermaye için yeni finansallaştırılmış birikim alanları yaratmaya yönelik neoliberal müdahalenin belirli bir biçimi olduğu ve bunun devlet-sermaye ilişkilerini yeniden şekillendirmeye, toplumlara dönüştürmeye ve borç ve sürdürülebilirlik etrafında yeni transfer mekanizmaları yaratmaya yönelik sonuçları olduğudur. Bu nedenle, 2008 sonrası dönemde neoliberal kalkınma politikasında izlenen yön, politikaları basit karşıt terimlerle kategorize eden ana akım devlet-piyasa, kemer sıkma-teşvik kavramsallaştırmaları açısından ve küresel politik ekonominin uzun süreli ekonomik gerileme bağlamında finansallaşmış birikimi sürdürmeye yönelik yeniden yapılandırılmasına atıfta bulunmadan anlaşılabilir. Bu, küresel Güney'deki çağdaş kalkınma yaklaşımlarına bağlı piyasa reformları ve sonuçlarına ilişkin her türlü anlayışın, finansallaşmanın çevre ekonomilerini hedefleyen küresel politika üzerindeki artan etkisini ve dolayısıyla kalkınma politikasının küresel Güney'de borç talebi yaratmaya endekslile hale gelme yollarını hesaba katması gerektiği anlamına gelmektedir.

Bölüm 2'nin geri kalanında, bu anlayışın kavramsal temelleri David Harvey'in ve kriz sonrası dönemde ana akım kalkınma politikalarını açıklamak için Harvey'in çalışmasını

temel alanlar da dahil olmak üzere diğer yazarların çalışmalarına atıfta bulunularak özetlenmektedir. Takip eden bölümde, kalkınma politikasındaki değişimleri anlamak için kavramsal bir öncül ortaya konmaktadır. İlgili eleştirel literatürün gözden geçirilmesi ve Harvey'e dayanılarak, günümüz ana akım kalkınma politikasının ve çevre Güney'de "finansmana erişim" konusuna yaptığı vurgunun, kriz sonrası dönemde birikim sürecini sürdürmek ve meşrulaştırmak amacıyla finansallaşmış birikime yönelik riskleri yönetmeyi amaçlayan bir kriz tepkisinin parçası olduğu gösterilmektedir. Eleştirel düşünürler tarafından kullanılan çeşitli kavramlar, küresel Güney'i hedef alan neoliberal bir kriz yönetimi politikası olarak ortaya çıkan kalkınma paradigmasının boyutlarını açıklamak için tanıtılmaktadır.

David Harvey'e göre, sınıf iktidarının restorasyonunu sağlamaya yönelik küresel bir proje olarak tanımladığı neoliberalizm, öncelikle küresel düzeyde kaynakların yoksullardan zenginlere aktarılmasını amaçlayan yeniden dağıtımçı bir uygulamadır. Harvey'e göre bu kaynak aktarımı, çağdaş kapitalizmde "mülksüzleştirme yoluyla birikim" olarak adlandırdığı yöntemle gerçekleşmektedir. Marx, kapitalizmin ortaya çıkışını kamusal müşterekleri özel mülkiyet ve haklara dönüştüren kapitalizm öncesi süreçlerle açıklamak için "ilkel birikim" kavramını geliştirmişken, Harvey'in "mülksüzleştirme yoluyla birikim" kavramı modern dönemde kapitalizmin sürdürülmesinde rol oynayan benzer çağdaş süreçlere vurgu yapmaktadır. Dolayısıyla Harvey'e göre mülksüzleştirme kapitalizm öncesi bir olgu değil, küresel birikimin mevcut krizi aracılığıyla neoliberalizmin sürdürülmesine dahil olan ana süreçtir. Mülksüzleştirme yoluyla birikim, bu bağlamda, servetin kitlelerden egemen sınıfa aktarılmasını sağlayan dört yağmacı uygulamayı gerektirir: özelleştirme, finansallaştırma, krizlerin yönetimi ve manipülasyonu ve servetin devlet tarafından yeniden dağıtılması.

Harvey'in neoliberal kriz yönetimi stratejisini açıklarken kullandığı ikinci kavram, sermayenin coğrafya ve zaman boyunca kâr arayışını içeren ve sermayenin birikimi sürdürmek için daha fazla yeniden yapılanma ve yeniden örgütlenmeye yol açan krizlerin sürekliliğine dahil olan "mekânsal-zamansal düzeltme"dir. Bu süreçlerin sınıf iktidarının yeniden tesis edilmesinde yarattığı yaratıcı yıkım, ekonomik yağmanın yanı sıra savaşı da içermektedir (Harvey, 2003).

Güney'e yönelik çağdaş kalkınma yaklaşımları neoliberal kriz yönetimi politikasının bir biçimi olarak anlaşılırsa, Harvey tarafından tanımlanan mülksüzleştirme süreçlerinin bu yaklaşımların içeriğinde baskın olduğu görülebilir. Kamu varlıklarının özelleştirilmesi, neoliberal uyum programları yeni pazarlarda getiri ve kar arayan küresel sermayeye fayda sağlamak için bu tür politikaları dayatmaya devam ettikçe, gelişmekte olan dünyadaki borç krizlerinin değişmeyen bir sonucudur. Özelleştirme aynı zamanda devletin yeniden dağıtım faaliyetlerindeki genişlemenin ve küresel Güney'de görülen artan finansallaşmanın da temel dayanağıdır, çünkü mülksüzleştirme süreciyle yaratılan piyasalar daha sonra özelleştirilen karları desteklemek için daha fazla mülksüzleştirme yaratan hem özel hem de devlete ait çeşitli araçlar ve transferler yoluyla sürdürülmektedir. Buna devlet aracılığıyla garanti edilen gelir akışları veya finansallaştırılmış risk yönetimi planları yoluyla elde edilen spekülâtif karlar da dahildir.

Bu bağlamda sürdürülebilirlik kavramı, neoliberal uygulamada sürdürülebilir kalkınma küresel Güney'de borç yaratılmasıyla ilişkilendirildiğinden, krizlerin yönetimi ve manipülasyonunda önemli bir rol oynamıştır. Zira "sürdürülebilir" piyasalar ve projeler, küresel piyasalarda cazibelerini arttırmak için teşvikler, garantiler ve ortaklıklar yoluyla devlet desteğine ihtiyaç duymakta, bu da daha fazla kriz ve borçlu ekonomilerin daha fazla neoliberal yeniden yapılandırılması için kamu borcu yaratabilmektedir. Benzer

şekilde, Güney'deki yoksulluk -genellikle geçmiş on yılların neoliberal uyum politikalarıyla derinleşerek- Harvey'in deyimiyle tüm halkların "borç köleliğini" yaratan mikrofinans programlarına dayalı olarak ortaya çıkan küresel yoksulluk endüstrisinin temelini oluşturmaya devam etmektedir (Harvey, 2007: 36). Dolayısıyla, birikim sürecinin sürdürülebilmesi için borç, sürdürülebilirlik ve kriz her zaman yönetilmelidir.

Ana akım kalkınma politikasındaki yeni dönüş üzerine yazan yazarlar, bu süreçlerin çeşitli yönlerini, özellikle de bunların küresel ekonominin muazzam finansallaşmasının etkisi altında şekillenmeye devam ettiği yollarla ilgili olarak ele almışlardır. Bu literatürde, "risk azaltma" uygulaması, kriz sonrası dönemde mülksüzleştirmenin en önemli çağdaş biçimi olarak ortaya çıkmakta ve kalkınma politikasındaki mevcut değişimin kökeninde yer almaktadır.

Paul Cammack'ın çalışması, çağdaş kalkınma yaklaşımlarında "risk "e odaklanmanın ortaya çıkışını ve küresel Güney'de piyasaların yaratılmasının işlevselleştirilmesindeki önemini detaylandırmaktadır. Ekonomik kalkınmanın "risk alma" olarak yeniden kavramsallaştırılması, Cammack'ın Güney'de kapitalist toplumsal ilişkilerin yaygınlaştırılması için küresel liberal bir "piyasa inşası" projesinin ortaya çıkışı olarak adlandırdığı şeyin merkezinde yer almaktadır (Cammack, 2012: 366). Cammack, piyasa mantığını teşvik ederken kriz ve riski normalleştiren bu projeden ilk kez 1990 Dünya Kalkınma Raporu'nda ("Yoksulluk") bahsedildiğini belirtmekte (Cammack, 2012: 365) ve mülksüzleştirmenin, riskin küresel çevre boyunca evrenselleştirilmesi ve standartlaştırılması yoluyla "piyasa inşasına" nasıl içkin olduğunu detaylandırmaktadır.

Toby Carroll, Harvey'in "uzamsal-zamansal düzeltme" ve Cammack'ın küresel piyasa projesi kavramlarını temel alarak, günümüz kalkınma politikasını 2008 sonrası dönemde yeni bir kalkınma politikası bağlamında ortaya çıkan yeni bir piyasa oluşturma girişimi

("derin piyasalaştırma") açısından kavramsallaştırmıştır. Bu yeni kalkınma politikası, Kuzey-Güney ilişkilerinin değişen manzarası, Güney'den yeni kalkınma kreditorlerinin ortaya çıkışı ve 2008 krizi sonrasında borç ve karlılıkla ilgili olarak ortaya çıkan acil pratik kaygılar tarafından şekillendirilmiştir -özellikle de küresel sermayenin getiri arayışının hızlanması ve gelişmekte olan dünyanın finansmana erişim ihtiyacının büyük ölçüde artmasıyla sonuçlanmıştır (Carroll, 2012: 21). Carroll'a göre, Dünya Bankası gibi geleneksel kreditorlerin politika tepkisi, risk kavramının mobilizasyonu yoluyla piyasa inşasını sürdüren ancak kriz sonrası dönemde yeni yöntemlerle işleyen Güney'deki kalkınmanın "derinlemesine piyasalaştırılması" olmuştur. Carroll'a göre bu yeni yöntemler, Washington Uzlaşısı ve Washington Sonrası Uzlaşısı reformlarını sürdürmekle birlikte, daha az politika belirleyici olmaları ve özel sektör faaliyetlerinin teşviki ve özel kuruluşları hedefleyen krediler yoluyla "sahada" piyasa inşasının pratikleriyle doğrudan ilgilenen daha temel bir düzeyde faaliyet göstermeleri bakımından 2008'den sonra ortaya çıkan küresel gerçeklerle uyumludur. Carroll'a göre, Dünya Bankası'nın piyasa oluşturma faaliyetleri, özel küresel sermaye için kalkınma projelerinin "riskten arındırılmasını" ve hatta Güney'den gelen özel müşterilere "koşulların" dayatılmasını ve bu müşterilerin borsalar ve tahvil piyasaları gibi sermaye devrelerine dahil edilerek çevrede finansallaşmanın genişletilmesini içermektedir (Carroll, 2012: 27).

Gabor (2020), Dünya Bankası'nın "Kalkınma için Finansmanı En Üst Düzeye Çıkarma" (MFD) paradigmasında ortaya koyduğu gibi, kalkınmaya yönelik yeni yaklaşımını da Washington Uzlaşısı'nın politikalarının devamı olarak, ancak kriz sonrası dönemde küresel finansal sermayenin ihtiyaçlarına özel atıfta bulunarak anlıyor. Gabor'a göre devletin "riskten arındırılması", küresel finans sermayesine getiri sağlayacak transfer mekanizmaları yaratarak birikimin sürdürülmesine dayanan "Wall Street Uzlaşısı" olarak

adlandırdığı paradigmanın temel taşlarından biridir. Gabor'a göre, kalkınma projelerinde Banka garantilerinin kullanılması yoluyla Güney ekonomilerini küresel sermaye için "riskten arındırmaya" yönelik Dünya Bankası politikaları, ülkenin proje yükümlülüklerini yerine getiremediği durumlarda yapısal uyumun yürürlüğe girmesiyle sonuçlanmıştır (Gabor, 2021: 17). Dolayısıyla, Gabor'a göre, Wall Street Uzlaşısı'nın ortaya çıkışı, "(Harvey'in) 'mülksüzleştirme yoluyla birikim' olarak adlandırdığı durumdan 'riskten arındırma yoluyla birikim'e doğru, kapitalist birikimde yeni bir ana işaret etmektedir" (Gabor, 2021: 4).

Ortaya çıkan eleştirel yazılara genel bir bakış, Dünya Bankası'nın küresel Güney'de finansmana erişim yaratmaya dayalı yeni kalkınma paradigmasında hem devletlerin hem de toplumların hedef alındığını göstermektedir. Kalkınmanın finansman ihtiyaçlarına tabi kılınması, şu anda Güney ülkelerinin küresel piyasaların disiplinine tabi kılınmasının en önemli mekanizmasıdır.

Tezin üçüncü bölümünde, Banka'nın kalkınma paradigmasının küresel birikim krizi bağlamında, özellikle 2008'den bu yana nasıl dönüştüğünü anlamak amacıyla 1980'lerden günümüze Dünya Bankası politikalarındaki değişiklikleri incelemektedir. Bu bölümdeki analizde Rein & Schön tarafından geliştirilen Kritik Çerçeve yaklaşımı (Critical Frame Analysis) benimsenmiştir. Bu yaklaşım, Dünya Bankası'nın geniş bir yelpazedeki gelişmekte olan ekonomilerde desteklediği standart neoliberal politika şablonuna karşı artan muhalefete yanıt olarak kalkınma politikası sorununa ilişkin değişen kavramsallaştırmasını ortaya koymak için yararlı bir metodoloji sunmaktadır. Lauridsen'in Banka'nın kalkınma politikalarındaki zaman içindeki değişimi kategorize ettiği çerçeve analizine dayanarak 1980'lerin başından 2022'ye kadar on sekiz Dünya Kalkınma Raporu'nun eleştirel bir değerlendirmesini sunan bu bölüm, Banka'nın yeni

yaklaşımının Banka'nın kalkınma anlayışındaki bir değişiklikten ziyade mevcut Banka uygulamalarının ortaya çıkan yeni finansallaşma koşulları altında tekrar ele alınması olduğunu ortaya koymaktadır. Analizde Dünya Kalkınma Raporu'nun seçilmesinin nedeni, yılda bir yayımlanan bu raporun Dünya Bankası'nın son kırk yıllık neoliberal reform politikalarının içeriğinin küresel olarak yayılmasında en önemli yayını olmasıdır. Dünya Kalkınma Raporlarının (WDR) bu çerçevede okunmasıyla Banka'nın devlete yönelik mevcut yaklaşımının nasıl geliştiğinin anlaşılması sağlanmaktadır.

Raporlar incelendiğinde, devletin Banka'nın politika gündemindeki yerini koruduğu anlaşılmakta ve buradan iki temel bulgu ortaya çıkmaktadır. İlk olarak, Banka'nın devlete yaklaşımının zaman içinde küresel kapitalist birikimin gereklilikleri doğrultusunda değişmeye devam ettiği ve 2008 sonrasında ortaya çıkan çelişkilere zemin hazırlayan politikalara yol açtığı tespit edilmiştir. Banka'nın WDR'lerde 2001 sonrası dönemin "iyi yönetim" reformları aracılığıyla gelişmekte olan dünyanın finansallaşmasını aktif bir şekilde teşvik ettiği, Güney'de ortaya çıkan borç çelişkisine rağmen devlet sübvansiyonları ve garantileri yoluyla özel finansmanın teşvik edilmesini ve özel sermaye piyasalarının genişlemesini desteklediği tespit edilmiştir. Dahası, Dünya Bankası'nın 2008 sonrası Dünya Kalkınma Raporlarında, Güney'e sermaye akışının azaldığı, borçların arttığı, ekonomik yavaşlama, yeniden siyasallaşma ve neoliberal düzene karşı ortaya çıkan diğer zorlukların yaşandığı kriz sonrası küresel bağlamda finansallaşmış sermaye birikimini barındıran neoliberal parametreler dahilinde devletin rolünü yeniden tanımlama çabalarını sürdürdüğü ve böylece mevcut çelişkileri devam ettirdiği tespit edilmiştir. Kriz sonrası bağlamında devletin yeniden canlanması ile neoliberal küreselleşmenin korunması arasındaki gerilimin yönetimi, 2008'den sonra yayınlanan WDR'lerde bir tema olarak karşımıza çıkmaktadır.

İlk bulguyla bağlantılı olan ikinci bulgu ise Banka'nın devleti öncelikle sermayenin bir aracı olarak gören anlayışının çok az değişmiş olmasıdır. Banka'nın "post-ideolojik" yaklaşımı büyük ölçüde finans yanlısıdır ve 2008'in gelişmekte olan ülkeler üzerindeki etkisi ne olursa olsun, kriz sonrası dönemde finansal kriz ve risk yönetimini depolitize eden ve normalleştiren bir bakış açısından kaynaklanmaktadır; bu, sorunun anlaşılmasındaki bir değişiklikten ziyade yöntemdeki bir değişikliktir ve sonuçta finansallaşmış küreselleşmenin Güney üzerindeki sonuçları sorgulanmadan bırakılmaktadır. Bu bağlamda, 2008'den sonra yayınlanan WDR'lerde devlet, siyasi biçimler ve kurumlardaki çeşitliliğin kabul edildiği belirtilse de, hâlâ raporlarda ortaya konan neoliberal reçetelere ne ölçüde uyduğu açısından değerlendirilmektedir. Bu bağlamda, Banka'nın devlete yaklaşımında kuralcı olmaya devam ettiği ve 2008 krizinin küresel Güney üzerindeki etkisini, Banka'nın gelişmekte olan dünya genelinde teşvik ettiği finans yanlısı politikalar aracılığıyla ele alınması gereken bir yönetim sorunu olarak görmeye devam ettiği tespit edilmiştir.

Dördüncü Bölüm, Dünya Bankası'nın reform sürecinin yarattığı krizlere rağmen başarılı bir reform örneği olarak gördüğü, 2000'li yılların başından bu yana AKP döneminde Türkiye elektrik sektörünün neoliberal yeniden yapılandırılmasına genel bir bakış sunmaktadır. Bu bölüm, Dünya Bankası'nın elektrik sektörü reformuna ilişkin "standart modeli"nin Türkiye'de uygulanmasının, nihayetinde, finansallaşma için farklı talepler yaratarak sektörün finansallaşmasını kolaylaştırmak için geliştirilmiş bir çerçeve sağlayan yeniden yapılandırmaya yol açtığını tespit etmektedir.

Türkiye'de 1980'lerde küresel neoliberal reform programının bir parçası olarak başlatılan özelleştirme gündeminin, bugün devam etmekte olan elektrik sektörünün özelleştirilmesine de uygun zemin hazırladığını, sektördeki reformların Türkiye'nin AB



üyeliđi hedefiyle beraber IMF ve Dünya Bankası gibi uluslararası kuruluşların etkisiyle hayata geçirildiđini göstermektedir. Elektrik sektörünün özelleştirilmesinde sıkça atıfta bulunulan gerekçeler arasında devlete ait tekellerin verimsizliđi, bütçeye getirdikleri yük ve öngörülen enerji talebi artışlarını karşılamada yetersiz kalacakları görüşüdür. Türkiye'deki elektrik sektörünün özelleştirilmesi bazı temel reform hedefleri doğrultusunda ilerlemiştir: i) sektörün ayrı faaliyetlere ayrıştırılması; ii) kamu iktisadi teşebbüslerinin ayrı tüzel kişilikler olarak yeniden yapılandırılması yoluyla elektrik piyasalarındaki alıcı ve satıcı sayısının çeşitlendirilmesi; iii) bağımsız bir düzenleyici kurulun oluşturulması; iv) dağıtım ve üretimin özelleştirilmesi; ve v) toptan ve perakende rekabetçi piyasaların oluşturulması. Bu hedefler, 1980'lerin başından bu yana çeşitli ülkelerde uygulanan Dünya Bankası-IMF destekli standart elektrik reform politikalarıdır.

Türkiye elektrik sektörünün serbestleştirilmesi, Bretton-Woods kurumları tarafından teşvik edilen standart elektrik reformu modelinin adım adım uygulanmasıyla gerçekleştirilmiştir. Bu başlangıçta, DB'nin özelleştirme yoluyla sektördeki devlet varlığını en aza indirmeye yönelik neoliberal pozisyonu yansıtmaktaydı. Reformlar, elektrik sektöründe dikey olarak entegre olan devlet tekeli TEK'in, elektrik hizmetinin üretim, iletim ve dağıtım gibi farklı faaliyetlerinde ayrı kurumsal varlıklara bölünmesini gerektiriyordu. Sektörün bu şekilde bölünmesi ve kademeli olarak serbestleştirilmesi devletin elektrik fiyatı üzerindeki kontrolünün de kaldırılmasını gerektiren bir süreçti. Reform sürecinin ilerlemesiyle, Dünya Bankası'nın sektördeki devlet müdahaleleriyle ilgili katı tutumunun gevşediđini, Türk dağıtım şirketlerinin özelleştirilmesindeki gecikmeler ve yüksek kayıp/kaçak oranlarıyla karakterize edilen bölgeleri cezalandıran bölgesel tarife sistemine geçilmemesinin "hoşgörü" ile karşılandığı görülmektedir. Bankanın bu tutumunun, özellikle üretim ve dağıtım özelleştirmeleriyle ilgili reform

hedeflerinde ilerleme kaydetmek uğruna bazı devlet müdahalelerinin kabul edilmesine karşı geliştirilen pragmatik bir toleransı yansıttığını söylemek mümkündür. Nihayetinde Dünya Bankası, önceki politikalarından farklı olarak, devlet sübvansiyonları ve garantileri içeren devlet müdahalelerinin sektörün mali açıdan sürdürülebilirliğinin sağlanması ve özelleştirme sürecini teşvik edip hızlandırdığı ölçüde yararlı olabileceklerini değerlendirmiştir.

Reform yolunda gecikmeler olsa da, Türkiye elektrik sektörünün yeniden yapılandırılması Bretton Woods kuruluşlarının ısrarlı ve sıkı denetiminde yapılmıştır. Bu kuruluşların vaat ettikleri bazı kilit parasal yardımlar Türkiye ekonomisinin konjonktürel krizleriyle senkronize bir biçimde reform hedeflerindeki ilerlemelere bağlı koşullar çerçevesinde serbest bırakılmıştır. Maliyet bazlı piyasa fiyatlandırması gibi bazı konular öngörüldüğü gibi uygulanamamış olsa da, Bretton-Woods kuruluşları açısından Türkiye'deki elektrik sektörü reformu, küresel sermayenin sektördeki varlığını genişletmeye zemin hazırlayacak kalıcı değişiklikleri tesis etmek için gerekli olan yabancı yatırımcı dostu yasal, bürokratik ve finansal aygıtları kurduğu ölçüde "başarılı" olarak değerlendirilebilir. "Yeni" MFD yaklaşımı, tercihen yabancı şirketlerin ve varlık yöneticilerinin kâr birikimini devlet aracılığıyla sübvansiyon etmenin bir aracı haline gelmiştir; Türk hükümeti ise elektrik dağıtımını konusunda bunu tersine çevirmiş ve bu süreci kendine bağlı sermayenin kâr birikimini sübvansiyon etmenin bir aracı olarak değerlendirmiştir.

2018-2021 Ülke Ortaklık Çerçevesi raporu, Türkiye enerji sektörünün özelleştirilmesini bir "başarı" olarak nitelendirmiş ve bu başarıyı, Banka'nın Türkiye ile on yıllardır süren müzakerelerinde ve ilişkilerinde kullandığı "kademeli yaklaşım" sayesinde gelişen "güçlü ülke sahiplenmesine" bağlamıştır. Raporda bu yaklaşım (cascade approach) Dünya Bankası Grubu'nun Maximizing Finance for Development yaklaşımının hayata

geçirilmesi olarak tanımlanmış, Türkiye elektrik sektörü özelleştirilmesi ise bu yaklaşımın örnek bir uygulaması olarak gösterilmiştir. Dünya Bankası destekli elektrik sektörü reformlarının terk edildiği ya da hayal kırıklığı ile sonuçlandığı pek çok ülke örneğinin varlığında, Dünya Bankası'nın Türkiye elektrik sektörü özelleştirmesini başarı olarak göstermesinin temel ölçütünün bu özelleştirmenin gerçekleştirilebilmiş olduğu anlaşılmaktadır. Elektrik sektöründeki kamu yatırımlarının azaltılması ve elektrik hizmetlerinin kamudan özel alana kaydırılması yönündeki reform hedeflerine ulaşılmış olsa da beklenen özel sektör yatırımları tatmin edici düzeyde gerçekleştirilememiş ve çoğu zaman devletin desteği ve teşvikiyle iteklenmiştir. Özelleştirilmede elektrik dağıtımına öncelik verilmesinin stratejik nedeni, sektördeki özel aktörlerin (özellikle üretim faaliyetinde) elektrik piyasasına girmeleri için kârlılığın şart olmasıdır. Ancak çok sayıda resmi belgede (Niyet Mektupları, Kanunlar, Yönetmelikler, Enerji Strateji Belgeleri) sık sık dile getirilen "tüm tüketicilere düşük maliyetli, yüksek kaliteli, kesintisiz elektrik" hedefinin gerçekleştirilememesinin uygulamada bu hedefin modelin işlerliği ile doğrudan çelişmesine bağlı görülmektedir.

Üçüncü bölüm ayrıca AKP'nin kriz yönetimi politikaları tarafından şekillendirilen elektrik sektöründeki neoliberal yeniden yapılanmanın da bir yörüngesini sunmaktadır. Bu arka plan bölümü AKP'nin elektrik reformu sürecinin uygulanmasındaki temel kaygılarını ve TEDAŞ özelleştirmesinin bir kriz yönetimi anı olarak bu politikalara nasıl uyduğunu göstermek amacıyla TEDAŞ özelleştirmesinin bağlamını belirlemektedir. Özellikle, ekonominin diğer sektörlerindeki devlet işletmelerinin hızla özelleştirilmesinin aksine, Türkiye elektrik sektöründeki piyasa reformunun, AKP'nin reform süreci boyunca çatışan toplumsal çıkarları yönetme politikalarının bir sonucu olarak geciktiği veya durduğu iddia edilmektedir. Aslında elektrik, AKP'nin siyasi çıkarlarının küresel sermayenin

çıkarlarıyla doğrudan çeliştiği tek sektördü ve bu da reform sürecinin benzeri görülmemiş bir şekilde uygulanmasına yol açmıştır. Dünya Bankası ve IMF başından beri yabancı sermayenin Türkiye elektrik sektörüne yatırım yapabilmesi için fiyat artışları yapılması yönünde baskı yapmış, ancak AKP seçim desteği kaygısıyla bu artışları yürürlüğe koymayı reddetmiştir. Bu bölümde, AKP'nin bu politikalarının nihayetinde elektrik sektöründe nasıl arz krizine yol açtığı, bu krizin 2008 küresel mali kriziyle aynı döneme denk geldiği ve sektörün liberalizasyonunu tamamlamak için Dünya Bankası reformlarının hızlandırılmasıyla sonuçlandığı gösterilmektedir. AKP, bu bağlamda, sektörün finansallaşmasıyla sonuçlanan ve sektörü spekülative sermayenin artış-çöküş dinamiklerine açan piyasa serbestleştirme önlemlerini uygulamaya koymuştur. Spekülative sermaye akışı başlangıçta elektrik sektöründe bir yatırım patlamasına yol açmıştır ancak 2013'ten sonra yaşanan sermaye kaçıışı sektörü iflasın eşiğine getirmiştir. Bunun temel sonuçlarından biri, Türk devletinin elektrik sektöründe de küresel sermayeye tabi hale gelmesi ve AKP'nin kendi kriz yönetimi politikalarının sınırlarına dayanmasıdır. AKP'nin çelişkili politikalar uygulamaya devam ettiği elektrik sektöründe, piyasa fiyatlandırması ya da maliyet bazlı fiyatlandırma AKP ile küresel sermayenin talepleri arasındaki en önemli gerilim konusu olmaya devam etmektedir.

Beşinci Bölüm, Dünya Bankası'nın Türkiye elektrik sektöründeki neoliberal politikalarına, özellikle de kamu elektrik dağıtım şirketi TEDAŞ'ın özelleştirilmesine ilişkin genel bir bakış sunmaktadır. Ortaya çıkan temel bulgu, özelleştirmenin hem kolaylaştırıcı olduğu hem de elektrik hizmet zinciri boyunca daha fazla borçlanmaya zemin hazırlayan büyük miktarda borç yarattığıdır. Türkiye elektrik sektöründeki neoliberal reformun en önemli sonucu, 2008 sonrası dönemin küresel kriz koşullarında sektörü artan finansallaşmaya açmış olmasıdır.

TEDAŞ'ın özelleştirilmesi, sadece Türkiye elektrik sektöründe değil, aynı zamanda AKP iktidarı altındaki Türk özelleştirmelerinin geniş tarihinde de son zamanların en tartışmalı satışlarından birisidir. TEDAŞ özelleştirmesi AKP döneminin son büyük özelleştirmesiydi ve gelişmekte olan ülkelere yönelik küresel yatırım finansmanının azaldığı 2008 sonrası dönemde gerçekleşti. TEDAŞ'ın bölgesel dağıtım şirketlerinin tamamen yerli sermayeye satılması ve özelleştirmelerde yerli bankalardan finansman sağlanması bakımından TEDAŞ özelleştirmesi tamamen bir "Türk yapımı"ydı. Yapılan özelleştirme, küresel ekonomik krizde küresel sermaye girişleri için rekabet etme çabasındaki AKP için bir "riskti"; başlangıçta yüksek bir getirisi vardı, ancak on yıl sonra elektrik ve bankacılık sektörlerinde ekonominin genelinde geniş çaplı etkileri olan büyük bir krize dönüştü.

Kriz aynı zamanda elektrik fiyatlarında da artışa neden oldu ki bu, neoliberal reform sürecinin tamamı boyunca IMF ve Dünya Bankası'nın baskılarına rağmen elektrik fiyatlarını düşük tutarak seçmenlerinin desteğini korumuş olan AKP için son derece önemli bir gelişmeydi. Dolayısıyla TEDAŞ özelleştirmesi, AKP'nin 2008 sonrası dönemde finansallaşmış küreselleşmenin çelişkilerini nasıl yönettiğine ve küreselleşmiş birikimin zorunluluklarını son derece "siyasallaşmış" elektrik dağıtım sektöründe nasıl içselleştirdiğine dair iyi bir vaka çalışmasıdır. Bu vaka, AKP'nin gelecekteki müdahalelerinin finansallaşmış kriz altında nasıl gerçekleşebileceğine dair fikir verebilir.

Özetle bu tez, kalkınma politikasının son kırk yılda geçirdiği neoliberal dönüşümün etkilerini, özellikle Dünya Bankası'nın küresel Güney'de elektrik reformuna yönelik bankalar politikası reçetelerindeki değişikliklere atıfta bulunarak ele almıştır. Araştırma, Dünya Bankası'nın "Kalkınma için Finansmanı Maksimize Etme" (MFD) yaklaşımının zaman içindeki eleştirel bir değerlendirmesine ve AKP döneminde Türkiye'deki özel uygulamasına dayanmaktadır. Araştırmanın temel bulgusu, Dünya Bankası politikaları

aracılıđıyla kalkınmanın neoliberalleştirilmesinin 2008 sonrası dönemde küresel Güney'de genişleyen finansallaşma ve borçlulukla bağlantılı olduđu ve bunun da elektrik sektöründe sosyal ve dağılımsal sonuçların kötüleşmesine yol açtığıdır. Bu nedenle, Dünya Bankası'nın 2008 sonrası kalkınma politikası, finansallaşmış küreselleşmeyi sürdürmeyi amaçlayan neoliberal bir kriz yönetimi tepkisi oluşturmaktadır.

Küresel finansın disipliner borç dinamikleri aracılıđıyla kolaylaştırılan Dünya Bankası'nın MFD yaklaşımı, Güney ülkelerinin küresel kriz bağlamında küresel sermaye için transfer mekanizmaları olarak işlev gören gelişmekte olan borç devrelerine daha derin bir şekilde entegre olmasında rol oynamıştır. Özellikle 2013'ten sonra, Kuzey ülkelerinde parasal genişleme politikalarının daraltılması küresel Güney'de sermaye kaçış ve büyüyen bir borç sorunu yaratırken, ana akım kalkınma politikası küresel Güney'in kalkınma ihtiyaçlarının karşılanmasında Dünya Bankası'nın "özel sektör çözümleri" olarak adlandırdığı çözümlere yönelmiştir. 2008'in ardından küresel sermaye için yeni birikim alanları yaratma ihtiyacıyla bağlantılı olan bu neoliberal dürtü, bu ülkelerin kalkınma ihtiyaçlarını karşılamak için küresel piyasalarda finansman için rekabet etmelerini gerektirerek gelişmekte olan dünyada büyüyen borç krizinden faydalanmaktadır. Bu bağlamda, Güney ülkeleri için kalkınma, ekonomilerini küresel piyasalarda "yatırıma uygunluk" (bankability) yaratacak şekilde yeniden yapılandırarak elde ettikleri "finansmana erişim "e indirgenmektedir.

Dünya Bankası'nın MFD yaklaşımında, mümkün olan yerlerde özel sermaye kalkınma projelerine seferber edilmekte, özel bir çözümün mümkün olmadığı yerlerde ise Dünya Bankası özel yatırımların gerçekleşmesi için uygun koşulları yaratmak üzere müdahale etmektedir. Banka, finansallaştırılmış dilde "riskten arındırma" olarak adlandırdığı temelde, potansiyel olarak "bankaya yatırılabilir" kalkınma projelerinin önündeki

darboğazları kaldırmakta, bu da projelerin risklerinin azaltılmasını veya Güney devletine kaydırılmasını içermektedir. Yapısal uyum politikasında olduğu gibi, "riskten arındırma", özelleştirme için kamu hizmetlerinin ayrıştırılması veya özel sermayeye devlet garantileri, sübvansiyonları ve teşvikleri sağlanması gibi özel yatırımların önündeki engelleri kaldırarak piyasalar yaratmayı içerir. "Derisking" böylece esasen Washington Uzlaşısı ve Washington Uzlaşısı sonrası dönemlerin politikalarını tekrarlamakta ve bunları finansallaştırılmış bir anlayış temelinde işlevselleştirmektedir. Dolayısıyla, Dünya Bankası'nın geçmişin standartlaşmış Washington Uzlaşısı politikalarından kopma iddialarına rağmen, MFD yaklaşımı gerçekte 2008 sonrası dönemde öncelikle küresel finansın ihtiyaçlarına yönelik bir devam niteliğindedir ve gelişmekte olan dünyada borç ve kemer sıkma politikalarının yaygınlaşmasına yol açmaktadır.

AKP döneminin neoliberal reformları altındaki Türkiye elektrik sektörü, Güney'de yaygın olan borç dinamikleri aracılığıyla elektrik tedarikinde finansal zorunlulukların içselleştirilmesine dayanan benzer bir dönüşüm geçirmiştir. Devlet elektrik dağıtım şirketi TEDAŞ'ın özelleştirilmesi, Dünya Bankası tarafından teşvik edilen reformlar yoluyla "finansmana erişim" elde etmenin elektrik sektöründe genişleyen finansallaşma yoluyla nasıl artan borçluluğa ve kemer sıkmaya yol açabileceğine dair Türkiye'den çarpıcı bir örnek sunması açısından öğreticidir. AKP'nin TEDAŞ'ın küresel piyasalarda "satılabilirliğini" artıracak ve böylece yabancı sermayeyi çekecek bir fiyat reformu yapmakta isteksiz davranması nedeniyle uzun süre ertelenen özelleştirme nihayet küresel mali krizin ve elektrik sektöründe ortaya çıkan arz sıkıntısının baskısı altında gerçekleştirildi. TEDAŞ'ın satışı, elektrik fiyatı üzerindeki devlet kontrolünü koruyan ancak yabancı ilgisinin yokluğunda TEDAŞ'ı bağlı sermaye gruplarına satan AKP liderliğinin kendi koşulları altında gerçekleştirilmiş olması bakımından farklıdır.

Tamamen "Türk malı" olan - yerli sermaye gruplarına satılan ve yerli bankalardan finanse edilen - satış, AKP tarihindeki en büyük özelleştirme gelirini sağladı. Öte yandan, başlangıçtaki yüksek getiri on yıl sonra elektrik ve bankacılık sektörlerinde büyük bir krize dönüştü ve bunun ekonominin geneline yansımaları oldu.

TEDAŞ'ın özelleştirilmesinden kaynaklanan borç krizi, Türkiye elektrik sektöründe "finansmana erişim" ihtiyacını yaratan borç ve iflasa katkıda bulunarak belirleyici olmuştur. Elektrik hizmetinin kalitesi, artan borç yükü altında zarar görmüştür. Dağıtım hizmetlerine yapılan yatırımların gecikmesi, elektrik kesintileri ve fiyat artışları ile kendini göstermiştir. Aynı zamanda, borç krizi finansallaşma ve borçlanma yönünde yeni bir itici güç yaratmakta, Dünya Bankası'nın sponsorluğunda borçlu dağıtım şirketleri "mali sürdürülebilirliklerini" iyileştirmek ve küresel sermaye piyasalarında borçlanmaya erişim sağlamak için riskten korunma ve finansman planlarına dahil edilmektedir.

TEDAŞ özelleştirmesinin sonuçları, satışın yanlış yönetilmesi, AKP'nin elektrik fiyatı üzerinde devlet kontrolünü elinde tutması ve sürdürülebilir işleyen piyasalar elde etmek için piyasa serbestleşmesini tamamlayamaması nedeniyle krizin meydana geldiği temelinde eleştirilmiştir. Ancak bu eleştiri, elektriği metalaştırmaya yönelik neoliberal reformların merkezinde yer alan toplumsal çatışma gerçeğini hesaba katmamaktadır. AKP'nin elektrik fiyatını düşük tutmak için kullandığı kriz yönetimi taktikleri, devletlerin evrensel olarak yönetmesi gereken kâr güdüsü ile toplumsal ihtiyaçlar arasındaki daha temel bir gerilimi yansıtmaktadır. Bu haliyle TEDAŞ özelleştirmesi, finansallaşmayı teşvik eden neoliberal kalkınma politikalarının "sahada" nasıl uygulanabileceğine dair iyi bir vaka çalışması teşkil etmektedir. Bu vaka, AKP'nin gelecekteki müdahalelerinin finansallaşmış krizler altında nasıl gerçekleşebileceğine dair fikir verebilir.



## APPENDIX C. CURRICULUM VITAE

### PERSONAL INFORMATION

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### EDUCATION

Degree	Institution, Subject
M.S.	Middle East Technical University, Economics
B.Soc.Sc.	University of Ottawa, Major: Economics Minor: Political Science
High School	Canterbury High School, Ottawa

### LANGUAGES

Turkish, English, Intermediate French

### PUBLICATIONS

Güngör, A. D. (2001). The Gender Gap in Turkish Education-A Regional Approach. *METU Studies in Development*, 28(2), 339.

Tansel, A. & Güngör, A.D. Provincial Inequalities in School Enrollments in Turkey. (2000, Sept). *Economic Research Forum Working Paper* No. 2003, <http://dx.doi.org/10.2139/ssrn.266168>

Tansel, A. & Güngör, A.D. Schooling Investments and Gender Gap in Schooling in MENA Countries: An International Perspective (July 1999). *Economic Research Forum Working Paper* No. 9939, Available at <http://dx.doi.org/10.2139/ssrn.267050>

## APPENDIX D. THESIS PERMISSION FORM / TEZ İZİN FORMU

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- Enformatik Enstitüsü / Graduate School of Informatics**
- Deniz Bilimleri Enstitüsü / Graduate School of Marine Sciences**

### YAZARIN / AUTHOR

- Soyadı / Surname** : Güngör
- Adı / Name** : Ayadım Deniz
- Bölümü / Department** : Uluslararası İlişkiler / International Relations

**TEZİN ADI / TITLE OF THE THESIS (İngilizce / English):** Politics of Electricity Sector Privatizations in Turkey: "Maximizing Finance" for Whom?

**TEZİN TÜRÜ / DEGREE:** **Yüksek Lisans / Master**  **Doktora / PhD**

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