

BREAD, POWER, AND NEOLIBERAL MUNICIPALISM: THE HALK EKMEK A.Ş. AS A CASE OF BREAD AND CIRCUSES POLITICS

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Abstract: *This article explains the historical process and political importance of Halk Ekmek A.Ş., a public bread production company, since its establishment. In this context, Halk Ekmek A.Ş. was considered an example of a Socialist Municipality in the past, but today, it is used as a political tool in neoliberal municipalism. Although municipal enterprises such as Halk Ekmek, which are taken as an example in this study, are generally presented as social enterprises, they have also become enterprises of profitability and political gain, especially as a result of neoliberal municipal practices. Bread is both a fundamental part of culture and nutrition for the Turkish people and a unique part of the control system in which the government is also involved. For this reason, public bread enterprises, such as Halk Ekmek A.Ş., are seen as valuable by those in power to control society and create a political argument. As a result of this examination, it will be investigated that this order established through public means is essentially a part of a "bread and circus" politics that appeases the public and strengthens the political power of the governments. As a result of the findings obtained, it will be seen how Municipality Participation can create a system that serves political purposes and kills competition. This study contributes to the public administration literature, where there are very few studies on this subject, by critically analysing how the socialist municipality period implemented in the historical process has essentially transformed into neoliberal municipal practices. As a result, the sustainability of this system will be questioned.*

“Life, misfortune, isolation, abandonment, poverty, are the fields of battle which have their heroes; obscure heroes, who are, sometimes, grander than the heroes who win renown.... Firm and rare natures are thus created; misery, almost always a step-mother, is sometimes a mother; destitution gives birth to might of soul and spirit; distress is the nurse of pride; unhappiness is a good milk for the magnanimous.” (Hugo, 2017: 433).

Keywords: Bread and Circus, Socialist Municipalism, Halk Ekmek, Neoliberal Governance, Public Bread

1. INTRODUCTION

Bread, which contains only flour, water, salt and yeast, has been the most fundamental source of nutrition in the whole world. Especially in Anatolia, bread, which has many varieties, has a significant and even sacred place in terms of society. In fact, the famous traveller Evliya Çelebi also states in his *Seyahatnâme* that the angel Gabriel brought wheat to Adam for the first time. He also states that Adam was the first person to make bread in the world (Yerasimos, 2019: 71-73). Bread, which finds its place in novels, poems, social texts, and religious teachings, and its relationship with poverty makes bread a social phenomenon. In fact, during

the French Revolution - although its accuracy is debatable - it is claimed that Marie Antoinette said, "*Qu'ils mangent de la brioche*" [Then let them eat bricohe] when the French Queen was told that the peasants had no bread to eat. This situation is still used today to describe the deep gap between the misery of the people and the aristocracy (Thompson, 2003). For this reason, bread has become a field of control and power both socially and publicly. In the Ottoman Empire, therefore, the laws stated what kind of a product bread was, how it was to be produced, and what the bread production should be. After the establishment of the Republic of Türkiye after the Ottoman Empire, policies based on the economic, social and political aspects of bread continued.

Halk Ekmek Discussions in Social Sciences

The literature on social sciences does not broadly discuss bread or Halk Ekmek A.Ş. (People's Bread). Outside the field of social sciences, bread is seen as food, which is why food engineers, agricultural experts, and gastronomy experts have examined bread as a "product." However, due to its unique status, bread is the most political item in Türkiye, and even Türkiye's economic situation is understood by how much bread can be consumed per household. In the literature in the field of Public Administration, authors such as Malbeleş (2018) and Özdemir (2008) examined Halk Ekmek within the scope of Municipal Economic Enterprises. These researchers saw these companies as an element of a neoliberal municipality, in which municipalities switched to a business model. In this model, municipalities establish many companies to provide public services instead of using money from the central budget. These local government companies create more space for their budgets, and municipal economic enterprises implement public policies in areas such as transportation, infrastructure, energy, food, etc. In addition to profitability, this situation is also politically beneficial for municipalities. These companies provide additional income to their budgets and votes from the poor classes, which is like a win-win deal. Municipalities that present the policies of these companies as social services create a control system behind populist rhetoric.

However, although they have the social phenomenon of bread behind them, it is also a reality that bread calls for a political reality. What makes this study different is that it addresses the Halk Ekmek A.Ş. issue as a form of control outside of this rhetoric, that is, as a part of the "bread and circus" policy, which is what makes this study more original. The problem statement of the study is that Municipal Economic Enterprises such as Halk Ekmek A.Ş. are a reflection of populist discourses. In order to prove the hypothesis in the article, Court of Accounts Reports, policy documents, and different research will be used. Halk Ekmek A.Ş. is affiliated with local governments in Türkiye as a public bread production centre, and local governments carry out these economic enterprises as an element of Socialist Municipality. Therefore, before starting the discussion, it is necessary to examine the historical roots of the relationship between bread and the municipality in Türkiye.

2. Roots of Socialist Municipalism

In Europe, since the thirteenth century, when city governments first emerged, the social character of municipalities emerged when they began to collect taxes from the public for public services, which is the basis for the emergence of modern municipalities. Naturally, in the past, there were city-states in Ancient Greece, or the "Municipal" management model in Rome, and

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various commune managements. However, while the modern municipality model emerged in the nineteenth century, this situation was based on the collection of taxes in European cities from the thirteenth century onwards. In the past, cities were the places of epidemics, military conflicts, food shortages, and urban death crises. This situation caused many people to be in need of assistance. For example, in Hamburg in 1787, while 10 per cent of the population was in need of assistance, 20 years later, 32 per cent of the population was in need of assistance, which also led to an increase in chaos and crime rates in cities. This chaotic society led to the emergence of voluntary aid organisations, especially those based on religion, throughout Europe. These religious-based organisations emerged as organisations that helped people experiencing poverty, widows, the elderly, and blind people (Clark, 2009; Oktay, 2008: 12).

The first example of the idea of social municipality was experienced in the Paris commune, which emerged in 1871 - also as the first administrative experience of the working class. The Paris commune constitutes the politicisation process of local governments in a historical sense, in other words, the first core of the modern understanding of municipality. In this short-term self-government experience, public services were implemented through direct initiative, and it was demonstrated that direct democracy could be applied in a metropolitan city (Güler, 2009: 127-128). However, this experience was relatively short-lived, and later on, modern examples of social municipality emerged in the nineteenth century with the experience of "Municipal Socialism". The shocking effects of the Industrial Revolution were very evident in these cities, and as a result, the demographic structure changed, especially in Europe with the Industrial Revolution, and it increased late from rural to urban areas. In England, which was considered one of the centres of industrialisation in the nineteenth century, the country's population more than doubled between 1750 and 1850. Many people migrated from rural areas to industrial cities because of their proximity to factories. At the same time, improvements in health and increased food production reduced the mortality rate. This extreme situation created a public policy problem for the poor working classes in crowded industrial cities (Wilde, 2020).

The problems experienced by the working masses in the cities - infectious diseases, water, sewage, garbage, housing, etc. - made it very difficult to manage daily life. In the face of these problems that occurred in industrial cities such as London, Liverpool and Manchester, the British Parliament made a series of regulations under the name of the "Public Health Act" in 1848. The British Government saw these problems only as a matter of poverty and tried to overcome them only with legal regulations. Later, in 1858, with the Local Government Act, local administrators were elected to office more radically, and thus, practical consequences arose for the working class (Prest, 2011). During this period, policies aimed at improving living conditions and public health were implemented in various cities in England with the resources of local governments. In this direction, social reforms were attempted to be carried out by local governments, and all these practices were seen as "Municipal Socialism", and Municipal Socialism was widespread, especially in cities such as Glasgow and Birmingham (Gehrke, 2016).

According to Ruşen Keleş, municipal socialism aims to provide a public service approach instead of an individualistic profit motive. This approach, which argues that it is more appropriate for public services to be carried out by local factions, was developed by the Webbler and Fabian socialists and was eventually based on various principles. According to

these principles, an order based on the will of the plural, not landowners, should prevail in cities. As a result of this approach, municipalities should undertake most of the local services. Ultimately, municipal socialism sees small communities (local governments, cooperatives and unions) as the basic unit of human life. Developments in the nineteenth century increased the needs of local communities. This approach against the nationalisation of these needs, and they see the nationalisation of services as a movement against municipal socialism. Finally, it assumes that local governments should benefit from a particular area of freedom (Keleş, 2014: 41-43).

The main arguments of the administrations where municipal socialism is implemented are to maintain order in cities, to prevent the spread of diseases, to improve public health and to reduce crime. In working-class cities such as Glasgow and Birmingham, municipal socialism is implemented, and it aims to improve living standards in the neighbourhoods where workers live intensively. In other words, the driving force of municipal socialism, which expresses socialism applied in matters related to local governments, has been the working class (Bayramoğlu, 2015: 36-37). This understanding has been developed further over time, and municipalities have been given entrepreneurial, distributive and productive duties; it has taken on an understanding that defends the welfare of the people and distributes social aid in a social sense. Socialist municipal practices continued until the 1980s, especially in England in the 19th century; these services (electricity, water, housing, etc.) that were implemented with continuity were at a level that could compete even with the socialist states of that period. However, these practices seen through municipalities manifested themselves with central government policies after 1945. These practices, which are described as the welfare state approach, have enabled the socialist municipality approach to spread to the state (Bayramoğlu, 2015: 52-53).

3. Socialist Municipality Practices in Türkiye

With the establishment of the Republic, the aim was to restructure cities with practices carried out with the principles of etatism. This all-out revival and the adoption of statism policies in production would also show itself at the town level, and the production of many public services would be “municipalised”. Here, municipalities aimed to create “healthy” and “civilised” cities (Tekelioğlu, 2012). The Municipalities Bank was established in 1933 to provide financial support for the development of these cities and to realise the drinking water investments of the municipalities. However, all these practices were practices aimed at improving public services that were intertwined with the state. Socialist municipality practices, which had been seen in England since the nineteenth century, would only be possible in Türkiye in the 1970s (Bayramoğlu, 2015:149).

The reason for the Socialist Municipality movement that emerged in Türkiye in the 1970s was political and economic crises. Some social democratic mayors who emerged during this period pursued policies that aimed to end the understanding of municipalities under the control of party leaders. The profound social and service problems that emerged in the cities during that period brought such a situation to the forefront. As a result, the 1973 elections were elections in which urban problems directed the political conjuncture (Güler, 2009: 134). In the 1973 elections, the fact that the central government and the local government were from different parties created a contradiction between them. At the centre of this contradiction, for the first time, social democratic mayors won the elections with the votes they received from

the shantytowns of the city and shaped their policies through shantytown policies (Tekelioğlu, 2012: 245). Because most of the urban problems were undertaken by the shantytowns.

The period, called the Socialist Municipality in Türkiye, was remembered with the names of social democratic mayors who were elected to solve the problems in the big cities. Mayors such as “Vedat Dalokay (1973-1977) in Ankara, Ahmet İsvan (1973-1977) and Aytakin Kotil (1977-1980) in Istanbul, İhsan Alyanak (1973-1980) in Izmir” shaped this period. Socialist municipality studies in Türkiye are generally explicitly addressed in these periods. Apart from these examples, the period when Fikret Sönmez was the mayor of Fatsa, the period when Osman Özgüven was the mayor of Dikili, and various projects carried out by various municipalities (such as the Milk Lamb Campaign and Neighborhood Committees) are also seen as reflections of the socialist municipality (Bayramoğlu, 2015: 150-151). What is really important in the social municipality is that some actions are visible, and the first of these visible actions is to open the door to a socially just structure. The reason for the application that will especially please the shantytowns is to show that this socially just structure is being served. This situation is also expected to be reflected in the voting rates. In addition to the socially just structure of social municipalities, the aim is to establish a municipality that is productive rather than a supervisory one, where all layers of the public participate in the participation process, where the municipality does not allow monopolistic rent (Tekelioğlu, 2012: 251-255).

4. Neoliberal Municipalism and “Bread and Circus” Politics

The Latin phrase “*Panem et Circenses*”, literally “bread and circuses”, was a political term in Roman times symbolising the well-being of the population. As the Roman satirist Juvenal put it:

“iam pridem, ex quo suffragia nulli vendimus, effudit curas; nam qui dabat olim imperium fasces legiones omnia, nunc se continet atque duas tantum res anxius optat, panem et circenses”. (Juvenal & Persius, 2004: 372).

“Now that no one buys our votes, the public has long since cast off its cares; for the people that once bestowed commands, consulships, legions, and all else, now meddles no more and longs eagerly for just two things – Bread and Games.”

The concept of “bread and circus politics” proposes that the vast masses in society can voluntarily exchange their democratic freedoms for a stable but controlling government. To this end, in the Roman period, the Roman emperors used tools such as food distribution, baths, exotic animals, and theatre to prevent the people from rebelling, eliminate their discontent, and prevent anarchy from emerging. In this context, the concept is used as the general definition of compassion for government policies that ensure the continuation of dominant ideologies and offer short-term solutions to social unrest (Esdaw, 2022; Dove, 2024). Local governments, as the closest administrative unit to the people and their problems, do not hesitate to pursue palliative “bread and circus” politics under the name of “social municipality” in order to turn the destructive effect of mass power into an advantage. These policies will likely increase, especially in periods when economic crises are experienced, and deep poverty spreads to the whole society. In Türkiye, organisations such as the “Deep Poverty Network” have focused on the impact of poverty that has deepened in society since 2018 (DeepPovertyNetwork, 2024).

As anticipated, the minimum services expected from local governments are providing the city's infrastructure services, preparing urban planning, providing garden and garden services, allocating drinking water to citizens, and finally, collecting and disposing of the city's waste. All of these duties are public services that the public demands from local governments at a minimum level. However, in addition to these needs, local governments can also implement social municipality practices that will ensure the unity of the society, develop social and cultural relations, and reduce poverty. In Türkiye, municipalities with a population exceeding 50 thousand have been authorised to offer all kinds of social and cultural activities. The social and cultural duties of these municipalities include "opening women's shelters, producing houses and plots for low-income people, allocating plots for disaster victims, cooperating with the disabled and their associations, and carrying out various social projects through the city council" (Kurt, 2009: 287).

The Social Municipality practices that we have mentioned so far have been minimised due to the neoliberal municipality approach that came into effect in the 1980s. The neoliberal municipality sees such social practices as unnecessary burdens on municipal budgets, and public policies that were previously offered as "services" are now transformed into "sectors", and various services (education, health, water, etc.) are commodified. In parallel with general economic doctrines, the main goal of a neoliberal municipality is to privatise public services as much as possible. Social services have now been replaced by "social services" surrounded by populist discourses aimed at gaining votes. The aim here is to consider social services as a political element and to receive more votes from the poor community. We can understand this situation from the budgets that municipalities allocate to social responsibility and social municipality practices. For example, in the 2014 general budget of Çanakkale Municipality, social services only covered 1 per cent of the budget (İpek & Çıplak, 2016: 209). According to the "*Local Government Social Budget Monitoring Report*", Denizli Metropolitan Municipality spent 2.49% of its budget on social expenditures in 2009, Bursa Municipality 4.69%, Diyarbakır Metropolitan Municipality 15.66%, Kocaeli Metropolitan Municipality 2.62%, and Kadıköy Municipality 9.7% (Şeker, 2011). In a more recent study, the total average of social expenditure rates of Adana, Mersin, İzmir and Ankara Metropolitan Municipalities between 2010-2017 corresponds to 3.1% (Karadağ & Şahin İpek, 2020: 189). The reason behind the increase in social expenditures is local elections. Local governments increase social expenditures, which constitute a tiny portion of their budgets, in order to gain votes before the elections. Within this framework, social expenditures now take the form of "Social Politics", and municipalities pursue social politics through the companies they establish. For example, the Istanbul Metropolitan Municipality has exactly 28 joint stock companies affiliated with the fields of Transportation, Construction, Environment Energy, Services and IT (Information Technologies). These enterprises, which are called Municipal Economic Enterprises (MEEs), are defined as "*private law legal entities established by municipalities or in partnership with them for the purpose of carrying out many local services, with independent budgets, and subject to private law provisions as a rule*" (Malbeleş, 2018: 34). Although these institutions are seen as public organisations, they are essentially private law legal entities subject to private law rules. These private companies were established with the aim of providing most of the public services and social-cultural services with a "profit margin".

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The reasons for the establishment of Municipal Economic Organizations (MEOs) were, firstly, the desire to establish a company outside of public control and in the field of private law. Thus, bureaucracy and its legal limitations were reduced to a minimum level, and a new source of income was created for the municipality through companies. In addition, populist politics was also implemented in the elections due to uncontrolled personnel recruitment. They can also employ those who are close to their political parties in the areas they create in different areas. These personnel also have the opportunity to receive higher salaries than central government officials. Since these Municipal Economic Organizations are not subject to the "State Personnel Regime", people can be employed freely. In Türkiye, there is an increase in personnel employment in both general and local elections. There is always a decrease in personnel employment in the year following the election. Based on this study, there has been an increase in personnel recruitment in the local election years 1999, 2004, 2009, and 2019 in Türkiye in the last 20 years. There was a decrease in civil servant recruitment in the year following the election. This situation alone shows that ICTs are actually part of a "social employment policy" that goes far beyond their social purposes (Oğuz, Taşbaşı, & Soykut Sarıca, 2020). Although it seems to be established for the purpose of reducing poverty in society, the aim is to provide more income to municipal resources. Municipalities implement neoliberal municipal practices by becoming companies and transferring resources from companies (Malbeleşi, 2018: 38-40).

Municipal Economic Enterprises (MEEs) are established as partnerships by the municipality, which has more than half of its capital in the municipality. The reason for this partnership is the idea that social service maximisation will be provided through companies. Through this relative autonomy, BITs are freed from regulatory provisions such as the "State Tender Law, General Accounting Law, Court of Accounts Law" and are able to position themselves in an area outside the tutelary control of the Ministry of Internal Affairs (Özdemir, 2008: 43-44). In short, MEEs are private, municipal joint ventures that provide non-audited public services but are not public institutions. According to Karanfiloğlu, these enterprises are groundless in terms of the Municipalities Law:

"There are only two provisions in our legislation that allow municipalities to establish companies and participate in established companies. The first of these is the provision of Article 19, paragraph 5 of the Municipality Law, and the second is the provision added to the Municipality Law by Law No. 5656. According to these provisions, companies, which are one of the institutional principles outside the municipal organisation, can only be used in public transportation, meat transportation and housing construction listed in the law. This situation leaves many municipal companies established today without a legal basis" (Karanfiloğlu, 2020: 58).

Among the companies established by municipalities, companies have been established in many unrelated sectors such as textile, apparel, forest products, vegetable oil, cement, construction, plastic paint production, weapons, tourism, television, etc. (Karanfiloğlu, 2020: 60). Municipalities can create monopolies in local areas far from the control of the central government through these companies. In this study, Halk Ekmek A.Ş., a Municipal Economic Enterprise, will be taken as an example.

5. Istanbul Halk Ekmek A.Ş. as a Case Study

Halk Ekmek is one of the most important and most profitable companies among the MEEs mentioned in the previous section, which makes it possible to describe this company as a public bread initiative. Although it was one of the subsidiary organisations with a more social aspect when it was founded, Halk Ekmek later became a tool -especially in shantytowns- to gain votes in big cities. The poor classes in Türkiye mainly apply bread-based diets, which is also proven by statistics. Türkiye ranks first among the countries that consume the most bread, with an annual bread consumption of 199.6 kg (440 pounds) per capita. Of course, this statistic also includes other pastries such as simit, pide, and lahmacun, but the most consumed pastry is "somun" bread (Martinez, 2023). This makes bread the most consumed food in Türkiye. For this reason, bread attracts the attention of politicians and becomes both a social and political phenomenon. For this reason, it is helpful to examine the bread issue from different aspects. According to official figures, İstanbul Halk Ekmek A.Ş. produces 1.8 million bread daily in Istanbul, which has a population of 15.4 million and is at the heart of the bread market, with more than 3,000 buffets located almost everywhere. According to the data shared by İstanbul Halk Ekmek A.Ş., it meets the bread needs of 12% of the people of Istanbul (İHE, 2024). In this way, İstanbul Halk Ekmek emerges as the city's largest bread producer.

Halk Ekmek A.Ş. was established as a private subsidiary affiliated with the municipality based on the provision in Article 71 of the Municipality Law, "*The municipality may provide its services with special income and expenses by establishing a business within the budget with the permission of the Ministry of Environment and Urbanization*" (Mevzuat, 2005). Municipalities in Türkiye use their social background to establish such subsidiaries, thus opening the door to a social policy and generating additional income for their budgets. This is true even for water. Although mains water is a public service, packaged water is dependent on private subsidiaries. Hamidiye A.Ş. -which is affiliated with the Istanbul Metropolitan Municipality- produces water and exports the produced water to forty-two countries, acting as if it were operating as a business rather than a social enterprise (Malbeleş, 2018: 47).

The state has both regulatory, supervisory and controlling powers for bread. The first regulation is realised by intervening in bread prices, which is called the "Price Ceiling Implementation", so the aim is to sell bread at the maximum selling price. The price ceiling is the maximum selling price that official institutions set for the sale of goods. Although the private sector seems to be in the hands of bread, the state has a dominant role in pricing, and the municipality intervenes in the bread market through price intervention, that is, by setting a price. According to Aydın, this is a manifestation of oligopoly behaviour (Aydın, 2021: 2158).

Price control on bread first emerged in the Ottoman Empire and was implemented in the Republic of Türkiye. The "Law on the Obligation of Non-Haggling Sale" numbered 3489, enacted in 1928, was aimed at the seller to label their goods and not to sell goods below the label price. The control of these prices was also given to the municipalities with the Law numbered 1580 enacted in 1930. Today, pricing is prepared by the chambers to which the tradesmen are affiliated according to the "Law on Tradesmen and Craftsmen Professional Organizations" numbered 5362. However, in case of objection to these prices, a commission is convened within 15 days upon the application of the highest civil administrator, governor and mayor of that place. However, this pricing changed in 2017, and more institutions became

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involved in the pricing of bread (Yaman, 2022: 262-263). The price change process on the Ministry's website is defined as follows with the latest update:

“First of all, the chambers of tradesmen and craftsmen, whose members are registered in the profession of bakery and flour products manufacturing and trade, prepare the bread/simit price tariff and apply it to the union they are affiliated with. The union that receives the application will carry out the procedures for establishing a commission consisting of the representatives of the relevant municipality, provincial directorate of trade, provincial directorate of agriculture and forestry, chamber of trade and industry or chamber of commerce and the relevant chamber in order to ensure that the bread/simit price tariff presented by the chamber is discussed by holding a meeting with the participants stipulated in the said Regulation. The representatives above should be informed that participation in the commission is mandatory, and the invitation should be made in writing. Suppose anyone does not accept this written invitation. In that case, this should be clearly stated when sending it to our Ministry for approval, and the invitation letter sent to the representatives should be made an annexe. The commission decision received should first be sent to the Turkish Bakers Federation by the relevant union for its opinion. Then, the commission decision should be submitted to our Ministry by the relevant union together with the opinion of the Federation for its opinion. Suppose the opinion of our Ministry is positive. In that case, the bread price tariff will enter into force after the relevant union approves the tariff after the opinion of our Ministry is received. However, suppose the tariff requested by our Ministry is given a negative opinion. In that case, the union will re-submit the new tariff request with its justifications to our Ministry without convening a commission and will approve it after the opinion is received.” (Ministry of Trade, 2024)

As it appears, many state institutions in the pricing system show that bread price tariffs are now centralised. Bread and simit bakers are faced with a strict pricing policy by the central government, and they are also forced to compete with municipalities since municipalities are direct producers. For Tekelioğlu, the notion of the municipality has changed; the notion of “*Producer Municipality, Not Controller*” has come into play. Because municipalities produce public goods, including bread (Tekelioğlu, 2012: 254). Municipalities feeling responsible for the pricing, production and distribution of bread in this way is not a phenomenon we encounter frequently in other countries except Türkiye (Akalin, 2003: 42-43). There are Public Bread factories and thousands of sales buffets in 12 metropolitan municipalities throughout Türkiye. In these cities, where over 37 million citizens live, a total of 534 million somun bread is produced in a year (Yaman, 2022: 269). In big cities, the class differences between the rich and the poor are visible, and the poor masses live densely in big cities. It is possible to normalise this situation by helping the poor living in big cities. However, even in cities with small populations, such as Afyonkarahisar, Düzce, and Kastamonu, there are Public Bread factories, and they produce thousands of bread per day. For the first time, in 1978, the bread production process of municipalities was based on the notion of cheap, healthy, high-quality production in order to provide better service to the people of Istanbul. Nevertheless, this notion changed, and producing bread was used as a political argument. However, before focusing on the problem of municipalities producing bread, we need to address what bread means economically and

socially and what kind of sound it is. In other words, the problem is whether bread is a public good or a private good.

Bread is considered a private good due to its characteristics and its marketability, and due to these economic features, the private sector must produce bread. If bread is to be considered a social good or a virtuous good, it must be subsidised by municipalities from their main budgets. However, in Türkiye, on the contrary, bread production is carried out by municipal companies in a way that competes with the other bakeries in the market. In fact, the Istanbul Metropolitan Municipality is considering selling the Halk Ekmek company because of its high profitability (KARAR, 2024). In a place where there is a liberal market economy like Türkiye, it would be logical for the Halk Ekmek companies not to enter the market at all, assuming that a market with so many producers will find its equilibrium price. Municipalities may be willing to produce bread for two reasons. The first reasons that will allow municipalities to enter the market are stated as "preventing bakers from forming cartels among themselves, that is, ensuring competitiveness", or the second reason is "eliminating income inequality in cities, preventing poor people from being able to eat or even facing hunger" (Akalin, 2003: 43-44). In both cases, municipalities should not be in a position to eliminate competition. The Competition Board reports show that municipalities do not assist competition in the market for social purposes. On the other hand, municipalities could not eliminate monopolisation; on the contrary, municipalities themselves show the potential for monopolisation, and these reports also reveal how large the Halk Ekmek companies are.

For example, in a case filed in 2010, an application was made by a local bakery owner to the Competition Board with the claim that "*the general managers of Ankara Halk Ekmek ve Flour Factory A.Ş., İstanbul Halk Ekmek Factories A.Ş. and BESAS Bursa Bread ve Nutrient Ind. came together and decided not to increase the prices of public bread*". It was stated that, according to the rapporteurs, there was no need to open an investigation. However, Istanbul Halk Ekmek General Manager Salih Bekaroğlu stated at that time that "*they were selling 300 grams of white bread for 40 kuruş, that when the recent price increases in raw materials were added to the cost, this increase did not necessitate a price hike for the price of the bread, and that as an enterprise, they were not bound by the decisions of any other bread company, that while a worker working in a normal bakery produces 200 loaves of bread per day, a worker in their own factory can produce 2,500 somun bread per day, and therefore a great cost advantage was achieved, and that Istanbul Halk Ekmek was currently one of the most profitable companies of the Istanbul Municipality*" (Competition Board, 2010). As can be understood from this, Halk Ekmek is essentially a large enterprise. Other local bakery actors in the market do not have a chance to compete with Halk Ekmek A.Ş. -especially in cities such as Istanbul, Bursa and Ankara, where the majority of the population in Türkiye lives, agreements to be made due to political conjuncture can lead to a "cartelisation".

One of the advantages that Halk Ekmeks have -as a public institution- is that they can obtain the raw material they need for production much more cheaply. They also have a very high storage capacity. The bread production and storage areas of the relatively minor private capital are not large enough to allow them to produce bread cheaply. In addition, small businesses have to buy more expensive agricultural products like flour, wheat, and nuts than municipalities, and there have been many complaints about this unfair competition to the Competition Board in Türkiye. For instance, in 2010, a bakery owner stated that he wanted to

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produce and sell the Golden Bread and Golden Cake. However, the Turkish Grain Board sold roasted hazelnuts to İstanbul Halk Ekmek at a 60% discount, and according to him, İstanbul Halk Ekmek caused unfair competition by allowing these hazelnut products to be sold both at its own sales points and private sales points and by benefiting from state support. Then he applied to the Competition Board with the request that the necessary be done. However, the Competition Board similarly stated that Halk Ekmek was not dominant in the market, that its activities should not be considered predatory pricing or discrimination for abuse, and that “*As a result, there are reasonable economic and political reasons for Turkish Grain Board to sell roasted and chopped hazelnuts to İstanbul Halk Ekmek at a low price by using the authority granted to it by the Council of Ministers, without exceeding its founding purpose*” (Competition Board, 2010b). At this point, it was decided that competition was not distorted. However, it was not stated for which public benefit a public-looking Main Company produced Golden Bread and Golden Cake. Apart from these two examples, there have been many claims that Halk Ekmek prevented competition in the market. These examples were the subject of complaints not only in İstanbul but also in Malatya and Sakarya, which are relatively more minor settlements. No positive result was obtained from any of the 8 applications made between 1999 and 2010. In addition to the Competition Board reports, the Court of Accounts Reports also reflect the irregularities committed and show the areas in which Halk Ekmek spent its income.

In the 2015 Court of Accounts Audit Report of İstanbul Metropolitan Municipality Halk Ekmek A.Ş., the commercial profit of the company was declared as 6,047,157.00 TL. According to this report, Halk Ekmek A.Ş. is ranked 623rd among the 1000 most prominent companies in Türkiye and 94th among all public companies. Despite this profitability, the company also includes problematic practices such as:

- Some personnel working in the company taking annual paid leave in violation of the legislation to fulfil their military service
- Provision of supplementary health insurance for board members, general manager and assistants, personnel working as consultants, managers, chiefs and their family members
- Faulty practices and payments regarding price differences
- The partnership structure of the company consists of 5 founders, a habit dating back to the period of Law No. 6762
- Failure to use marketing and advertising expenses in a way that would increase the company's profitability
- Although the company employs two lawyers, only one of them follows up on lawsuits filed in favour of and against the company
- The personal expenses of personnel who go abroad are paid from the company budget.

These findings essentially show that the company is poorly managed and that there are many irregularities.

The most interesting of the problems identified in the Court of Accounts reports is that Halk Ekmek A.Ş. pursues policies that are entirely incompatible with Halk Ekmek's social vision, such as advertising, sponsorship, and organising congresses. According to the Court of Accounts Report, Halk Ekmek advertised in TV and radio programs, newspapers and

magazines for 1,182,402.00 TL (391,262 Euro) in 2015 and signed various sponsorships with different companies. The situation becomes more apparent when the Euro exchange rate is added in parentheses. While the Euro exchange rate was around 3.50 TL against TL in 2015, 1 Euro is around 35 TL in 2024. Similarly, Halk Ekmek revealed they paid 318,253.00 TL (105,386 Euro) for the rental fee of the Wyndham Grand Istanbul Hotel, where the 15th International Cereals and Bread Congress also held 11,800.00 TL (3,907 Euro) for the stand rental fee at the World Technology Innovation and Entrepreneurship Conference, and 20,672.00 TL (6,844 Euro) for the food served to the guests. As if to confirm the Ekmek Circus politics concretely, Halk Ekmek paid 295,000.00 TL (97,682 Euro) to the Istanbul Municipality Sports Club Association, which is a football team. It has also been revealed in the Court of Accounts reports that 122,720.00 TL (40,625 Euro) was paid to web TV advertisements shown in the municipal social facilities (Sayıştay, 2016). According to the report, it is clear that these organisations are subsidiaries of the Istanbul Metropolitan Municipality and various press and publication organs. The Court of Accounts Report states that the IHE company should follow various paths to increase its profitability and that it is necessary to follow a path that is in line with the requirements of commercial life without forgetting that it is a structure that uses public resources to a large extent (Sayıştay, 2016: 22).

In this context, Halk Ekmek transfers its source of income by advertising to its other municipality budget's subsidiaries; the organisation that Halk Ekmek advertises for is another municipal company. In short, Halk Ekmek is a company that aims to increase the municipality budget rather than its social aspect. We can understand this situation from the statements of Halk Ekmek company that the somun bread - called typical bread - has very little commercial return. Therefore, they have turned to other products and from the Court of Accounts reports. While Halk Ekmek uses the loaf of bread for social purposes, it also uses other luxury derivative bread and bakery products to maximise profitability. Therefore, it reveals that Halk Ekmek's social aspect is only apparent. Practices that will support this argument also emerge in Ankara Metropolitan Municipality Halk Ekmek A.Ş. outside of Istanbul Halk Ekmek. In the 2020 Court of Accounts report, it was reported that Ankara Halk Ekmek had 15 defective practices. In addition to the defective practices committed commercially, practices that prevent competition in the bread market were also revealed (Court of Accounts, 2020).

These findings are “Not Accruing Late Payment Interest at the End of the Year for Receivables That Could Not Be Collected on the Due Date; Not Using the Severance Pay Account; Incomplete Recording of Monthly Commission Fees That Were Not Paid by the Contractor; Not Tracking Program and License Purchases in the Rights Account; Not Applying Late Payment Interest to Commission Fees That Were Not Collected within the Payment Period; Not Entering Any Record in the Inventory Book at the End of the Activity Period; Exceeding the Upper Limit in Purchases Made Based on Exception Provision 3-g of the Public Procurement Law; Making New Contracts in a Short Period of Time with Two Companies Whose Contracts Were Terminated by Mutual Agreement on the Grounds That They Could Not Procure Flour from the Market; Carrying Out Work That Should Be Done Through Open Tender by Dividing It Into Parts Using the Direct Procurement Method; Signing of Contracts Exceeding the Representation Authority Amount by the General Manager Without a Decision of the Board of Directors 9. Delaying the Application of Delay Penalty Until After the Termination of the Contract; Applying a Delay Penalty Based on the Missing Day to the

Contractor Company That Does Not Fulfill Its Commitments on Time; Signing a Contract with a Company in Composition; Exceeding the Limit Regarding the Annual Overtime Working Period Determined in the Labor Law” (Court of Accounts, 2020).

6. CONCLUSIONS

Many metropolitan municipalities changed hands for the first time in the 2019 local elections in favour of the opposition parties. After 25 years, the CHP won in Istanbul and Ankara, where more conservative voters were elected in 2019. Although this election success did not affect the 2023 general elections, the opposition parties managed to hold more metropolitan municipalities in their hands in the 2024 local elections. Local governments, especially big municipalities, are places where deep poverty is most felt, which has affected the attitude of the voters. Because deep poverty and economic crises also create such opportunities for politics, the social municipality discourses of municipalities showed their effect in the 2024 local government election. Although it is not the primary duty of municipalities, Metropolitan Mayor candidates used some election promises for voters in 2024, such as "neighbourhood nurseries, market shopping assistance, assistance to retirees, student scholarships". Social municipal policies -targeting such poor classes- have become the determinant of Turkish politics, and Halk Ekmek A.Ş., as a municipality subsidiary, is seen as an element of this social policy.

Halk Ekmek affiliates, which had social purposes since their establishment, emerged with the aim of reducing the social inequalities of the poor in society and became institutions expected to provide a kind of social justice. However, the neoliberal municipality understanding that emerged as a manifestation of today's neoliberal system has taken on a different meaning. In the neoliberal municipality understanding, municipalities have become profit-oriented formations like companies, as in many public institutions. In this plane, municipalities have both maximised profits through their companies and, as a populist reflection of these policies, they have seen companies as "vote-gathering" tools. At this point, the "Bread and Circus" politics mentioned in the article also offers a conceptual set that makes it easier to understand these populist political forms of municipalities because it has been known since the past that the most accessible forms of controlling society have been sports and food. Because although human beings are social creatures with complex structures, some of our primitive instincts make us more easily controllable. As we understand from public policy documents, municipalities have also used these extremely archaic techniques. They are using Halk Ekmek A.Ş. both as a current policy tool and competing in a way that could harm local merchants. In this context, future academic studies can also focus on another Municipal Economic Enterprise. Because the framework of this study is limited to Halk Ekmek A.Ş., municipalities have subsidiaries in different areas. If we give a current example, the “Kent Lokantaları” (City Restaurants) that Ekrem İmamoğlu opened in 2022 after becoming the mayor of Istanbul Metropolitan Municipality can also be one of the different tools of municipalities in the face of deep poverty because it seems easier to create control mechanisms over the poor people, especially in periods of deep poverty.

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