

**CHANGING DYNAMICS OF CAPITALISM AND DEVELOPING COUNTRIES FROM A
WORLD-SYSTEMS THEORY PERSPECTIVE: THE CASE OF TÜRKİYE (1980-2000)****Onur GÜREL (Ph.D.)** **ABSTRACT**

Study analyzes Türkiye's neoliberal restructuring between 1980 and 2000 through the lens of Immanuel Wallerstein's World-Systems Theory. It aims to evaluate the structural transformation of a semi-peripheral country under the influence of global capitalist dynamics and international financial institutions. Methodologically, the study employs a historical-structural approach, focusing on key concepts such as unequal exchange, capital accumulation, structural dependency, and cyclical crises. The findings reveal that neoliberal reforms increased Türkiye's external debt, financial fragility, and social inequality while undermining institutional stability and fostering political authoritarianism. These results support Wallerstein's argument that semi-peripheral states bear the burden of systemic crises and are repositioned according to core interests. The paper concludes that World-Systems Theory offers a robust analytical framework for understanding the vulnerabilities and constrained agency of developing countries within the global capitalist order. Türkiye's experience exemplifies how neoliberalism reinforces center-periphery hierarchies and reproduces structural asymmetries in the world economy.

Keywords: Immanuel Wallerstein, World-Systems Theory, Neoliberalism, Semi-Periphery, Türkiye.

JEL Codes: O10, O15, F63.

1. INTRODUCTION

The final quarter of the 20th century stands out as a critical juncture in which the global capitalist system underwent a historical and structural transformation. The collapse of the Bretton Woods system accelerated the liberalization of capital flows, facilitating the rise of neoliberal economic thought as the dominant global paradigm. This shift led to a redefinition of state-market relations, mechanisms of balance between social classes, and institutional structures, particularly in developing countries. Structural adjustment programs, implemented under the guidance of institutional actors such as the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO), represented comprehensive interventions that transformed not only economic structures but also

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political decision-making processes and social relations. Key components of these interventions included the downsizing of the public sector, restrictions on social spending, the flexibilization of labor, and the institutionalization of market-oriented governance principles.

Among the regions where these transformations were most deeply experienced within the core–periphery hierarchy were the semi-peripheral countries, which emerged as transitional zones for capital flows and unstable nodes of structural dependency. In this context, Türkiye represents a unique and analytically rich case for examining the process through which a semi-peripheral country integrated into the global capitalist system under neoliberal principles. The economic transformation initiated by the January 24, 1980 Decisions was politically consolidated by the military coup of the same year. This marked a deepening of Türkiye’s market-oriented restructuring process at both institutional and ideological levels. Key elements of this process included the limitation of public investment, the abandonment of import-substitution industrialization, the adoption of an export-oriented growth model, and the implementation of incentive policies aimed at attracting foreign capital.

Despite yielding short-term economic stabilization gains, this transformation process increased structural external dependency in the long run, exacerbated income inequalities, led to the dominance of low value-added sectors in production, and sharpened social disparities. At the political level, the weakening of labor organizations, the narrowing of political representation mechanisms, and the institutionalization of authoritarian governance trends emerged as distinctive outcomes of neoliberal restructuring in the Turkish context. Türkiye’s position in global production chains-characterized by limited technology transfer and a low-wage labor force-mirrored the vulnerabilities of peripheral countries, thereby reproducing its semi-peripheral status.

This study aims to analyze Türkiye’s neoliberal transformation between 1980 and 2000 at a historical and structural level within the framework of Immanuel Wallerstein’s World-Systems Theory. Wallerstein conceptualizes the modern capitalist system as an integrated, hierarchical world system that is not only economic but also political and historical in nature. He defines the structural order-composed of the core, semi-periphery, and periphery-as a system of unequal division of labor that enables capital accumulation. Within this framework, semi-peripheral countries occupy a dual position: they facilitate the penetration of core capital into the periphery while simultaneously embodying the dependency dynamics characteristic of the periphery. The case of Türkiye illustrates how this dual position has been institutionalized, reinforced through external interventions, and reproduced under neoliberal principles.

The primary objective of this study is to test the applicability of World-Systems Theory to contemporary neoliberal restructuring processes through the example of Türkiye, and to reveal the ways in which semi-peripheral countries relate to the global capitalist system in historical, structural, and ideological dimensions. In doing so, it seeks to demonstrate that neoliberalism is not merely an economic

model, but a hegemonic structure that reproduces core–periphery relations across political and social domains as well, thereby offering a theoretical evaluation through a concrete case study.

2. THEORETICAL FRAMEWORK: WORLD-SYSTEMS THEORY

Immanuel Wallerstein’s World-Systems Theory provides a comprehensive analytical framework for understanding the historical origins of the modern capitalist world economy and the structural inequalities that manifest at the global level (Arrighi, 2010: 31). According to Wallerstein, the capitalist world-system emerged in Western Europe during the 16th century and gradually expanded to encompass the entire globe, transforming into a world economy that transcends individual national economies (Wallerstein, 2011: 15). This system consists of three interdependent but functionally differentiated components: the core, the semi-periphery, and the periphery (Wallerstein, 1998: 105; Shannon, 1996: 85). Core countries hold the most advantageous position in the system with high-tech production, advanced infrastructure, institutionalized political structures, and concentrated capital accumulation (Arrighi, 1999: 327-329). Periphery countries, by contrast, are characterized by low-wage labor, raw material extraction, and political dependence, while semi-peripheral countries are situated between these two poles-simultaneously exploiting and being exploited-and thus represent the most fragile link in the system (Wallerstein, 2011: 349; Steger, 2013: 38). Their dual status positions them structurally at the point of greatest vulnerability (Frank and Gills, 1993: 43).

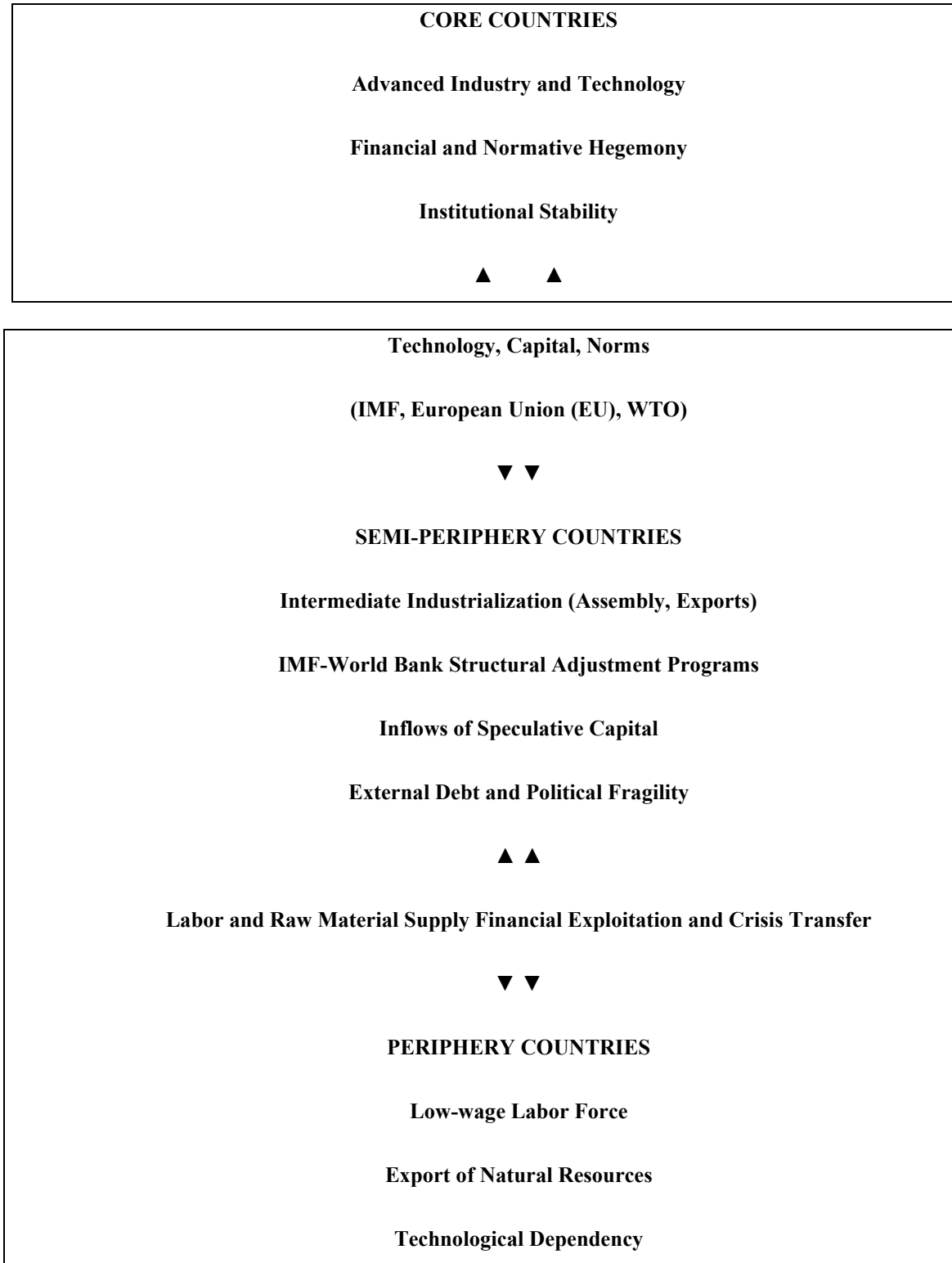
Wallerstein (2011) views this geographical-institutional division not merely as a spatial categorization but as a structural framework through which global capital accumulation and the international division of labor are continually reproduced. As the system functions through unequal exchange, structural dependency, and differentiated production relations, disparities in development between countries are neither accidental nor temporary but inherent outcomes of the system (Frank, 1966: 18). In this context, the distinct position of semi-peripheral countries is particularly significant. Acting as buffer zones between the core and the periphery, they contribute to the stability of the global capitalist system and legitimize core hegemony (Chase-Dunn, 1999: 188; Abu-Lughod, 1993: 24). At the same time, their capacity to implement the hegemonic interests of the core over the periphery grants them an active role in reproducing the system (Arrighi, 2010: 215). However, this functional role does not necessarily imply that semi-peripheral countries possess a sustained potential for upward mobility. On the contrary, their structural ascent is significantly constrained by the resistance of core states and the system’s self-reproducing nature (Chase-Dunn, 1999: 190; Arrighi, 2010: 220).

At the heart of World-Systems Theory lies capital accumulation, the fundamental dynamic of the capitalist mode of production. This accumulation process operates not only within national boundaries but also on a global scale (Wallerstein, 2011: 38). The capitalist world-system functions by maximizing capital accumulation in the core through mechanisms such as low-cost production, labor exploitation,

and the extraction of cheap natural resources in the periphery and semi-periphery (Wallerstein, 2011: 349). This structural dependency deepens not only in economic terms but also across political and technological dimensions (Gilpin, 2001: 78). Core countries exert hegemonic control over peripheral and semi-peripheral states through advanced financial markets, technological innovation, and institutions that define international norms (Harvey, 2005: 184; Amin, 2020: 41-43). In this framework, development becomes a relative and conditional possibility determined by the core, as capital accumulation processes in the periphery and semi-periphery are consistently constrained in favor of the core (Kindleberger, 1973: 247).

Semi-peripheral countries, in this context, experience dual pressures. On one hand, they depend on external capital and technology to sustain domestic economic development (Chase-Dunn, 1999: 131-132). On the other hand, they serve as ‘stabilizing buffers’ during periods of economic crisis in the core, absorbing the transferred costs (Kazgan, 2005: 132). As illustrated in Figure 1, this fragile position intensifies issues such as external debt, financial dependency, and political instability, especially during times of global crisis (Wallerstein, 2011, p. 349). According to Wallerstein, this web of relationships is essential for the functioning of the capitalist system and becomes particularly visible during systemic crises (Wallerstein, 2011: 349). Indeed, development efforts in peripheral and semi-peripheral countries are frequently vulnerable to external shocks due to their dependency on capital, credit, and technology inflows from the core, which hinders the establishment of autonomous development trajectories (Şenses, 2009: 217).

Figure 1. World-Systems Theory



Source: Wallerstein (2011).

Within the framework of Immanuel Wallerstein's World-Systems Theory, the production structure based on low technology in semi-peripheral countries renders them dependent on imported inputs, while a growth model reliant on short-term capital inflows exacerbates financial instability and increases dependency on core countries through external borrowing. In the political realm, neoliberal pressures and externally imposed reform agendas often lead to authoritarian tendencies, weakening labor organizations and suppressing mechanisms of social resistance. Under these conditions, semi-peripheral countries function as buffer zones for the core during times of crisis, absorbing externalized costs, while simultaneously acting as hegemonic extensions of the system in relation to the periphery. However, rather than creating a sustainable potential for upward mobility, this strategic functionality condemns semi-peripheral states to a structural cycle of inequality continuously reproduced by the global capitalist system.

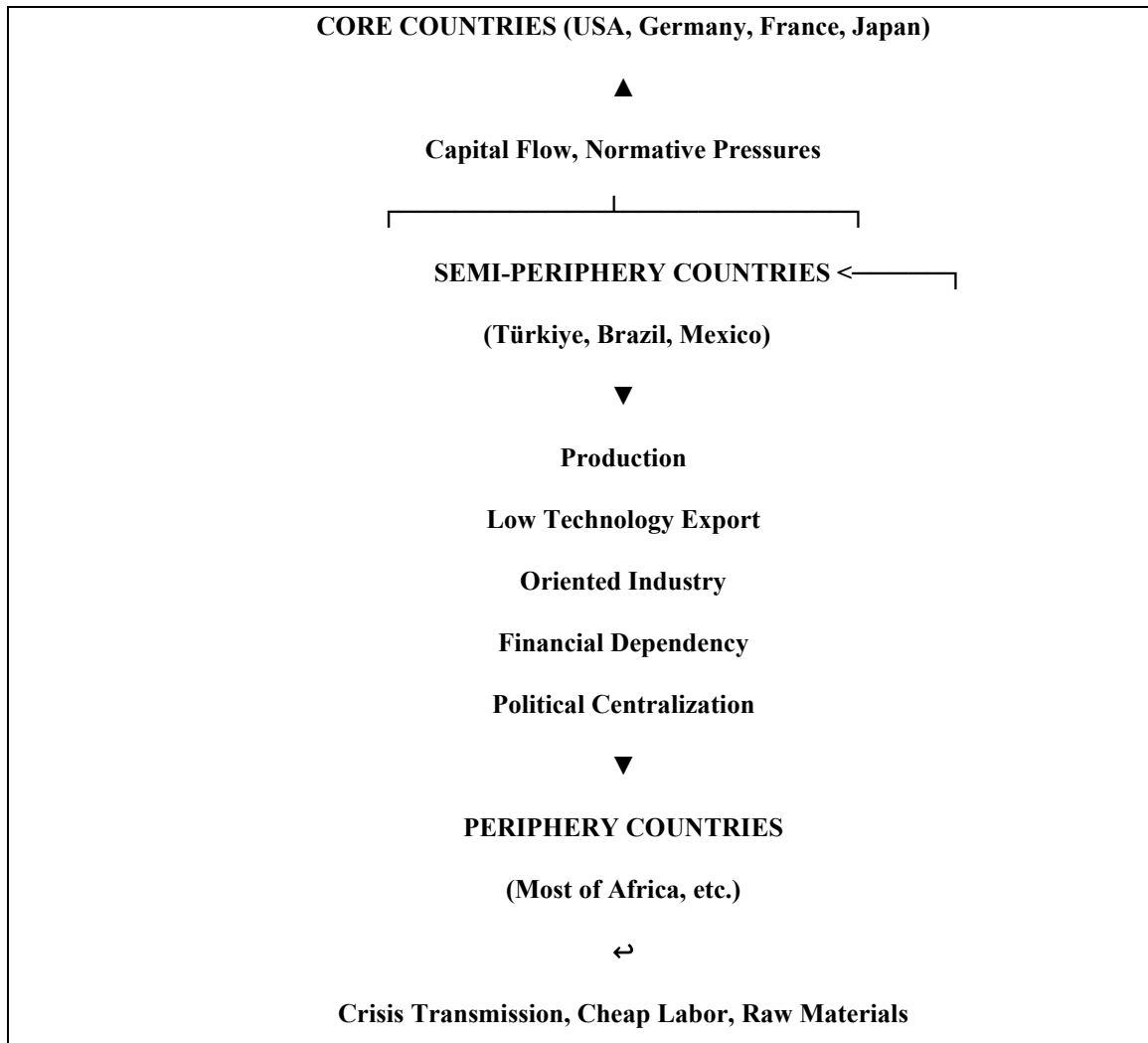
3. NEOLIBERAL RESTRUCTURING IN TÜRKİYE BETWEEN 1980 AND 2000

The core-semi-periphery-periphery distinction shaped within Wallerstein's world-system hierarchy is not merely a theoretical classification but also a functional framework for understanding the economic and political trajectories of states across different historical conjunctures (Wallerstein, 2004: 28-30). In this context, the 1980-2000 period in Türkiye represents a phase during which its semi-peripheral character became more pronounced, and its structural dependencies within the system were reconfigured (Karahanoğulları, 2019: 432-433). According to Wallerstein's (2011) conceptualization, Türkiye, by virtue of its historical and structural characteristics, occupies a semi-peripheral position. On the one hand, its industrial capacity, regional diplomatic leverage, and commercial ties with core countries distinguish it from peripheral states (Wallerstein, 2011: 237-239). On the other hand, issues such as external debt dependency, technological insufficiency, macroeconomic fragility, and political instability hinder its integration with the core (Pamuk, 2014: 352-354). This dual structure serves as a key determinant in understanding Türkiye's externally dependent development strategies, import-oriented industrialization models, and international credit relations (İşler, 2024: 9-10). Particularly in the post-1980 period, the neoliberal policies implemented further consolidated Türkiye's semi-peripheral position within the global capitalist system (Şenses, 2009: 35; Çınar, 2009). During this period, the relationships established with international financial institutions such as the IMF and the World Bank led not only to economic restructuring but also to political and institutional transformations (Yeldan, 2002: 25; Boratav, 2007: 181; Öztan, 2025).

After 1980, Türkiye's economic and political decision-making processes were shaped largely by the influence of external actors-particularly global financial institutions such as the IMF, the World Bank, and the Organisation for Economic Co-operation and Development (OECD) (Boratav, 2007: 183-184; Şenses, 2009: 36-37). In this period, external pressures and international credit relations became

more decisive in shaping public policy than internal dynamics (Yeldan, 2002: 26; Buğra and Keyder, 2006: 41). As illustrated in Figure 2, this process reflects the structural dependency and core dominance concepts anticipated in Wallerstein's World-Systems Theory (Wallerstein, 2004: 29-31). The fact that Türkiye's production structure was based on low technology, its inability to compete in high value-added sectors, and its chronically increasing trade deficit all exemplify the economic vulnerabilities typical of semi-peripheral countries (Kazgan, 2002: 248-250; TÜİK, 2025). Furthermore, the periodic drift toward authoritarianism in the political regime and the weakening of democratic institutions clearly demonstrate the characteristic political instabilities of semi-peripheral countries in the Turkish context (Özbudun, 2000: 101; Keyman and İçduygu, 2003: 225).

Figure 2. Structural Positioning of Türkiye in the 1980-2000 Period through the Wallerstein Model



Source: Wallerstein (2004).

As observed in the schematic structure, Immanuel Wallerstein's World-Systems Theory establishes a spatial and functional hierarchy within the global capitalist system. Core countries-such as the United States, Germany, France, and Japan-occupy the nucleus of this system due to their high-value-added production, technological innovation capacity, financial hegemony, and role as normative order builders (Wallerstein, 2011: 240-242). These nations exert influence not only through economic capital accumulation but also via institutional norms and ideological discourses at a global scale (Wallerstein, 2003: 97-99).

In the intermediary tier of this hierarchy, the semi-periphery countries-such as Türkiye, Brazil, and Mexico-function as an interface between the core and periphery. Consequently, they exhibit a dual character, simultaneously subjected to pressures and exerting influence (Shannon, 1996: 75; Chase-Dunn, 1999: 145). This position, where capital flows, technological transfers, and normative pressures are most intensely felt, leads these countries to adopt an export-oriented industrial model, integrating into the global financial system through low- to medium-technology production structures (Şenses, 2009: 37-39). While this renders semi-peripheral countries vulnerable to economic crises originating from the core, it also grants them relative superiority over peripheral nations and a role as regional hegemonic intermediaries (Amin, 1997: 68-70). However, this dual and intermediary position structurally places semi-periphery countries on fragile ground, significantly constraining their long-term upward mobility or permanent centralization within the system (Wallerstein, 2004: 79-81).

Periphery countries reside at the lowest tier of the capitalist world-system, supplying labor, raw materials, and environmental resources for the capital accumulation processes of core and semi-periphery nations (Shannon, 1996: 70-72). These countries are generally characterized by widespread low-wage and precarious employment, political instability, weak institutional structures, and susceptibility to external interventions (Amin, 1997: 84-86; Chase-Dunn, 1999: 92-94). The economic and financial crises originating in core nations disproportionately impact periphery countries, highlighting the system's crisis transmission mechanism (Wallerstein, 2004: 66-68; Şenses, 2009: 42-44). This hierarchical structure not only represents an economic division of labor but also embodies a historical and political dependency relationship (Gilpin, 2001: 104-106). Within the capitalist world-system, capital predominantly flows from the core to the periphery, whereas crises are transmitted in the opposite direction, reinforcing the structural mechanisms that perpetuate global inequality (Wallerstein, 2011: 198-200).

In this framework, semi-peripheral nations such as Türkiye play a stabilizing role within the system and contribute to the normative legitimization of core hegemony. However, despite these functions, they remain structurally entangled in cyclical crises, unable to fully detach from the systemic vulnerabilities imposed upon them (Boratav, 2006: 193-194). These countries effectively serve as buffer

zones for crises within the global system, ensuring the continuity of capital flows and preserving the prosperity of core nations (Şenses, 2009: 38-40).

By the late 1970s, structural crises in the global economy-particularly the sharp rise in oil prices, stagflationary trends, and the collapse of the Bretton Woods system-had severely impacted developing countries (Gilpin, 2001: 88-90). Türkiye was deeply affected by these global crisis dynamics as well (Jessua, 2005: 20). Rising public deficits, high inflation rates, foreign exchange shortages, and economic stagnation weakened Türkiye's macroeconomic stability and rendered the country increasingly dependent on external financial resources (Boratav, 2007: 160-162). In this context, the stabilization measures announced on January 24, 1980, were not merely an economic policy package (Baykal, 2019: 149); they also marked the beginning of Türkiye's restructuring under the framework of neoliberal economic principles (Kazgan, 2005: 24). These decisions, formulated in close collaboration with the IMF and the World Bank, signaled a departure from the traditional import-substitution development model in favor of an outward-oriented, private sector-driven, and market-based growth strategy (Pamuk, 2014: 290-292). This new paradigm initiated a structural transformation aimed at reducing state intervention in the economy, curbing public expenditures, eliminating subsidies, and ensuring the free movement of capital (Şenses, 2009: 45-47). Additionally, labor market flexibilization and the privatization of state-owned enterprises became core components of this transformation (Yeldan, 2002: 39).

When analyzed within the framework of World-Systems Theory, Türkiye's position as a semi-peripheral country became even more pronounced. According to Wallerstein (2004), semi-peripheral states serve as functional buffer zones that stabilize the capitalist world economy by absorbing systemic crises. These nations neither enjoy the privileges of core countries nor suffer the structural exclusion of peripheral states (Wallerstein, 2004: 28-30). In Türkiye's case, the structural adjustment programs implemented after 1980 increasingly integrated the country into the capital accumulation processes of core economies, thereby significantly constraining its economic autonomy and policy-making capacity (Chase-Dunn, 1999: 191-192). Following the January 24, 1980, decisions, Türkiye became more receptive to financial and institutional directives from core countries, while its development strategies were redesigned in alignment with global market principles (Kazgan, 2005: 26-28). This process led to trade liberalization, an export-oriented industrialization strategy, and deeper integration with international capital. However, these transformations also heightened Türkiye's structural vulnerabilities and reinforced its dependency on core economies (Yeldan, 2002: 42). As conceptualized by Wallerstein, Türkiye evolved into a semi-peripheral zone within the capitalist world system-one that facilitates crisis transmission, perpetuates cyclical economic instabilities, and functions as a safeguard for systemic imbalances (Wallerstein, 2011: 5).

The neoliberal transformation process in Türkiye after 1980 was not merely an economic restructuring but rather a multidimensional shift that progressed in parallel with the radical reconfiguration of the political regime. The military intervention of September 12, 1980, laid the political groundwork for this transformation (Özbudun, 2000: 106-108), and it was institutionalized with the 1982 Constitution (Keyman and İçduygu, 2003: 224). Through these constitutional arrangements, fundamental rights and freedoms were significantly restricted, strike and collective bargaining rights were curtailed, and the influence of trade unions and political opposition was systematically weakened (Boratav, 2006: 153). This political restructuring facilitated the implementation of neoliberal policies without encountering social resistance, dismantling collective labor organization and enabling the free operation of markets (Boratav, 2003: 176). In the post-1980 period, particularly the restriction of union rights, the prohibition of strikes, and the dysfunction of collective bargaining mechanisms must be interpreted as part of a systematic effort to neutralize labor as a social force (Gökcek, 2023: 154).

Within the framework of World-Systems Theory, this process represents the transformation of domestic political structures in semi-peripheral countries to align with core interests, thereby increasing the feasibility of externally driven economic directives (Wallerstein, 2004: 28-30). According to Wallerstein (2004), semi-peripheral states tend to adopt technocratic and authoritarian governance models that eschew democratic participation while maintaining stability necessary for systemic continuity. In Türkiye's case, this trend materialized after 1980 as a governance model where technocracy and authoritarianism became intertwined (Buğra and Keyder, 2006: 221). Thus, during a period of deepening economic dependency, political centralization and institutional contraction functioned as complementary elements that enhanced the implementation capacity of neoliberalism (Yeldan, 2001: 51-52). From this perspective, Türkiye's transformation process should be interpreted not merely as an expression of economic rationality but as a reflection of the hegemonic functioning of the global system (Gökcek, 2023: 154; Köylü, 2017).

The growth patterns observed in Türkiye's economy after 1980 were characterized by high dependency on short-term capital inflows and structural fragilities (Kepenek and Yentürk, 2007: 110-111). Following the liberalization of capital movements in 1989, Türkiye became increasingly reliant on short-term portfolio investments and speculative financial inflows rather than direct foreign investments (Şenses, 2009: 74-75). Between 1989 and 2000, Türkiye's external debt grew at an average annual rate of 9% (TÜİK, 2025), significantly exceeding the 5% average observed across developing countries during the same period (Boratav, 2006: 189). The total external debt stock rose from \$41,9 billion in 1989 to \$118,5 billion by the year 2000 (OECD, 2002: 113). As illustrated in Table 1, chronic current account deficits, coupled with high inflation and unstable growth rates, exacerbated the structural weaknesses of Türkiye's economy during this period. Evaluated within the context of World-Systems Theory, this scenario highlights the inability of semi-peripheral countries to escape cyclical crisis

tendencies, reinforcing economic dependency in favor of core nations (Wallerstein, 1996: 347; Shannon, 1996: 12). Throughout this process, Türkiye met its capital needs predominantly through international institutions such as the IMF and the World Bank (Kepenek and Yentürk, 2007: 111), leading to a shift in economic decision-making from national sovereignty to transnational oversight (Boratav, 2003: 173-175).

Table 1. The Evolution of External Debt and Speculative Capital Inflows (1980-2000)

Year	External Debt (Billion \$)	Portfolio Investment (Billion \$)	Inflation (%)
1980	16	Yok	107
1989	43	1,5	63
1994	67	4,3	106
1998	93	7,8	85
2000	110	9,6	54

Source: TÜİK (2025).

On a global scale, capital accumulation has historically operated in favor of core countries that have previously accumulated wealth. This dynamic exacerbates inequality in developing nations and deepens dependency relationships (Piketty, 2014: 71-72). In this context, Türkiye's integration into the global financial architecture after 1980 progressively constrained its political autonomy and structurally positioned the country within a peripheral framework. The economic crises of the 1990s, in particular, demonstrated that Türkiye's growth performance was driven not by sustainable development dynamics but rather by temporary recoveries dependent on short-term capital inflows. The decline in industrial investments, the weakening of productive sectors, and the financial markets' focus on speculative gains further entrenched structural vulnerabilities. This process aligns with the broader phenomenon in which neoliberal globalization restructures public policies in developing countries to favor capital interests, institutionalizing social inequalities (Piketty, 2020: 554-556).

Similarly, Rodrik (2011) argues that global economic integration constrains macroeconomic policymaking in developing countries, generating tensions between democratic participation and structural reforms. The United Nations Conference on Trade and Development (UNCTAD) (2023) report corroborates these findings, highlighting the capacity of short-term capital movements to produce economic fragility in developing nations and reinforcing the crisis dynamics inherent in structural dependency. Within this framework, Türkiye's post-1980 trajectory exemplifies the intersection of Wallerstein's semi-periphery theory and Piketty's inequality-centered analyses. The country remains

caught between financial dependency and systemic inequality while experiencing a marked erosion in its democratic capacity.

The Customs Union Agreement, which came into effect in 1996, marked a new phase in Türkiye's relations with the EU (Tümer and Kazancı, 2022: 334). At the same time, it signified a deeper integration into the global system. Through this agreement, customs tariffs on industrial goods were eliminated, and Türkiye's market was fully opened to European products (Eren, 2022: 201). However, Türkiye was positioned as a passive implementer of the system without being included in the decision-making processes (Şenses, 2009: 15). The burden of this integration was further exacerbated by the vulnerability of domestic producer classes-characterized by limited technological advancement and capital accumulation capacity-against international competition. Türkiye's economic convergence with the EU has deepened structural inequalities in the face of the technological and institutional superiority of core countries (Pamuk, 2014: 318). This phenomenon can be interpreted as a manifestation of the structural asymmetry and unequal exchange mechanisms emphasized in Wallerstein's conceptualization of the world-system (Pamuk, 2014: 318-320).

Furthermore, the Copenhagen Criteria introduced in the EU accession process encompassed not only economic but also political and institutional reform requirements. This reflects the tendency of core countries to establish hegemony not only in economic terms but also in normative and political dimensions (Diez, 2005: 628). The restructuring of Türkiye's domestic policies in alignment with European norms reinforced its semi-peripheral position within the system at an institutional level (Chase-Dunn, 1999: 195). As illustrated in Table 2, the Customs Union process demonstrates that Türkiye's aspirations for deeper integration with the core were constrained by the hierarchical structure of the system. In fact, this integration has transformed into a dependency relationship, further diminishing Türkiye's economic autonomy.

Tablo 2. Key Characteristics of Türkiye's Neoliberal Restructuring (1980-2000)

Category	Description	World-System Connection
Economic Position	Industrialized but dependent on technology and capital	Semi-Periphery Country
External Dependency	Structural adjustment programs via IMF and World Bank, increasing external debt	Core-Semi-Periphery Dependency
Policy Orientation	Open-market, private sector-driven growth model, elimination of subsidies	Neoliberalism and Global System Integration
Political Structure	Authoritarian shift after the 1980 coup, technocratic governance	Instability in Semi-Peripheries but Core-Aligned Policies
Capital Movements	Post-1989 growth driven by speculative capital inflows, low direct investment	Dependence on Speculative Capital

Industrialization Trend	Export-oriented industrialization goal, but reliant on low technology and imports	Dependent Industrialization
Customs Union (1996)	Integration with the EU, but exclusion from decision-making mechanisms	Structural Asymmetry
Institutional Reforms	Political reform pressures through the Copenhagen Criteria	Normative Hegemony
Structural Vulnerabilities	Trade deficit, low productivity, economy vulnerable to financial speculation	Systemic Fragility
Social Impact	Weakening of labor organizations, suppression of collective resistance	Neoliberal Disciplinary Mechanism

Source: Pamuk (2014).

When analyzed within the framework of Immanuel Wallerstein's World-Systems Theory, Türkiye's post-1980 transformation reflects a multidimensional restructuring that reinforced its semi-peripheral position. Despite being industrialized, Türkiye remained dependent on external sources for technology and capital, deepening its reliance on core countries through structural adjustment programs imposed by the IMF and the World Bank, as well as increasing external debt accumulation. The authoritarian and technocratic political structure established after the 1980 coup facilitated neoliberal reforms, accelerating the country's integration into the global system through an open-market, private sector-driven growth model. However, this process, despite aiming for export-led industrialization, resulted in persistent dependence on low technology and imports. The fragility of this model was further exacerbated after 1989 as economic growth became reliant on volatile short-term capital flows.

In Türkiye's relations with the EU, the Customs Union framework placed the country outside the decision-making mechanisms, exemplifying structural asymmetry and institutional exclusion. Meanwhile, the externally driven institutional reforms imposed within the framework of the Copenhagen Criteria reflected the EU's normative hegemony. Collectively, these processes increased structural vulnerabilities in Türkiye's economy, such as trade deficits and declining productivity, while simultaneously facilitating the internalization of neoliberal disciplinary mechanisms at the societal level. The weakening of labor organizations and the suppression of collective resistance further entrenched these dynamics, consolidating Türkiye's subordinate role in the global capitalist system.

4. TÜRKİYE FROM THE PERSPECTIVE OF WALLERSTEIN

Immanuel Wallerstein's World-Systems Theory enables an analysis of the modern capitalist system not only from an economic standpoint but also through its historical and structural dimensions (Erdölek, 2020: 103). Within this global production model, shaped under the dominance and control of core countries, Türkiye's trajectory between 1980 and 2000 reinforces its semi-peripheral status through economic policies and institutional transformations (Karahanoğulları, 2019: 432; Yeldan, 2002: 52-54). This process is driven not only by national-level choices but also by structural imperatives necessitated

by the continuous restructuring of the global capitalist system (Wallerstein, 2011: 63-65). Developments such as foreign investments and military dependency serve as indicators of this transformation (Bergesen, 1984: 370-371).

Türkiye embodies the typical characteristics of semi-peripheral nations, given its intermediate level of industrialization, regional geopolitical position, and institutional complexity. Wallerstein argues that semi-peripheral countries remain in a vulnerable position, as they face both the potential for upward mobility within the system and the risk of downward displacement (Wallerstein, 2004: 76). Türkiye's status within this category became increasingly pronounced following the neoliberal reforms implemented after 1980. The economic restructuring initiated by the January 24, 1980, decisions marked a transition from import-substitution industrialization to an export-oriented growth model (Boratav, 2006: 163-164). However, this transformation integrated Türkiye into the lower-value-added segments of global production chains, resulting in limited technological transfer and deepened structural dependency on external sources (Yeldan, 2002: 45-47). The concentration of foreign investments in financial services and consumer goods further weakened the country's industrial infrastructure, hindering the development of high-value-added production capacities (Amin, 1997: 103-105). Consequently, while Türkiye engaged in trade and financial interactions with core countries, it also mirrored peripheral nations in its reliance on low-wage labor and external borrowing within the global system (Chase-Dunn, 1999: 189-190).

According to Wallerstein, neoliberalism constitutes a hegemonic structure that enables core countries to maintain control over the world system (Wallerstein, 2011: 34-36). Türkiye's post-1980 relationships with institutions such as the IMF, the World Bank, and the WTO reflect this hegemonic framework. In particular, the process of joining the Customs Union led Türkiye to align its economic policies with the EU's normative framework, progressively intertwining its foreign and domestic economic policies (Gilpin, 2001: 222-223). In this context, the three fundamental mechanisms of inequality identified in Wallerstein's systemic analysis are clearly observable in Türkiye's case (Wallerstein, 2004: 23-25):

Unequal exchange: Türkiye exports agricultural and textile goods with low technological input while importing industrial products with high technological value, rendering its trade deficit a chronic issue (Wallerstein, 2011: 67).

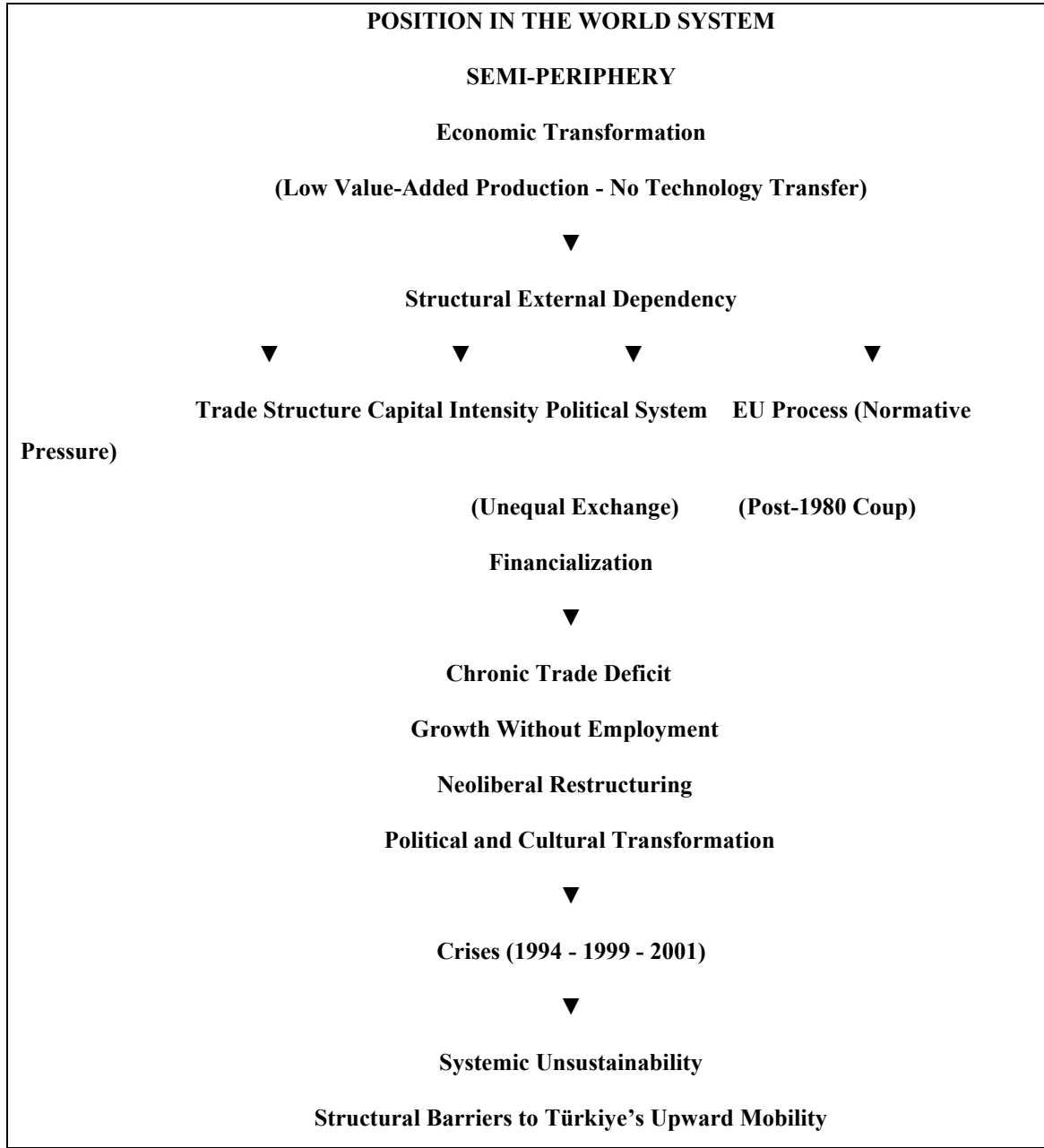
Capital accumulation: In the neoliberal era, capital has concentrated in financial markets rather than productive sectors, leading to forms of economic growth that do not generate employment (Chase-Dunn, 1999: 132-134).

Political restructuring: The 1980 coup and subsequent constitutional arrangements, the suppression of labor rights, and the reduction of the state's role in social domains facilitated the institutionalization of neoliberal policies (Şenses, 2009: 92-94).

The post-1980 period in Türkiye was also characterized by an intensification of economic and political crises. The crises of 1994, 1999, and 2001 can be interpreted as manifestations of structural external dependency, sensitivity to short-term capital movements, and a lack of fiscal discipline (Kazgan, 2005: 187-189). Following each crisis, IMF-supported structural adjustment programs restricted Türkiye's ability to formulate independent economic policies while accelerating privatization in the public sector (Atıyas, 2013: 74-76). This aligns with Wallerstein's thesis regarding the strategy of core countries to externalize crises onto peripheral and semi-peripheral regions (Wallerstein, 2011: 56). Within this framework, Türkiye became vulnerable not only economically but also politically to strategic influences imposed by core countries (Özbay et al., 2016: 94-96), while its democratization processes were largely dictated by external actors (Boratav, 2006: 178-180).

Although Türkiye's semi-peripheral position within the world-system suggests the potential for upward mobility, systemic structural inequalities have consistently constrained such movement. According to Wallerstein (2004), semi-peripheral countries serve a functional role in maintaining systemic stability and preserving the interests of core nations. Consequently, their progression beyond a certain threshold is structurally impeded (Wallerstein, 2004: 89). Türkiye's EU accession process can also be interpreted as an illustration of these structural limits. Throughout this process, the demands placed on Türkiye extended beyond economic reforms and included enforced political and cultural transformations (Şenses, 2009: 107-109; Öziş, 2003: 9-11). As illustrated in Figure 3, Türkiye's growth model-largely dependent on short-term capital inflows, low-cost labor, and a consumption-driven domestic market-has exhibited extreme vulnerability to external shocks (Yılmaz, 2024). Financial fluctuations and currency crises have further exposed the unsustainability of its systemic position (Yeldan, 2002: 56-58).

Figure 3. Türkiye's 1980-2000 Period from Wallerstein's Perspective



Source: Wallerstein (2004), Yılmaz, (2024).

When assessed through the lens of Immanuel Wallerstein's World-Systems Theory, Türkiye's economic and political transformation between 1980 and 2000 reflects a structural repositioning that reinforced its semi-peripheral status. The neoliberal shift initiated by the January 24, 1980, decisions directed Türkiye toward an open-market, export-oriented growth model. However, this process led to the country's integration into global production chains at low value-added levels while significantly limiting its capacity for technology transfer. The concentration of capital in financial markets rather than production resulted in forms of economic expansion that did not generate employment, while Türkiye's trade structure created a cycle of unequal exchange characterized by high-tech imports and low-tech

exports. The post-1980 political restructuring institutionalized neoliberal policies, further constraining national sovereignty in the face of Türkiye's deepening ties with institutions. Successive economic crises exposed the fragility of this externally dependent model, while the EU accession process went beyond economic reforms, incorporating political and cultural transformation demands that further reinforced Türkiye's semi-peripheral position within the global system. Ultimately, Türkiye's potential for upward mobility within the world-system has been systematically restricted by strategic interventions from core countries and persistent structural inequalities.

5. CONCLUSION

World-Systems Theory develops a holistic approach that extends beyond economic relations, incorporating historical, political, and ideological dimensions. This framework enables a deeper understanding of why developing countries remain structurally dependent and vulnerable. Türkiye serves as a concrete example of how these structural explanations manifest empirically.

The first key finding of this study is that Türkiye's neoliberal transformation was shaped not by internal dynamics but rather by external directives and structural imperatives. The economic reforms initiated by the January 24, 1980, decisions were implemented under the guidance of international financial institutions, reinforcing Türkiye's semi-peripheral status within the global system. During this period, the state's economic role was significantly reduced, public services were dismantled, and financial liberalization policies led to a growth model heavily dependent on short-term capital inflows. However, rather than fostering sustainable development and structural stability, this model exacerbated multiple-layered challenges, including increased external debt, income inequality, job insecurity, and financial fragility.

Secondly, Türkiye's Customs Union agreement with the EU and its membership aspirations were interpreted as attempts at deeper integration with the core. However, this process did not enable Türkiye to overcome the structural inequalities that constrained its position. Factors such as technological deficiencies, low-value-added production, institutional weaknesses, and democratization challenges prevented Türkiye from achieving full economic and political convergence with core nations. Consequently, Türkiye emerged as a typical semi-peripheral state, functioning as a buffer zone that absorbs crises and facilitates the transfer of core interests to peripheral regions.

Finally, this study underscores the analytical strength of World-Systems Theory in examining the impacts of neoliberal globalization on developing countries. Türkiye's transformation process can be effectively explained through key concepts within this framework, such as unequal exchange, capital accumulation, structural dependency, and crisis transmission. Furthermore, this transformation has not only affected economic structures but has also led to institutional breakdowns at the political and societal levels. The narrowing of political participation, the weakening of labor movements, and the rise of

technocratic governance highlight the broader political consequences of this structural transition. Future research should examine Türkiye's post-2000 trajectory through the lens of World-Systems Theory, exploring how its relationship with the global system has evolved, where continuity persists, and which areas have undergone significant ruptures. Additionally, analyses should extend beyond economic indicators to include multidimensional structural processes such as political institutionalization, normative external pressures, and social inequalities, contributing valuable insights to both theoretical and empirical literature.

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