

Democratic Transitions and Implicit Power in Turkey¹

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ABSTRACT

Recent works of political economy have emphasized the importance of distinguishing between transfers of explicit and implicit power over economic decision making in democratic transitions. Scholars have so far provided interesting anecdotal evidence supporting their claims of potential divergence between transfers of explicit and implicit power. This raises the question of whether it is possible to econometrically identify when a transfer of explicit power has not also been accompanied by a transfer of implicit power. This paper offers a straightforward and easily replicable approach to addressing this question using the tools of financial econometrics. We apply this approach here to a major country where considerable uncertainty remains over the military's implicit role in economic decision making long after an explicit transfer of power to elected leaders, namely Turkey. Our findings indicate a significant gap between the explicit and implicit aspects of Turkey's democratic transition, adding support to scholars' claims about the importance of distinguishing between these aspects of transitions.

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