

CAPITALIST DEVELOPMENT IN TURKEY AND
THE RISE OF ISLAMIC CAPITAL

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ABSTRACT

CAPITALIST DEVELOPMENT IN TURKEY AND THE RISE OF ISLAMIC CAPITAL

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Islamic capital not only has a central place in the economic, political and cultural agenda of Turkey but also have implications for the rest of the Middle East region as a role model contemporarily. The conservative entrepreneurs, who are the contemporary representatives of the Islamic capital, are forming a rising strata within the society and effecting the organization of social and political space and also the economic and moral-cultural configurations of the country. In this context, as the strongest Islamic economic organization in Turkey MÜSİAD has a distinct position and even the most important historical actor with its structural and cultural nature within these so called ‘Islamic/conservative bourgeoisie’ while it has defined, organized, represented, institutionalized and reproduced the term. Since MÜSİAD is the bearer of Islamic interest representation as a business association, it deserves a great attention in the analysis of the evolution of the political economy of Islamist movement in the contemporary Turkey.

Within this contextual framework, this thesis confines itself to the analysis of the formation and representation of Islamic interests within transformation of the Turkish political economy by looking at the modernizing Islam in contemporary Turkey as a multi-dimensional fact in the socio-economic, political, cultural and religious aspects of life, with the case of a business association with an Islamic orientation. The thesis will analyze what made such an economic-ethical-aesthetic transformation possible by exploring the transformation of capitalist development in

Turkey, and the rise of Islamic capital in its relation with socio-economic, political, cultural and religious aspects within a historical and conceptual perspective.

Keywords: Turkey, State, Business, Islam, Political Economy



ÖZ

TÜRKİYE'DE KAPİTALİST GELİŞME VE İSLAMİ SERMAYENİN YÜKSELİŞİ

Kabacıoğlu, Hilal

Yüksek Lisans, Orta Doğu Araştırmaları Bölümü

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Günümüzde İslami sermaye yalnızca Türkiye'nin ekonomik, politik ve kültürel gündeminde merkezi bir yere sahip olmakla kalmayıp aynı zamanda güncel bir rol model olarak Ortadoğu'yu da etkilemektedir. İslami sermayenin çağdaş temsilcileri olan muhafazakar girişimciler, toplum içinde yükselen bir tabakayı oluşturmakta ve toplumsal ve siyasal alanın organizasyonunu ve ülkenin iktisadi, ahlaki ve kültürel yapılarını etkilemektedir. Bu bağlamda, Türkiye en güçlü İslami ekonomik örgütü olan MÜSİAD, 'İslami/muhafazakâr burjuvazi' içerisinde bu terimi tanımlaması, organize ve temsil etmesi ve kurumsallaştırması hasebiyle ayrı bir konuma sahip olup yapısal ve kültürel doğası gereği de en önemli tarihsel aktördür. MÜSİAD bir iş adamları derneği olarak İslami çıkar sunumunun taşıyıcısı konumunda olmasından ötürü günümüz Türkiye'sinde İslamcı hareketin politik ekonomisinin gelişiminin tahlilinde büyük ilgiyi hak etmektedir.

Bu bağlamsal çerçevede bu tez, son dönemde Türkiye politik ekonomisinin dönüşümü sürecinde İslami çıkarların oluşumu ve temsilinin Türkiye'de modernleşen İslam'ın yaşamın sosyo-ekonomik, siyasal, kültürel ve dini yönlerine etki eden çok boyutlu bir olgu olduğu hususunu İslami bir işadamları derneği örneği üzerinden analiz edecektir. Tez, Türkiye'de kapitalist gelişmenin dönüşümünü ve İslami sermayenin yükselişini sosyo-ekonomik, politik, kültürel ve dinsel yönlerle ilişkisi içerisinde inceleyerek böylesi bir iktisadi-etik-estetik dönüşümüne neden olan unsurları tarihsel

ve kavramsal bir çerçevede tahlil edecektir.

Anahtar Kelimeler: Türkiye, Devlet, İş Dünyası, İslam, Politik Ekonomi



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LIST OF ENGLISH ABBREVIATIONS

CUP: The Committee of Union and Progress (İttihat ve Terakki Cemiyeti-İTC)

DLP: Democratic Left Party (Demokratik Sol Parti-DSP)

DP: Democrat Party (Demokrat Parti-DP)

EU: European Union

GDP: Gross Domestic Product

IMF: International Monetary Fund

ISI : Import-Substituting Industrialization

JP: Justice Party (Adalet Partisi-AP)

JDP: Justice and Development Party (Adalet ve Kalkınma Partisi-AKP)

MP: Motherland Party (Anavatan Partisi-ANAP)

NMP : Nationalist Movement Party (Milliyetçi Hareket Partisi-MHP)

NOP : National Order Party (Milli Nizam Partisi-MNP)

No: Number

NSP: National Salvation Party (Milli Selamet Partisi-MSP)

PM: Prime Minister

p.: Page

pp.: Paper pages

RPP: Republican People's Party (Cumhuriyet Halk Partisi-CHP)

SME: Small and Medium Scale Enterprises

SOE: State Owned Enterprises

TIS: Turkish-Islamist Synthesis

TPP: True Path Party (Doğru Yol Partisi-DYP)

VP: Virtue Party (Fazilet Partisi-FP)

WB: World Bank

WP: Welfare Party (Refah Partisi-RP)

Yay.: Yayını

LIST OF TURKISH ABBREVIATIONS

DEİK: Dış Ekonomik İlişkiler Kurulu (The Association of Foreign Economic Relations)

İTO: İstanbul Ticaret Odası (İstanbul Chamber of Commerce)

MÜSİAD: Müstakil Sanayici ve İşadamları Derneği (The Association of Independent Industrialists and Businessmen)

TOBB: Türkiye Ticaret, Sanayi, Deniz Ticaret Odaları ve Ticaret Borsaları Birliği (The Turkish Union of Chambers and Stock Exchanges)

TOKİ: Toplu Konut İdaresi Başkanlığı (Housing Development Administration Fund)

TÜSİAD: Türk Sanayicileri ve İşadamları Derneği (The Association of Turkish Industrialists and Businessmen)

CHAPTER I

INTRODUCTION

1.1. Objectives

Islam attracted growing political and academic attention and became highly visible in media, politics and marketplace especially after 9/11. Several studies have been done for better understanding Islam and Islamic societies since then. Actually, Islamization had become a prominent social and political force influencing the Muslim world and beyond beginning in the late 1970s and accelerated in the 1980s and 1990s. Thenceforth, studies debating the rise of Islamist movements and the spread of political Islam in connection with globalization, a resistance and an alternative socio-economic structure to Western modernization and secular modernity, in the various fields of social sciences intensified.¹ The interest has also been induced by more extensive socio-economic developments, specifically neoliberal transformation and ‘the Islamic resurgence’ with the simultaneous increasing dominance of economic liberalization in economic life and the emergence of identity politics as powerful actors in economic, political, and social life. Especially, after the radical crisis of the international system in general and the capitalist mode of production in particular, the implications on the possibility and the presence of multiple/plural modernities in religio-cultural specificities and even a new civilizational synthesis that can probably result in civilizational turn have intensified.²

In this respect, another perspective arguing for a more co-constitutive relation between Islamism and globalization began to suggest that it is more productive to

¹ Özlem Sandıkçı and Aliakbar Jafari, “Islamic Encounters in Consumption and Marketing”, *Marketing Theory*, Vol. 13, No. 4, 2013, pp. 411-420, p. 411.

² Şennur Özdemir, “Some Notes on the Possibility of an ‘Islamic Economy’ a Case Study”, *The Turkish Yearbook*, Vol. XXXVI, 2005, pp. 201-216, p. 202.

survey how capitalist development effects Islam rather than judging Islamism as a resistance against neoliberalism. As it occurred during a globally observed change of religion in different societies not only as a fundamental source of political potential but also as an element of economic and social solidarity among different groups, the debates around the return of 'public religion' and 'post-secularism' also reflected this removed projection of religion in the culture of the new capitalism. Connectedly, social scientists have studied on how the forms and practices of Islamization are shaped by the social transformations that the countries like Turkey, Egypt, Malaysia, and Indonesia underwent within a free-market economy. Interestingly, these studies demonstrated that contemporary Islamist movements are not solely reactionary collectivities; contrarily, they are quiet rational and strategic activist structures based on mobilization of the political parties, civil society and religious organizations.³ These studies also revealed the compatibility between Islamic ethics and neoliberalism and the rise of Muslim middle class and entrepreneurs as powerful economic actors with increasing presence of Islam in the public sphere. Thus, the recent scholarship focuses on perceiving the ways in which Muslims produce themselves as 'modern' in the capitalist world order.⁴

Islamic economies generally play a progressively substantial role in the global economy of the contemporary world with a new capitalist class that has profound implications for the Middle East entirely. Within such a context, Turkey has also been witnessing a rapid rise of Islamic capital marked by a newly emerging social group in recent decades. This new social group, some call it as 'Islamic/conservative capital', is now present in the political and the economic field and even rooting to the economic and political structures of the country. They have a dominant position not only in the market, but also in the public sphere with the certain political orientations, lifestyles and aesthetic appreciation. The Turkish case emerges a yielding one in the way to analyze the manifestation of the developments in the business environment and also their economic and political implications as the transformation went beyond the economic policy by affecting the political regime. Therefore, the academic literature now discusses the political implications of the transformation of the Turkish business community as a variable in the studies on the

³ Sandıkçı and Jafari, p. 411.

⁴ Ibid.

rise of political Islam in an international political environment dominated by the fear of radical Islam.

It is widely known that, while issues such as the democratization in the Middle East and the future of Islamism were being debated among academicians and policy makers alike in the region and the US policy-making circles, the question the exportability of Turkish brand of moderate Islam as a 'model' for the Islamists in the region with its rational economic management and political democracy also began to be argued. Precisely, the Turkish Islamic capitalists, who arguably had the most dynamic experience with political Islam among the nations of the Muslim world, have vigorous implications for the rest of the Muslim world, since they have been backed by a relatively successful democratic and liberal system that allowed them to integrate into the global system more easily. As a result, they have well integrated into the international economic system, especially in the Middle East and North Africa as a transnational business network. In this respect, they played a leading role for the economic development of the Muslim countries by exporting a conspicuous organizational model to the region, especially in the transition period through the Arab Spring. Within this context, combining neoliberal economics and pro-Western stance with Islamic politics, Turkish political economy was appraised as a model for a new Middle East; the JDP experience of a moderate Islam came to occupy the centre-ground as the political component of a new political-economic formula. Hence, Turkey forms a fertile case in the way to explore the manifestations of the contemporary developments with their both economic and political implications.

The significance of this issue and also the question goes far beyond the policy implications as it comprises sui generis forces behind the transformation of the Turkish Islamism and the specific outcome of the transformation based on a set of specific political and economic conditions. Since Turkey has been the central object of fascination in the context of this debate and this case has the virtue of representing an interesting episode of the Middle Eastern affairs, the underlying peculiarities of the subject needs to be examined. In addition, religion and related issues have always been hot topics for debate in the context of Turkish modernization process. Thus, it is almost impossible to analyze the Turkish politics without giving reference to Islam. Similarly, it is not possible to understand the

Turkish political economy without taking into account Islamic capital and its institutional structure, or the cultural sphere without recognizing the symbolic and sociological power of Islam.⁵ In this regard, one of the most fascinating and controversial issues in the scholarly writings on the modern history of Turkey has been the assessment of the post-1980 period during which the Turkish state faced with a pro-Islamist challenge to its secular bases albeit it had been identified by the most radical secular revolution of any state in the Muslim world. It was in this context that the Turkish business environment underwent a transformation which did not fit the pattern arranged by the economic development and cultural change experience through the twentieth century so as to act as pressure groups forcing the transformation of the state.⁶ For this reason, an analysis of Turkish modernity within the lens of political economy is required in order to understand the prominent changes that have arisen in social relations with the emergence of new discourses and strategies introduced by the newly emerged economic and civil society actors. Of course, these all are not purely economic but set in a historical articulation of economy with culture. The transformation of the Islamic politics in Turkey is not only a priority for the contemporary social sciences, but also essential for answering the vital debates of the contemporary Turkish politics. For this purpose, the present study aims to contribute to the studies on the Turkish political economy by providing a historical analysis of the Islamic capital within the capitalist development process in Turkey.

Today, Islamic capital has a central place in the economic, political and cultural agenda of Turkey as the economic component of the new political-economic formula for the new Middle East. The contemporary representatives of the public Islam, are forming a rising strata within the Turkish society. In the same way, the Turkish version of Islamic capitalists are asserting themselves effectively in all aspects and at all levels of society like elsewhere in the Middle East. As a result of the developments during the JDP governments, another stage of political capital formation process and a new classic state formed bourgeois class in the modern

⁵ Berrin Koyuncu Lorasdağı and E. Fuat Keyman, "Globalization, Alternative Modernities and the Political Economy of Turkey", *Review of International Political Economy*, Vol. 12, Issue 1, 2005, pp. 105-128, p. 112.

⁶ Ayşe Buğra and Osman Savaşkan, *New Capitalism in Turkey: The Relationship Between Politics, Religion and Business*, Cheltenham: Edward Elgar Publishing, 2014, p. 1.

history of the country is witnessed. Some regulations that the government introduced over time shaped the business environment and contributed to the capital accumulation of the recently emerged group of businessmen. Thus, today, while they are the primary actors within the bourgeoisie, they effect the organization of social and political space as well as economic and moral-cultural configurations of the country.

The transformation of the capitalist institutions in Turkey is mostly determined by political action through which interests, ideas, values, beliefs, conflicts, and alliances become so determinative in socio-economic and political processes within the historically shaped institutional context. While the state insistently carries on its society shaping role, business actors also take political action as active agents in the political processes.⁷ The specificity of the business environment is determined by specific configurations of factors each of which also has effects on the autonomy and the capacity of the state. Therefore, in order to understand the context of Islamic capital in Turkey, one should look at the evolution of the state-business relations in the country considering the mutual interaction and tension between the two.⁸ There has always been a mutual dependency between holders of political and economic power in the Turkish political economy. For this reason, a certain combination of factors which emphasizes the significance of each other interdependently should be conceptualized. It is observed that while the Turkish state has always been interventionist dominating and manipulating the business environment, the business actors have acted as determinants in political processes by using economic resources and mobilizing their influence in order to shape the interest configurations within the business community. Thus, the political power has always been so dominant in this relationship that is characterized by clientelism. Although the relatively liberalization of the Turkish economy with further integration into the global markets led to the development of civil society and the private business, this did not decrease the power of the interventionist state. While the post-1980 transformation process was expected to be resulted in a relative autonomization of interests from politics, contrarily, it led to the involvement of

⁷ Ibid, pp. 5-6.

⁸ Ayşe Buğra, *State and Business in Modern Turkey: A Comparative Study*, Albany, New York: State University of New York Press, p. 19.

business in party politics as a significant sight of the state-society relations.

Actually, the debate on the expected reduction in the role of the government through the capital accumulation process following the transition to free-market economy and the political processes contributed to the formation of the Islamic capital are intense and need a more comprehensive analysis. In this context, this study aims to evaluate the motives behind the representation of interests within the transformation process of the Turkish political economy in the last century while providing a political economy based analysis of Turkish capitalism. To this end, some basic interrelated questions will be evaluated in order to scrutinize the developments that have transformed the economic, political and cultural coordinates of the business environment with all aspects. It should be pointed out here that whatever the extent of the transformation is, this process occurred as a result of the liberalization of the economy and accommodation to the global system in the 1980s. The historical background set by the economic development and cultural change experience of the country in the twentieth century. In this way, the relative balance of power, interest configuration and new types of alliances and conflicts characterizing the business activity have also been transformed through the interaction between historically determined domestic and international factors.⁹

Therefore, the present study limits itself to the analysis of the formation of the representation of Islamic interests within the transformation process of the Turkish political economy by looking at the modernizing Islam in contemporary Turkey as a multi-dimensional fact in the socio-economic, political, cultural and religious aspects of life, in the case of a business association with an Islamic orientation; namely MÜSİAD (The Association of Independent Industrialists and Businessmen). It is because, MÜSİAD, as the largest and strongest Islamic economic organization in Turkey, has a distinct position and even the most important historical actor with its structural and cultural nature within the so called concept of Islamic/conservative bourgeoisie as it has defined, organized, represented, institutionalized and reproduced the term during this transformation process with its societal vision, identity claim and institutional strategy. In this respect, the importance of MÜSİAD is comprehensive as it has played a crucial role in the

⁹ Buğra and Savaşkan, 2014, p. 1.

process of inventing a renewed and rationalized Islamic ethics, a specific role in the transformation of the traditional economic mentality compatible with the needs of capitalist organization in the country, and simply a role model as a relatively elite group in the Islamic community with renewed ethical and aesthetic forms in Turkey.¹⁰ Since MÜSİAD is the bearer of Islamic interest representation, it deserves a great attention in the analysis of the evolution of the political economy of the Islamist movement in the contemporary Turkey. MÜSİAD has served to increase the political and cultural differences and tensions between secular and religious dynamics of Turkey and became the main force in the mobilization of the political Islam in the country especially after 2002 elections. For this reason, the government has treated favorably to the Association and this has effected the relations within and between the business associations. With the power and influence that the religious businessmen had in the politics, MÜSİAD ensured that the vision of the organization is the vision of the Muslim community in Turkey via its political apparatus JDP, by promoting the unbridled market conditions, integrating with the international business community, deregulation, privatization, and exalting conservative morality. Moreover, MÜSİAD positioned itself against previously established business associations and contributed to the emergence of a highly polarized business environment. Exactly, MÜSİAD does not only represent the economic interests of its constituency, but also assures their loyalty and support in the class mission it pursues.

This study aims to analyze what made such an economic-ethical-aesthetic transformation possible by exploring the transformation of Islamic capital in Turkey in relation to socio-economic, political, cultural and religious spheres within a historical and conceptual perspective. Therefore, we will evaluate the role of the state in the process of Islamic capital accumulation, the new interest configurations, alliances and conflicts of the new Turkish business environment and analyze the political processes that have contributed to the nascency and the present commitments and dilemmas of the conservative Muslim bourgeoisie with all aspects. In short, we will analyze the political economy of Islamist movement in Turkey in the way it was reflected in the Turkish business environment.

¹⁰ Özdemir, 2005, p. 206.

1.2. Methodological Remarks

While discussing the present issue, rather than addressing conceptual and theoretical aspects, the main political and socio-economic historical dimensions will be analyzed. Yet, some basic terms should be explained at the first place such as; Islamic, Islamist and political Islam. Then, the integration of Islamic groups into neo-liberal economy needs an elaboration for clearing up the ways that our case manages to control and mobilize both the resource and accession of its constituency for its interests.

In this context, a general emphasis on the connection between capitalism and culture and religion in its diversity is also needed. Max Weber, in his famous book, *The Protestant Ethic and the Spirit of Capitalism* analyzes the relationship between the ethics of ascetic Protestantism and the emergence of the spirit of modern capitalism. He claims that development does not occur until something encourages people to abandon traditional ways, because people tend to want only to produce enough wealth to sustain their current mode of living. Weber first observes a correlation between being Protestant and being involved in business, and assumes religion as a potential cause of the modern economic conditions. Then, he argues that the religious ideas of groups such as the Calvinists played a role in creating the capitalistic spirit and broke down the traditional economic system, paving the way for modern capitalism. However, once capitalism emerged, the Protestant values were no longer necessary, and their ethic took on a life of its own. Thus, we are now locked into the spirit of capitalism because it is so useful for modern economic activity.¹¹

The application of Weber's thesis to Islam by appraising Protestant and Islamic ethic as analogous and so calling the Muslim businessmen in Anatolia as Calvinist Islamists introducing Protestant Islam could be functional for this study. However, as Weber, in his last book, *General Economic History* claims the religious root of modern economic humanity is dead;¹² so that, the role of religion in

¹¹ Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, London & New York: Routledge, 1992.

¹² Max Weber, *General Economic History*, New Brunswick&London: Transaction Publishers, 1981.

contemporary society could no longer be similar to the role that was attributed to Protestantism in the development of modern Western capitalism. It is because, a renewed prominence of religion has occurred and manifested itself publicly with the capitalist globalization process. Contemporarily, religion does not only effect social relations by creating a trust base but also conducts political discourses and government policies. We suggest that an abstract conception based on a solid monolithic mental configuration is inadequate as it does not take the diversity of the socio-economic contexts that these Muslim businessmen live in.

When the diversification of capitalism in different cultures is discussed, one comes across with different approaches trying to conceptualize the most problematic area of the related literature such as incompatibility of Islam with capitalist system, integration of Islam with capitalist system, possibility of an Islamic economy and Islamic capitalism and the terms as business/entrepreneurial ethics, virtuous capitalism and homo-Islamicus. Although the difficulty of examining a long episode of history in terms of stated theoretical polemics is obvious, a study free from a conceptual load would be not enough. So, in this study, tackling the issues of critical importance in a simplistic conceptual level instead of presenting just a descriptive one is preferred. Therefore, although the study will not address any conceptual or theoretical aspect, it will crystallise a series of issues about Islamic identity, the shifting boundaries between Islamic ethics and the imperatives of neoliberal capitalism, the possibility of Islamic economy in its compatibility with modern capitalist system, controversies and practices surrounding on the adaptation and transformation of neoliberal capitalism, not in theory but in reality in a present specific historical context. In a nutshell, this is just an attempt to understand capitalism beyond its universal characteristics by exploring its a specific historical transformation and a societal variation.

Actually, it is obvious that capital cannot be evaluated as a homogenous entity and capitalist power cannot be analyzed without giving attention to the changes that affect its configuration and the ways in which it is used. The differences in the economic interests of the business enterprises are significant factors that shape the impact of transformations. In addition to the differences in their economic

interests, the business community can also be differentiated by different political positions or cultural identities.¹³ Even the relationship between economic and political actors might be convened with non-economic determinants as cultural factors. In this regard, religion, as a non-economic determinant, effects the different class actors and acts to influence economic, social, and political processes and lastly leads to a major transformation. Also, the terms as capitalist class and bourgeois culture are not universal categories but the outcome of society-specific forms of interest representation of a political and ideological nature. So, it should be taken into consideration that the attempts undertaken by Islamic capital to influence the course of social and economic development of the country can hardly be understood with reference to the standard accounts of bourgeois culture and capitalist hegemony, but should be examined within the social and historical background within which it was created.

Last but not least, it is problematic to argue that Islamic entrepreneurs act in a way that is essentially distinct from their profit seeking rivals in economic terms and also accept that the neo-liberal economic structure is highly beneficial for them in terms of globalization, institutionalization and entrepreneurship. As a matter of fact, Islam does not seem contrary to the capitalist entrepreneurial activity but used as a network source compatible within the forms of new capitalist order in the Turkish case. So, the new conservative Islamic bourgeoisie has not experienced any difficulty while adapting to the new capitalist environment. In this context, mainstream ideology of the Islamic entrepreneurs is highly correlated with neo-liberal market strategies and implementations.

In fact, at first glance, talking about an ‘Islamic bourgeoisie’ in a country where the vast majority of the population is Muslim seems quite controversial. To clarify the issue, a parenthesis about the terminology should be opened in order to prevent troubles in entitling and conceptualizing the terms. The terms ‘Muslim’, ‘Islamic’, and ‘Islamist’ are generally used interchangeably in the literature, although mostly defined so differently. In this study, the term ‘Islamic’ will be used, not to refer the actors being Muslim, but their manifestation of the possessive relationship

¹³ Buğra and Savaşkan, 2014, p. 6.

with Islam in the public domain. Because they adopt Islamic identity as a distinctive feature and a reference point and also declare publicly in their discourses, actions, and lifestyles. Besides, they are affiliated with religious communities and Islamic parties. However, although we named the Muslim community in the Empire as ‘Islamic’ while examining the process in the late Ottoman Empire and half a century of the nation-state, we named ‘Islamic’ for the newly emerging conservative group during the 1980s. Moreover, this group is classified as bourgeoisie because it is made up of liberal professionals, managers and intellectuals living a stable urban life and whose revenue comes not from labor work, but from independent capital and investment.¹⁴ We have qualitative visible evidences about the existence of the entity in the public space and the desire for power in politics. In these circumstances, it is obvious that Islamic bourgeoisie is the product of a conscious construction of certain actors as the group creates opportunities for the massification, political and moral education, socio-cultural integration and mobilization of the collective consciousness of the interest group represented. In this respect, this study will also include a discussion around the new status of Islam in terms of the political concepts such as state, democracy, and people as an alternative to the generally accepted literature with a negative view towards Islamic religion in general and Islamic countries in particular.

Since the past legacy of a country determines the attitudes of political and economic actors, the actions of these actors effect the parameters of the transformations, sequences of political, economic and social behavior and change in the country in the course of time. In this context, a particular historical conjuncture nested in a specific socio-economic process will be focused on by employing a case as the indicator for Islamic interest representation in order to explain the integration of these entrepreneurs into the power structures.

It is meaningful to take MÜSİAD as a case for this study, because, it is, as a class organization, whose social roles go much beyond the narrowly defined representation of sectional interests, points Islam as its economic and cultural

¹⁴ Dilek Yankaya, “The Consolidation of the New Islamic Bourgeoisie in Turkey: Elite Formation and Recruitment Patterns under the Justice and Development Party”, *Politics and Foreign Policy in Turkey*, 2015, pp. 47-48.

identity, and acts as the strongest Islamic economic actor in Turkey in the post-1980 period. In this respect, as a case, it is also very operational scientifically as it exemplifies the dynamics of the articulation of cultural and material aspects of modern capitalism in a historically and culturally different context as a model based on corporation, solidarity and partnership of autonomous entrepreneurs linked to each other with traditional and informal forms and values of solidarity.¹⁵ Thus, MÜSİAD presents a very practical example as it has reshaped the Turkish business environment by transforming the economic, political, and cultural coordinates of business activity and may contribute to understand capitalism beyond its stable universal characteristics by exploring a historically and socially particular variation.

This study is based on primary and secondary sources. It is recognized that there will be lots of gaps in our data, even so, the present study, as it now stands, will try to discuss this contemporary issue so far as the limits of research and the straightness of the materials allow.

The present study consists of three chapters.

In the first chapter of the study, which is titled as creating a national bourgeoisie, a historical background will be presented by tracing the economic developments and the state-business relations in Turkey during the late Ottoman and Early Republican era. The issue will be examined in relation to the processes of politically supported capital accumulation, economic development strategies by relating it to the private sector development, business class formation and creation of a national bourgeoisie as a state policy throughout the century.

In the second chapter, entitled as neoliberal political economy, the changing place of the economy and religion in Turkish society beginning with the integration into the global market economy in the 1980s will be explored. The effects of neoliberal and Islamic politics in Turkish political economy and clientelistic relations between the state and the interest groups in the period between 1980-2000 will be analyzed. Moreover, the case of MÜSİAD will be examined in detail in terms of formation, institutional and membership structure and ideological framework. The effects of MÜSİAD on the political economy of the country in terms of Islamic

¹⁵ Özdemir, 2005, p. 206.

capital accumulation, the new interest configurations, alliances and conflicts of the new Turkish business environment will be examined.

In the third chapter, title of which is the victory of conservative liberalism, the political processes that have contributed to the nascency of the Turkish Muslim conservative bourgeoisie will be examined with all aspects. In this regard, Islamic politics in Turkish political economy during the JDP rule through 2000s will be analyzed in detail in terms of transformation of the political economy, new forms of state-business relations and the role of MÜSİAD in this new business environment. In this context, power consolidation and institutionalization and the commitments and dilemmas of the Islamic bourgeoisie will be analyzed.

The study will be concluded with an overall assessment.



CHAPTER II

CREATING A NATIONAL BOURGEOISIE

This study's main focus is the evolution of the Islamic capital, which mostly accelerated during the neo-liberalization process of the country in the post-1980 period; yet it will also examine the past developments that transformed the economic, political and cultural coordinates of business activity, given way to new forms of interest representation and changed state-business relations in the country. The post-1980 transformation of Turkey has been due to the increasing criticism of not only reinstituting the economy but also redefining the state-society relations with a special emphasis on the place of religion in public life.¹⁶ In order to understand how such transformation occurred against historical background set by the twentieth century experience of the country, the focus will be on the nature of state-business relations and the state-centered character of them.

Contemporary Turkey cannot be understood without reference to its Ottoman past. For this reason, the main characteristics of the legacy inherited from the Empire will be evaluated in this part. Political and economic developments during the late Ottoman and early Republican Era that led to the emergence of Islamic capital will be traced in detail in order to suggest a comprehensive historical framework. The historical framework will present a historical analysis of the political-economy of Turkey within the context of state-business relations, state-centered character of the business class, creation of the national bourgeoisie as a state policy and the way to the emergence of interest group politics through which the case of this study emerged.

Since the transformation occurred through the interaction between domestic and international factors, the present analysis is basically situated on the historically

¹⁶ Buğra and Savaşkan, 2014, p. 1.

determined domestic context. The international context of the new capitalism, which was the result of global changes that altered the place of religion in different societies throughout the world, will be included as far as needed. So, the economic development strategies espoused during the specific periods of the Republican history will be analyzed by emphasizing the politically supported capital accumulation and private sector development processes around the idea that the formation of the Turkish business class occurred as a part of a national development project.

This chapter will trace the early phases of business class formation and state-business relations in Turkey by means of the following periodization; late Ottoman era, Committee for Union and Progress (CUP) rule between 1908-1918, the early Republican era within the context of statist economic policies under the single party rule between 1923-1950, import substituting industrialization during 1960s, liberalization and diversification, structural adjustment and economic reform programs during 1970s.

2.1. Accommodation into the Capitalist System: The Late Ottoman Period

In this part, brief information about the political and economic developments during the late Ottoman era that led to the emergence of Islamic capital will be presented as far as it is relevant to the present issue.

The Ottoman Empire was politically an absolute monarchy and socially, it was cosmopolitan, multi-ethnic and multi-religious. The main source of production in the Ottoman social formation was agricultural land that provided the majority of the state's revenue. So, the major economic and social activities for the Muslim subjects of the Empire were farming and serving the army. Since the *timar* system did not allow capital accumulation, agricultural surplus did not give way to the emergence of a powerful aristocratic class.¹⁷ The class that might have developed as landed nobility and toughened the absolutism of sultan was undermined by the *devşirme* system. So that, the monopoly of Sultan on landed property essentially

¹⁷ Ömer Demir, Mustafa Acar and Metin Toprak. "Anatolian Tigers or Islamic Capital: Prospects and Challenges", *Middle Eastern Studies*, Vol. 40, No. 6, 2004, pp. 166-188, p. 166.

guaranteed that such a class would not emerge ever.¹⁸

Since the Ottoman economic system took the market under control and planned the economic processes as production, consumption and distribution in macro sense in order to maintain price stability, capital accumulation was not allowed and confiscated. As a result of these limitations on the economic structure, a social class structure could not emerge in the Ottoman society as it was in the West. Because, there was no estate tradition in the Ottoman Empire which constituted a countervailing power against the center. In this way, Ottoman Empire differed significantly from the European feudalism with its state tradition since it shaped the political development process and the place of economic activity.¹⁹

Moreover, the source of wealth was based on the status depending on the proximity to the state. State subordinated all the existing social classes in order to avoid differentiation and gaining social autonomy by keeping the existing traditional structures alive. This situation would exist until the modernization process.²⁰

When the basis for industrial transformation in the Ottoman Empire is analyzed, it is seen that trade and artisanship were mostly controlled by the non-Muslim -Levantine, Greek, Armenian and Jewish- subjects.²¹ In fact, in this particular case of the Ottoman Empire, for what reason the Muslim subjects of the Empire were not so effective in the commercial activities, is a difficult task to understand. Actually, the structure of the commercial activity could be understood in terms of the historical particularity of the Ottoman social formation, its political and economic interaction with the world economy, and its disintegration. However, the conjecture that explains the issue with reference to Islam is so far from reflecting the case as any moral judgment against money making activity is present in Islam. Moreover, the assumption that the Ottoman rulers were not favorable to commercial relations between Muslim and non-Muslim subjects of the Empire does not seem to be the case either.²² In fact, the social composition of merchants was not distinct with respect to religion during the classical age, when Muslim merchants were as equally

¹⁸ Feroz Ahmad, *The Making of Modern Turkey*, London: Routledge, 1993, pp. 20-21.

¹⁹ Metin Heper, ed. by, "The State and Interest Groups with Special Reference to Turkey" in *Strong State and Economic Interest Groups: The Post-1980 Turkish Experience*, Berlin and N.Y.: Walter de Gruyter, 1991, pp. 4-6.

²⁰ Şerif Mardin, *Türkiyede Din ve Siyaset*, İstanbul: İletişim, 2002, p. 122-125.

²¹ Ahmad, 1993, pp. 20-21.

²² Buğra, 1994, p. 36.

prominent as non-Muslim ones. So, there is no evidence that demonstrating the Ottoman ruling authorities attempted to prevent the trade between Ottoman merchants and foreigners within and outside the Empire. Rather, Muslim merchants were in extraterritorial trade relations between the fifteenth and seventeenth centuries.²³

The eighteenth and nineteenth centuries marked the expansion of Western trade and the growth of Western domination over the rest of the world. The changing trade patterns in the world as a result of the discovery of the new world, Western colonial expansion, and the subsequent increase in European production stimulated the impetus of European trade with the Ottoman Empire.²⁴ The Empire was integrated into the world capitalist system by the late eighteenth century. However, as the West started to capitalize on its victories against the Ottomans to further exploit and expand trade capitulations, Western trade with the Empire expanded as well. The trade capitulations were converted into contractual bilateral documents in the eighteenth century when relations between states were broken and then, the Sultan lost his authority to revoke them unilaterally. Thus, the socially significant transformation in the Ottoman trade pattern with the West emerged during this period. The dominance of Ottoman merchants as a single social group persisted until the effects of the trade capitulations granted to the European countries privileged Western and minority merchants at the expense of the Muslim ones.²⁵

Since then, the traditional industry in the country was unable to compete with the modern European industry and declined. In fact, the Ottoman rulers attempted to directly regulate the expansion of trade with the West through taking some measures. In order to restrain the demand for Western goods, imperial edicts were promulgated and Ottoman manufactories were financed to circumscribe the supply of these goods. However, this process of nurturing an indigenous Ottoman industry in order to restrain the depletion of the economic resources of the Empire was not effective.²⁶

The nature of the Ottoman state, its role in the determination of the class

²³ Cemal Kafadar, "A Death in Venice (1575): Anatolian Muslim Merchants Trading in the Serenissima", *Journal of Turkish Studies*, Vol. 10, 1986, pp. 191-218, p. 210.

²⁴ Fatma Müge Göçek, *Rise of Bourgeoisie, Demise of Empire: Ottoman Westernization and Social Change*, New York&Oxford: Oxford University Press, 1996, p. 87.

²⁵ Ibid, p. 88.

²⁶ Ibid, p. 89.

structure and social reproduction were all fundamentally different from the pre-capitalist order of the European feudalism.²⁷ Consequently, as in many other non-Western contexts, the Ottoman Empire too underwent a dramatic economic change from balanced association to bankruptcy in its trade relations with the West.²⁸ The Empire could not adjust to the developments outside as well as to maintain the status quo at home. While this development is expected to affect Muslims and non-Muslims in the same way, it led to some other developments unfavorable to the Muslims in the country.²⁹

Changes in the capitulatory regime gave the opportunity to the European ambassadors in the Empire to acquire sovereign rights of legal and administrative control over commercial activities within their communities. Allowing foreign representatives to extend legal extraterritoriality to Ottoman subjects, non-Muslims could receive protected status from the European powers which effectively placed them beyond the reach of Ottoman law and tax authorities.³⁰ So, many minorities in the Empire acquired foreign economic protection in trade from Western powers which led the Ottoman treasury suffering large tax losses.

This protection led to the creation of different real or adopted national identity merchant groups, 'Levantines', who were mostly of pre-nineteenth century origin, continued to be active in finance and trade and playing an important role in the economic relations between Europe and the Empire. These non-Muslim Ottoman subjects also acquired a privileged position as chosen intermediaries between European merchants and the Ottoman state throughout these developments. With growing foreign trade, the Greeks and the Armenians came to constitute the great majority of the intermediary class. They had the domination of the commercial life of the Empire with the European representative agencies and merchant houses.³¹

They wrested economic resources away from the Sultan by Western political protection which would also help them to escape confiscation and control. Especially

²⁷ Çağlar Keyder, *State and Class in Turkey: A Study in a Capitalist Development*, London&New York: Verso, 1987, p. 7.

²⁸ Göçek, 1996, p. 87.

²⁹ Buğra, 1994, p. 37.

³⁰ Çağlar Keyder, "Manufacturing in the Ottoman Empire and in Republican Turkey: 1900-1950", in *Manufacturing in the Ottoman Empire and Turkey: 1500-1950*, ed. by Donald Quataert, Albany: State University of New York Press, 1994, pp. 123-154, p. 127.

³¹ Buğra, 1994, p. 37.

the Ottoman Greek merchants profited immensely during this process as they collaborated with the French and English and acquired foreign protection during the Napoleonic Wars. Furthermore, many minorities engaged in economic production by establishing factories producing export materials. Additionally, these Ottoman minority merchants gained a very significant opportunity to replace the European traders in the Middle East.³²

Thus, the mercantile activities of the Ottoman minorities remained the most significant consequence of the shift in Western trade with the Ottoman Empire during the eighteenth century. They emerged sufficiently strong to defend their own economic space as intermediaries.³³ In effect, the multi-ethnic social structure of the Empire prepared for an ‘ethnic division of labor’ that eventually culminated in a class differentiation.

Moreover, the expansion of the Western trade with the Empire had differential impact on the Ottoman society. As mentioned above, trade activities of the minority merchants had not been separate from those of the Muslim merchants until the eighteenth century. Although the Christians were involved in trade and landing proportionately more, there was not an overwhelming economic difference between Muslims and non-Muslims. However, Muslim merchants had always been in a disadvantaged position in relation to their foreign and protected rivals as a result of the capitulations.

This underrepresentation of the Muslim merchants in the Ottoman commercial life could be partly explained with reference to the particular pattern of integration of the Empire into the European economy after the industrial revolution. However, after the rise of Western trade and the Europeans’ exclusive association with the Ottoman minorities, Ottoman merchants differentiated their fields of activity according to religion. While the Muslim merchants concentrated in domestic trade, the minorities traded with the rising West.³⁴ At the same time, the commercial involvement and prosperity shifted from Ottoman Jews to Ottoman Christians,

³² Roger Owen and Şevket Pamuk. *A History of Middle East Economies in the 20th Century*, London & New York: I. B. Tauris, 1998, p. 55.

³³ Keyder, 1994, p. 47.

³⁴ Göçek, 1996, p. 96.

including Greeks, Armenians, and Arab-speaking Christians in the provinces.³⁵

Moreover, while the minorities had capital through trade and kept it through protection, the location of the minorities within the Ottoman social structure restricted them from investing their resources in the society. As a result, they became the first social group to accumulate resources outside the Sultan's control, acquiring wealth and Western goods and developing networks with the West as to form the seeds of Ottoman commercial bourgeoisie. The objective conditions of the nineteenth century trade with the West and the privileges that the Ottoman minorities acquired through their involvement in this trade led to the emergence of a gradual transformation in social consciousness from minority status to a bourgeoisie and so changed the nature of interaction between the Ottoman Muslims and minorities.³⁶

As a remedy to their disadvantageous position in commerce in the changing conditions, the local Muslim merchants asked the Porte for a status that recognized them as auspicious privileged merchants in the Empire. The Porte accepted the demand and a new commercial class called as '*tüccar-ı hayriye*' (auspicious merchants) emerged. This was extremely remarkable as the Ottoman state was trying to revive the economy and trade by establishing a merchant group in its favor. This merchant group was given the right to make trade with Europe, India and Iran by land as well as sea that the non-Muslim merchants had already been doing. Although they were free to make international trade, they remained mostly limited to domestic trade as they did not have foreign language, sufficient international experience and competition. Although *tüccar-ı hayriye* could not achieve the desired success, it certainly had a special importance in the history of Turkish trade. Thus it was the first effort to create a Muslim merchant class in the history of the country.

The Western economic dominance had branched into the spheres of commerce, finance, production, and infrastructural construction by the end of the nineteenth century. As the Western powers acquired economic and political power, they started forcing a series of reforms in order to meet the break in the economy. In this regard, the Tanzimat reforms, by the imperial decrees of 1839 and 1856, and then the constitution of 1876, that guaranteed equal rights to all subjects, brought the

³⁵ Ibid, p. 89.

³⁶ Ibid, pp. 110-112.

state to a position that aimed to create a totally new social structure in order to countervail the rupture from the economy. Thus, the purpose of state intervention had become to create a totally new social structure, in other words, social engineering that aims to intervene on behalf of interests in order to integrate the Europe-dominated economy.

Although Selim III and Mahmud II tried to protect the local economy by protecting Ottoman merchants and craftsmen against European competition, the reformers tackled to destroy existing social and economic structure by arguing that the Empire would gain more by dropping economic barriers, operating in a larger market and expanding trade than a small and protected market, was the commercial treaty that was signed between the Ottoman state and Britain in 1838. The treaty abandoned protectionism and permitted foreign merchants to engage directly in domestic trade. Besides, it caused to blow the crafts industries, destroyed the guild system and so, caused much more discontentment in the population.³⁷ Thus, this treaty was the first important step in institutionalizing the integration of the Empire into the European capitalist political economic logic. Within a few years, other European states concluded similar treaties with the same stipulations with the Ottoman State. In consequence, the Empire became an area of free trade.³⁸

With the Empire moving to money economy during the 1840s, the peasantry was forced to produce more in order to pay taxes in cash and to buy imported necessities. As a result, there occurred a sharp increase in the commercial activity, especially in the countryside. Thus, the native intermediary class formed outside of the agrarian economy itself and obtained a really superior position by virtue of dealing with the peasantry. Insomuch that, this class, at first subsidiary to foreign merchants, gradually became independent and so successful in preventing direct control of the local economy by foreigners. So that, the Ottoman intermediary class was strong enough to undertake commercial and manufacturing investments in its own right by the end of the nineteenth century. Thus, by the 1890s, this native group clearly had become an independent bourgeoisie in Anatolia.³⁹

Since the Muslim population in the Empire could very few involved in

³⁷ Ahmad, 1993, pp. 26-27.

³⁸ Keyder, 1987, p. 29.

³⁹ Keyder, in Quataert, 1994, p. 127.

commercial activities, the non-Muslim based character of the business community prevented the emergence of a Muslim Turkish bourgeoisie until the first quarter of the twentieth century. As mentioned above, a bourgeois class had begun to shape in the nineteenth century by largely the non-Muslim elements.⁴⁰ While the Muslims did not figure significantly in the commercial life, the non-Muslim communities of the Empire played critically important economic and administrative roles. However, they were not permitted to exercise political power. Thus, although there existed very wealthy merchants who were performing economic functions largely related with a bourgeoisie but could never acquire the political power and influence of that class in order to form the state and the society in their own interests.⁴¹

Moreover, it should be taken into consideration that the underrepresentation of the Muslim community in the business community can also be evaluated as an outcome of the Tanzimat era (1839-1876) during which the Muslim population of the Empire began to leave the business for secure and prestigious state service in the newly emerging modern bureaucracy. The effects of economic decline so much intensified by the 1860s, that, the merchants complained to the Palace to intervene on their behalf for solution. However, the form of the state had changed after the reforms and the initiative was no more in the Palace but the Porte.

The Young Ottomans emerged as the first example of a popular Muslim pressure group forcing the state to defend the interests of the Muslim merchants. They harshly criticized the free-trade policies of the regime which brought the state to the brink of bankruptcy by allowing to European financial control. In this way, the Young Ottomans were able to force the regime to adopt a constitution in 1876. In fact, this regime was the result of restrained groups seeking relief from free trade and requiring a strong interventionist state. Yet, the constitutional regime was not a manifestation of the power of 'rising classes' or a 'national bourgeoisie'.⁴²

Although commerce and industry had big importance in the Ottoman economy, the land always provided the body of the state's revenue. In this manner, the Porte tried to cultivate the landholders and use this stratum to found the social base of the State during the nineteenth century. Because, the land was the most

⁴⁰ Ahmad, 1993, p. 20.

⁴¹ Ibid, p. 21.

⁴² Ibid, p. 28.

reliable source of political power as it still remained mostly in the hands of the Muslims and Turks, and not effected by the capitulations or commercial privileges. In this respect, the landlords were given freedom from state control and allowed to sell their products directly to foreign buyers and agents. In the same way, Tanzimat reforms, by the imperial decrees of 1839 and 1856, Land Code of 1858 and then the constitution of 1876, were made for recognition and legalization of private property. So, the recognition of the security of property became a turning-point in the political and economic history of the country. By the commercialization of agriculture and the rise of land values, the landlords emerged as an interest group.⁴³

Sultan Abdülhamid II (1876-1909) shelved the Constitution in 1878 for approximately thirty years. He abandoned liberal economic policies and carried out actual protectionist policies. The deterioration in the economy and society led to the formation of a secret political organisation in 1889. The anti-Hamidian movement was coalesced under the umbrella of the clandestine Committee of Union and Progress (CUP) with the participation of the junior officers and civil servants. Their main aim was the overthrow of the Hamidian regime and restoration of the Constitution which would be accomplished by the revolution of 1908.⁴⁴

2.2. Creating a National Bourgeoisie as a State Policy: The CUP Rule (1908-1918)

After coming to power, the Young Turks retained the Ottoman dynastic rule and tried to carry out a radical reform and structural change program. The statistics show that the Muslim community was not figured significantly in the business community in the early twentieth century. Therefore, the claim of the inefficacy of the Muslims in the commercial activities became a significant element of the nationalistic discourse during both the Young Turk and early Republican periods. Aware of the significance of developing an industrial base controlled by national elements and the need for the bourgeois class as the base for the foundation of a modern state, the Unionists carried out a campaign aim to encourage the Muslim elements of the society to become businessmen and entrepreneurs. This group of

⁴³ Ibid, p. 29.

⁴⁴ Ibid, pp. 29-30.

indigenous businessmen would also provide the social basis for the new state. In this regard, the CUP members carried out a press campaign to turn Muslims away from state service and encourage them to become entrepreneurs.⁴⁵ In fact, as mentioned above, several policy measures to promote national industrial development and to protect national industry from foreign competition had been applied since the end of the nineteenth century. However, bilateral trade agreements, a part of the capitulatory regime, retained these policies ineffective.

When the two industry censuses that were conducted in 1913 and 1915 in order to estimate the ethnic and religious distribution of ownership is analyzed, it is witnessed that only 19.6 percent of the private individuals' firms, that is 42 ones, were owned by the Muslims. In other words, 80.4 percent of the private enterprises, 172 ones, belonged to the non-Muslims.⁴⁶ In fact, these results were not at all surprising. Because, the objective of developing an industrial base controlled by 'national' elements was already one of the most important topics on the agenda of the government since the formation of the CUP government in 1908 is. In that regard, the 'indigenization' policy of the CUP mainly aimed to contribute to the accumulation of the capital in order to raise necessary investment funds and raise a trade mentality among the Muslim population.

The CUP realized the necessity of creating an indigenous business community and gave way to the policy measures to be taken for the promotion of national industrial development. However, there were some main problems of industrialization during the early years of the Unionist rule. Firstly, and the most importantly, there was capital scarcity in the country. The Unionists attempted to raise industrial investment funds by founding joint stock companies in order to solve the capital shortage problem. Secondly, a commercial outlook among the Muslim Turks was absent. There was not a manufacturing bourgeoisie in the Empire whose interests could be served through the construction of a national economy and influence the political structure. So, the Young Turks were in a position to actually take over the state mechanism itself which could be used to create a client group serving as a surrogate bourgeoisie.⁴⁷ The state would not only guide and direct the

⁴⁵ Buğra, 1994, p. 38.

⁴⁶ Ibid, pp. 38-39.

⁴⁷ Keyder, 1987, pp. 54-55.

private entrepreneurial efforts but also directly involve in the business life of the country without distinguishing public or private.

In the way to accomplish the aim of creating a national economy, the Unionists took various measures throughout the 1910s. For example, in 1913, the Law for the Encouragement of Industry that brought tax and customs exemptions, free of charge allocation of state lands for 15 years was enacted to encourage industry. The 1913 Law was significant in reflecting the commitment of the government to the development of national industry and in this way, was the most important step taken by the CUP in its attempts to create an 'indigenous business class'. More importantly, the CUP members directly involved in the establishment of private enterprises. Besides, the political position of the private business members became so instrumental in assuring governmental support.

When the social fabric of this indigenous business class is analyzed, it is seen that it was formed by the Muslim Turkish landlords, merchants, small tradesmen, and former statesmen. However, landownership or artisanal background seems not to be a characteristic of the new business formation. Actually, connection with the ruling party was the most important common feature of this class than capital, status or expertise.⁴⁸

The direct involvement of the CUP members in commercial activities even extended to wartime profiteering and the black market activity which contributed to a significant capital accumulation by the Muslim Turkish elements that would be used in the formation of the new business. Hence, the CUP has been called 'the vanguard of the nascent Turkish bourgeoisie'. This is not only for their encouragement of national economy and supporting businessmen but becoming the businessmen themselves.⁴⁹

The non-Muslim merchants were not considered as a part of this class. Consumption of local manufactures was encouraged and Austrian and Greek goods were boycotted. The formation of commercial companies was similarly encouraged and incentives were provided in order to stimulate economic activity. In the same way, road and railway networks were constructed in order to integrate the national market and create demand for rural products. Thus, by the end of the war, Turkish

⁴⁸ Buğra, 1994, pp. 40-41.

⁴⁹ Ibid.

elements dominated national economy and now a new group of businessmen was strong enough to influence the government policy.⁵⁰

Thus, a centralized government-controlled national economy was the main feature of the economic policy of the Unionists in the early twentieth century. Although the main aim was to carry out a social and economic revolution to create a national capitalism, a radical transformation could never be achieved. Because, the country faced deep dependence in the economy, institutionalized control, intervention and pressure mechanisms of the great powers over the Empire as well as a series of wars and revolts. Consequently, the Unionists failed to carry out the reforms necessary to reconstruct the country. Furthermore, the toughest obstacle towards a national capitalism was the weakness of the Turkish bourgeoisie itself. The Unionists attempted to create entrepreneurial and capital resources exactly where they were completely absent.

In consequence, the state-business relations in this period had not been institutionalized to the extent that the political elites accept business community as a partner in the policy-making process. The period was characterized by a certain blurring of the distinction between the economic policymaker and private businessmen, public sector firm and private enterprise, and the realm of public policy and private interest. The ultimate criterion in the way to encourage a particular business initiative was the political affiliation.⁵¹

2.3. The Political Economy of Etatism

Turkish national struggle (1919-1922) was a detached political alliance between military-civilian bureaucracy, the rising bourgeoisie, the notables, and the landlords in Anatolia. Although the conservative notables and the infant bourgeoisie played a significant role through the national struggle and the foundation of the Republic, the new state was dominated by a military and civilian intelligentsia which formed the nucleus of the Kemalist movement.⁵² Kemalist revolution aimed to complete the incomplete tasks of the Young Turk revolution by destroying the age-

⁵⁰ Ahmad, 1993, pp. 44-45.

⁵¹ Ibid, p. 42.

⁵² Ahmad, 1993, p. 76.

old Ottoman state and setting up a republic in 1923.⁵³ The new regime aimed to replace the old semi-colonial order with contemporary capitalism via a bourgeoisie leading the revolution and in this way, appraised the constitutional movement as an element of this revolution. In fact, the 1908 revolution was the first attempt to establish a class rule within a constitutional monarchy, but had been only partially successful. The Kemalists assumed themselves as a patriotic group autonomous of all class interests and the leader of a society without a developed class structure. So, if there was no bourgeoisie to seize this initiative, they could take over the task as Unionists did during the World War I (1914-1918).⁵⁴ In this respect, the state continued to occupy a central role in the business activity. Similarly, many statesmen were involved in business life in order to ‘serve the country’. In other words, political connections continued to play an important role in the private capital accumulation during this period.

The founders of the Republic attempted to transform what they considered to be a culturally backward society by launching a massive nation-building project inspired by Western legal, social and economic institutions.⁵⁵ To this end, newly founded Republic implemented a top-down modernization project in order to build a secular nation-state. Kemalist modernization project included three prominent objectives of secularization, westernization and industrialization. The state acted as the main agent to accomplish these goals through intervention in all realms of the lives of its citizens.⁵⁶

The government implemented radical reforms in the 1920s and 1930s. While the radical reforms of the 1920s transformed the institutions of the old regime, the Kemalists were aware that such reforms would not be permanent without an economic revolution. Some argue that, immediately after the foundation of the Republic, the state aimed to implement a liberal economic policy with agricultural production at its center by supporting the establishment of private enterprises. However, devastation caused by the wars had led to a significant deficiency in the

⁵³ Sungur Savran, “The Legacy of the Twentieth Century”, in Neşecan Balkan and Sungur Savran (eds) , *The Politics of Permanent Crisis: Class, Ideology and State in Turkey*, New York: Nova Science Publishers, 2002, pp. 1-20, p. 6.

⁵⁴ Ahmad, 1993, pp. 78-79.

⁵⁵ Buğra and Savaşkan, 2014, p. 30.

⁵⁶ Mardin, 2002, p. 27.

national capital, financial institutions and infrastructure with the international economic conditions prevented it. It is known that the process of creating agricultural surplus could not be promoted during the late Ottoman era or the early years of the newly founded Republic for various institutional and cultural reasons. Firstly, the infrastructure necessary for such a process was insufficient. Besides, the Republican elites were suspicious of the policies that propose to attain capital accumulation by strengthening landlords because of the feudal characteristics of land-tenure structure. Because, the population consisted of small landowning peasantry, and provincial merchants and there was not an oligarchic or a bourgeois group to tackle the economy without the support of the state.⁵⁷ Such kind of concerns brought about proposals in order to acquire the basic capital accumulation needed for economic development and transforming it into industrial capital and production via state-centered policies.

Above all, the Republic inherited an economically unproductive private sector with almost no entrepreneurs, inadequate capital accumulation and financial institutions in addition to heavy debt burden and external dependency. As mentioned before, the most significant aspect of the nineteenth century Ottoman economy was the dominance of the non-Muslim minorities. This situation led to a source of resentment against these groups during the period around World War I. The non-Muslim minorities, who had owned many of the industrial enterprises, were expelled from the country during and after the World War I by forced population movements. So, the industrial sector was extremely weak and there was no more an entrepreneur class in the country.

For all these reasons, the economy of the early Republic can be evaluated to be in a state of chronic underdevelopment. This historical background influenced the emphasis of the new Republican government on national economic independence. The composition of the business community was largely based on religious identity. As a result, the industrial and commercial fields that were traditionally dominated by the non-Muslim elements in the Ottoman economy were opened to Muslims. Consequently, after the War, a new sense of Turkish national identity that did not embrace non-Muslim citizens emerged. Thus, the Muslim religious identity became

⁵⁷ Keyder, 1987, p. 91.

the core component in the formulation of the new Turkish bourgeoisie in the early phases of capital accumulation and business development.⁵⁸ Moreover, when this Muslim and Turkish bourgeoisie was created, this was tried to be accomplished from the top by the state rather than by a process of evolution.

Accordingly, the main aim of the Ankara government during the 1920s became to found a national economy within the new borders. Creating a Muslim-Turk entrepreneurial class and industrialization were accepted as the bases for the development of the national economy.⁵⁹ While creating this national bourgeoisie, the state took the initiative by affecting social structure through intervention and relation with social groups.⁶⁰

At the National Economic Congress of İzmir, held at February 1923, early Turkish economic policy was articulated and commitment to the establishment of a private enterprise economy was indicated. The institutional structure of a property regime for the functioning of a modern market economy was also envisioned. Special incentives for the development of indigenous entrepreneurs were designed and the importance of Turkish economic development and sovereignty as the basis of the modern Turkish nation-state was emphasized.

The government began to adopt rigid state-led industrialization at the end of the after the Great Depression. In the 1920s, the first task for the government was to defense the Turkish economy against European competition and insist on the freedom to impose tariffs. Strong, balanced and independent industrial economy was asserted as the essential component in the foundation of the state. In fact, the government differed in this respect from the nascent bourgeoisie who were content to be the commercial middlemen importing European goods in a market for the European industry. When looked at the historical conditions of industrialization in the country, it is observed that the international context constituted the characteristics of the economic policy process. Although the government was no more willing to sustain European economic domination, it accepted foreign capital without political or economic strings because of the need for capital in order to build an economic

⁵⁸ Buğra and Savaşkan, 2014, pp. 30-31.

⁵⁹ Şevket Pamuk, *Türkiye'nin 200 Yıllık İktisadi Tarihi: Büyüme, Kurumlar ve Bölüşüm*, İstanbul: Türkiye İş Bankası Kültür Yayınları, 2014, p. 180.

⁶⁰ Keyder, 1987, pp. 96-97.

base in the country.⁶¹ Economy was totally uncoordinated without a sense of a national market. Because of all these constraints, Turkish economic policy in the 1920s can be evaluated as being definitely pragmatist. The government encouraged foreign investment especially in the form of joint ventures with growing Turkish capitalists.⁶²

The Kemalist policy was essentially the continuation of Unionist policy of encouraging native capitalists who were supposed to be the engines of national economic development. To put it bluntly, the state provided all necessary incentives for local capitalists for strengthening them and providing their contribution to economic development. The government granted private firms the right to operate certain state monopolies in order to encourage private accumulation and so, local businessmen accumulated great wealth during this period. During the period between 1929-1931, the government passed a series of measures which brought the economy, especially foreign trade, under state control for the purpose of protectionism.⁶³ On the other hand, the state believed that the process could not proceed without the state taking part in production directly. As a result, a series of State Owned Enterprises (SOEs) was formed not only in heavy but also in light industry for fulfilling functions that private enterprises should do in a market economy. The SOEs was mainly a staple of the statist economy in order to realize productive growth and planned expansion of the economy. Thus, the Republicans began to image new state-society linkages other than liberalism which would both preserve the status of the bureaucratic mechanism and accomplish the national development. Actually, the 1920s witnessed a return to the characteristic authoritarian rule, namely, a politically strengthened centre combating the rival principles of social cohesion, while allowing the development of the market and its implicit organization.⁶⁴

The Law for the Encouragement of Industry in 1927 gave the right to the businessmen with a minimum scale and technology to take the advantage of custom exemptions, land disposals and guarantees to be awarded by bids in state tenders while competing with foreign companies. The Law required that at least 75% of the

⁶¹ Ahmad, 1993, pp. 92-94.

⁶² Ibid, p. 95.

⁶³ Ibid, pp. 96-97.

⁶⁴ Keyder, 1987, p. 83.

industrial companies be owned by Turkish citizens and the needs of public officials and soldiers be fulfilled only by internal production. The Law also gave indigenous businessmen the right to use the low priced agricultural products as inputs, produce the goods with low wages, and sell those goods within the country by protecting them from the foreign competitors by imposing high tariffs.⁶⁵

Therefore, *étatisme* or state-led industrialization was adopted as the main economic policy of the state and incorporated into the ruling party program in 1931 in order to create a national industry and bourgeoisie in shaping development policies. Etatism remained as a crucial concept in the policy discourse until the end of the 1940s. Actually, when the economic policy of *étatisme* was defined, it was defined in such a way to benefit the newly emerging bourgeois class but attributing it a very limited role in economic development. So, interventionist measures were employed without giving a leading role to the private sector in the economic development process.

With the constitutional amendment of 1937, *étatisme* became one of the defining principles of the political regime and brought about a more authoritarian political authority over business actors. In this way, state accepted the task of undertaking economic activity which the individual could not or would not and unprofitable but vital for developing the infrastructure at the crossing point of the Great Depression. So, the prominent role of the state in the business life remained as dominant during this period as it was during the Unionist rule. Statesmen were serving the country by undertaking business activity. The political connections were still an important asset for capital accumulation. The state tried to achieve industrialization by its own due to the lack of interest in industrial investments and the loss of faith in the capabilities of the private enterprises and their speculative and rent seeking activities. Actually, while *étatisme* aimed to prevent the industrial bourgeoisie from collecting the rents of protectionism by its own, it also made the state use the present capital accumulation for industrialization. Surely, the favorable possibilities for private enterprise still remained and public sector developed side by side by the private sector.⁶⁶ Thus, while the *étatiste* policies mainly aimed to protect

⁶⁵ Ibid, pp. 103-104.

⁶⁶ Boratav, 2006, p. 65.

and encourage the entrepreneurial class by the state, it basically meant to show the control of the state center over the business class. While doing this, state contributed to the private wealth accumulation through selective use of reward and punishment mechanisms due to the weak legal basis of the entrepreneurship. For instance, many newly emerging entrepreneurs ensured success by the displacement and even dispossession of non-Muslim businessmen in the country in order to create an indigenous business community. Hence, these kinds of attempts on the minorities continued in the Republican period by violating moral and legal norms. The most important example was the imposition of a Wealth Levy of up to 75 percent on the properties of non-Muslim entrepreneurs in 1942.⁶⁷

Although the state dependent character of the Turkish capitalist development was so dominant during this period, one cannot underestimate the social and economic role of the private business in the country.⁶⁸ When the early Republican business community is overviewed, it is seen that it was quite inexperienced as just too young. The reason is that the founders of large enterprises were generally small merchants or public employees who entered business life without any claim on wealth and status or an artisanal background that can be transferred to capitalist production. Contrarily, they largely relied on state as their main source of legitimacy.⁶⁹ Although the emerging business people had so limited entrepreneurial capacity, they were the most essential factor in the development of the national economy. Because, the social legitimacy of the business activity depended on their contribution to the economic development of the country. So, it was acknowledged that the process could not proceed without the state taking part in directly productive activities.⁷⁰

During the state-led industrialization process, the state enforced protectionist policies to provide the necessary conditions for the rapid growth of national industry by distributing low-interest debts and subsidies. State took measures in order to create an effective industrial base for encouraging entrepreneurs to invest and so played a more direct and active role in production and investment in the economy.

⁶⁷ Buğra, 1994, pp. 50-51.

⁶⁸ Ahmad, 1993, p. 45.

⁶⁹ Ibid.

⁷⁰ Buğra and Savaşkan, 2014, pp. 31-32.

Industrial projects were introduced throughout Anatolia so as to develop all the regions and close the gap between the developed and underdeveloped provinces in the country. Also, State Owned Enterprises (SOEs) were established in provincial centers which would become the main producers in variety of sectors such as textiles, sugar, iron and steel, glass works, cement, utilities and mining after 1935.

With all these, it is observed that the private sector evolved and began to have an increasingly important role in Turkish economy in the early Republican period. Hereafter, the bourgeoisie would become a factor to be considered in making policies⁷¹ and this would pave way for the triumph of the bourgeoisie in 1950s.

In sum, Republican Turkey followed an interventionist and protectionist development strategy.⁷² In this respect, solidarist, populist and étatist policies characterised the Republican era. Actually, the state tradition and the structural tension between the center and the periphery as a legacy from the Empire continued during the Republican period. The new bureaucratic elite of the Republic followed the path of their late Ottoman predecessors in keeping the state central for transforming the community. In the same way, state-business politics has been characterized by the regulation from above and the creation of a bourgeois class was shaped by the traditional stance of the Turkish state. In this regard, public policy formation did not result from interests but was imposed by the state on people in order to ensure to control.⁷³ Moreover, state-business relations and private sector development in the early Republican period share lots of common characteristics with the Unionist era in the way that both periods are characterized by the position of the newly emerging business class vis-à-vis the political authority. Within this context, the Ottoman mentality was transferred to the Republic in the form of the ability of the state to seize the initiative for industrialization.⁷⁴

This historical background influenced the Republican emphasis on national economic dependence with a new sense of Turkish national identity that did not embrace non-Muslim citizens. Thus, not only the objective of national economic

⁷¹ Ahmad, 1993, p. 45.

⁷² Ayşe Buğra, "Class, Culture, and State: An Analysis of Interest Representation by Two Turkish Business Associations", *International Journal of Middle East Studies*, Vol. 30, 1998, pp. 521-539, p. 523.

⁷³ Metin Heper, *The State Tradition in Turkey*, Walkington: Eothen Press, 1985, pp. 16, 50.

⁷⁴ Şerif Mardin, 2002, p. 43.

independence but also the secular modernization of the state carried tensions within itself. The new Republic tried to guard the state against reactionary Islamist movements and distrusted the non-Muslim minorities. Thus, a Muslim religious identity was the most significant component of the new Turkish bourgeoisie in the early phases of capital accumulation and business development.⁷⁵ Central bureaucrats, due to the absence of a landowning commercial oligarchy prompted by external threat and internal disorder, organized to seize political power in order to strengthen the state apparatus. To this end, they used public resources to support and orient particular factions of the commercial class.⁷⁶ While fostering the growth of an entrepreneurial class, they also took necessary measures to keep this class within its borders. Thus, a national bourgeoisie created by the state would provide to achieve capitalism without any autonomous social group challenging the state intervention in the economy, and also keep the permanency of the traditional state order in the country.⁷⁷

Indeed, when one examines the emergence of the class of indigenous entrepreneurs, the first question worth asking for is why the Unionists and the founders of the Republic did not try to raise the industrial capital from landed property, which was the most obvious source of capital accumulation in the country. The most rational explanation for the absence of encouraging the existing landlords to convert their wealth into industrial and commercial capital seems to be the distrust of the founders of the new state to the alternative sources of power that can threaten the state authority and oppose to the radical social transformation project.⁷⁸

The connections with the policymakers have always been crucially significant for the business life in Turkey while the state always maintained political control over the business environment. Actually, the relationship between the state and the business class in the evolution process of the Turkish business community was peculiar to Turkish polity and much more complicated than a kind of nepotism. Actually, businessmen had to convince the political authority of their desire and ability to serve the state through entrepreneurial activity. In return, state used reward

⁷⁵ Buğra and Savaşkan, 2014, p. 30.

⁷⁶ Keyder, 1987, p. 75.

⁷⁷ Ahmet İnel, *Türkiye Toplumunun Bunalımı*, İstanbul: Birikim Yayınları, 2014, p. 46.

⁷⁸ Buğra, 1994, p. 60.

and punishment mechanisms in order to contribute to the private wealth accumulation of the selected businessmen. What this meant for the market players was that the road to money and wealth passed through the government. For this reason, business people needed to establish ties or proximity to the State throughout the Republican period. Therefore, the alliance of the state with a national bourgeoisie did not mean that this new class took the control of the economy and the role of the state was reduced.⁷⁹

The national development project undertaken by the political authority largely defined the social status of the business class. As even the legal foundations of the entrepreneurship were not clearly defined yet, state became the main source of legitimacy that the new business class possesses. Hence, financial dependence of the private sector on state subsidies prevented businessmen to acquire an autonomous social position throughout the Republican period.⁸⁰

As a result, the Republican economic policy formulated in the 1920s was state-centric and developmentalist. This kind of stateness led to a kind of interest representation shaped by the confrontations and conflicts between the state and the political elites. That's why the relationship between state and business has not been institutionalized to the extent that the political elites accept business community as a partner in the policy-making process. Moreover, sometimes, the understanding of state elites in terms of public good has been in conflict with the conceptualization of the business elites. So that, state elites regarded themselves as the guardians of the state and always saw group solidarity as a threat for the integration of the state with a residue of the historical legacy of the Ottoman Empire. Thus, the Turkish business community that preferred to remain opportunistic rather than entrepreneurial and constructive could not transform into a class having a culture of autonomous economic power and norms during this period. The dependence has been welcomed for the bourgeoisie to the extent that the state has been the only source of wealth.⁸¹

⁷⁹ Keyder, 1987, p. 78.

⁸⁰ Buğra, 1994, p. 51.

⁸¹ Insel, 2014, pp. 137-140.

2.4. Import Substituting Industrialization: 1960-1980

The years between 1946-1950 was a transition period to multi-party politics during which the Republicans and the Democrats struggled to acquire new identities from repressive authoritarian towards relatively liberal politics. The Democrat Party (Demokrat Parti, DP) was not a homogenous party. Although the central leadership had come out of the RPP, its local organization were formed by the people who had suffered greatly under Republican rule and saw the achievement as an opportunity to take revenge against oppressors. The advent of the DP to the government with a triumph in the 1950 general elections was a turning point in Turkish politics. The pro-capital look upholding the market against statist intervention and the defense of religious freedoms against the political oppression and ideological aggression of the state were the most significant features of the DP's liberal identity. Thus, the religion and the market came to constitute the dimensions of bourgeois opposition against the tradition of bureaucratic administration and the bourgeois platform succeeded in mobilizing a mass following in the Turkish social structure. The bourgeoisie that now reached out to the tenets of market liberalism could differentiate itself from the bureaucracy representing corporatist solidarism at the level of ideology.⁸²

In this respect, liberalization policy gained momentum throughout this period and a new era in the state-business relations began. Turkey experienced great rapid economic transformation during the 1950s especially with the development of road networks that increased relations with the provinces, increase in the number of tractors that led to the extension of the cultivated areas and met the sector with the market. Agriculture-led growth in an international environment that was very favorable to the exporters of primary goods created a very favorable position and created dynamism in the economy.⁸³ The liberal economic policies of the DP government intensified economic activities, increased private enterprise, and facilitated the rise of the new middle classes by inflowing income and foreign aid.⁸⁴ Capital accumulation experienced a significant increase with the introduction of new

⁸² Keyder, 1987, pp. 117-118.

⁸³ Pamuk, 2014, p. 235.

⁸⁴ Ahmad, 1993, pp. 133-136.

entrepreneurship support mechanisms giving impetus to the business life and many of the large enterprises operating today were established during this period. Thus, it can be claimed that the base of the contemporary bourgeoisie was mostly formed as a result of the capital accumulation in this period. Yet, the replacement of a deep rooted Ottoman and Republican political economic tradition with the growth of newly rising groups in economic strength was not possible in such a short period of time and could not shatter the leading role of the state in economy. Nevertheless, a partly liberal economic environment witnessed during this period and led to the monopolizing power of the modernizing center of the bureaucratic elites' losing significance and eventually sharing with the new entrepreneurial groups. However, as the state still controlled the distribution of the essential resources, the entrepreneurs stayed dependent on the state due to maintaining profit, protection and facilities offered by the state such as the encouragement of capital accumulation by public enterprise, credit loans, import and export quotas made the bourgeois approve the state intervention. Thus, although the early 1950s were the golden years of Menderes era with a big growth rate in the economy, agriculture-led growth just lasted a few years and so came to a deadlock with the contribution of the populist economic policies.

Actually, the Turkish economy experienced a definite restructuring by the implementation of an Import Substituting Industrialization (ISI) strategy. ISI was a model of state-led development that was widely pursued in Third World modernization during much of the twentieth century. It mainly consisted of an attempt utilizing a nationalist ideology by combining the basic principles of the welfare state with an emphasis on rapid industrialization. In practice, ISI was a process in which technology, capital goods, and inputs were imported, and the final product was locally manufactured to provide to the state-protected domestic market.⁸⁵ However, the DP governments were mainly criticized about the absence of a coordinated and planned management and long-term perspective in the economy. Since the unplanned ISI policy was put into practice with protectionism and state intervention, the government abandoned liberal policies by time and passed the National Defence Law in 1956 that allowed the government to regulate the

⁸⁵ Haldun Güllalp, "Globalization and Political Islam: The Social Bases of Turkey's Welfare Party", *International Journal of Middle East Studies*, Vol. 33, 2001, pp. 433-448, p. 435.

economy.⁸⁶

The DP rule aimed to raise a middle class for providing a consistent pillar for a democratic regime and also contributing to the welfare of the society. However, the liberal economic policies of the DP rule did not change the traditional status of the entrepreneurial groups. Eventually, the Democrats failed to restore stability and confidence and could no longer control the economy. Besides, ISI policy made business community to be more dependent on the governmental supporting and increased instability in the already turbulent business environment. Actually, the DP government policies throughout the decade were leading to a certain phenomenon that some call as the 'paradox of Turkish capitalism' in order to refer a particular economic policy of a pro-market and pro-business government restricting the market through a series of intervention mechanisms.⁸⁷ Some explain this issue by the unique dependence of the Turkish bourgeoisie on the state. Namely, although the businessmen acquired power with popular support, they were ideologically powerless under the assault of the statist elites.⁸⁸

Briefly, the ten-year rule of pro-business DP government did not change the nature of government-business relations or the balance of power between political and economic actors and the general character of the state-business relations in Turkey.⁸⁹ Within this context, the ISI policy basically depended on a coalition among the bureaucracy, industrial bourgeoisie and organized labor due to extinguishing inter-class as well as intra-class conflicts in favor of big business,⁹⁰ which contributed to the evolution of the bourgeoisie so made it much more important in the process of economic development than ever before.⁹¹ However, since the state-business relations turned to its traditional course through the DP rule onward, the bourgeoisie preferred to accept a state-dominated economy and a restrictive political system for the privilege of becoming healthy but not to set up an organized pressure

⁸⁶ Şevket Pamuk, 2014, p. 235.

⁸⁷ Ayşe Buğra, "Labour, Capital, and Religion: Harmony and Conflict Among the Constituency of Political Islam in Turkey", *Middle Eastern Studies*, Vol. 38, No. 2, 2002, pp. 187-204, p. 192.

⁸⁸ Karpas, Kemal. "Structural Change and Historical Foundations of Contemporary Turkish Politics", *Social Change and Politics in Turkey: A Structural- Historical Analysis*, ed. by K. Karpas. Leiden: E. J. Brill, 1973, p. 91.

⁸⁹ Buğra, 1994, pp. 120-121.

⁹⁰ Boratav, 2006, pp. 123-125.

⁹¹ Buğra, 2002, p. 192.

group on the bureaucracy for political influence at the policy making processes.⁹² Within this context, the new environment still prevented a political democracy and a homogenous bourgeoisie but just led to a free market rule and a mass of pressure groups.⁹³

Together with the economy, religion constituted the second focus of opposition during this period. As we mentioned above, secularization was a central component of the Kemalist social modernization project and also the most radical aspect of the Republican rupture with the Ottoman social order.⁹⁴ In this context, the Kemalist rule engaged in a top-down social engineering project against the cultural codes and lifestyles of the society by imposing modernism to essentially reluctant masses from above in such a threatening imposition as its imperial predecessors had done and invited reaction in turn. In practice, Republican modernizers failed to mobilize the society around shared aspirations and large segments of the population remained excluded from the benefits of modernization.⁹⁵ In the same way, Kemalist secularism not only rejected all aspects of religion from the political and ideological authority of the state but also banned its whole institutional foundation in the society rather than constructing an alternative to the community-based social life. Besides, it did not tolerate any kind of criticism as recognized religion as a potential for populist mobilization.⁹⁶ As a result, there has always been a conflict based on ideological differences between the traditional and Republican social values rather than ideological class differences with an economic nature related to the industrialization process. This conflict gave rise to social polarization expressed in a progressive-reactionary discourse based on social class interests.⁹⁷ In such a context, while the state raised national consciousness in response to the crisis of liberal economics during the 1930s, it had a destructive effect on the social fabric. Nationalism remained an elite ideology and was employed more effectively as a controlling rather than a mobilizing instrument. Besides, the state could never attain sufficient economic and social dynamic to carry out the urban petty bourgeoisie and the

⁹² Keyder, 1987, p. 120.

⁹³ Heper, 1985, p. 130.

⁹⁴ Buğra and Savaşkan, 2014, p.30.

⁹⁵ Ibid, p. 40.

⁹⁶ Keyder, 1987, pp. 120-121.

⁹⁷ Demir, Acar and Toprak. 2004, pp. 184-185.

peasantry for its objectives and so defined the ideological confrontation against itself. Consequently, any oppositional mobilization protesting against the oppressive political authority could claim to be acting in order to restore the status of Islam in the society. Thus, it happened so and the issue of religious freedom became a symbol of resentment against political and ideological prevention in terms of mass-elite confrontation. This situation was declared by the populist political rivals of the times as the people had been politically dominated, socially oppressed and economically exploited by the state elites by emphasizing economic and religious freedom.⁹⁸

1960s and 1970s started with military coups along the idea of economic reform and restructuring but followed by instability due to the lack of macro-economic policies and the institutional framework. The country was ruled by weak coalition governments which led to economic instability by postponing necessary structural adjustment policies. The state received a coordinating role in distribution of the resources or acted as a direct producer. Moreover, in the context of the ISI strategy pursued throughout this period, private enterprises played a significant role in the industrial sector but were still dependent on the government support. The production of manufactured consumer goods appeared as a new area of big business development with foreign trade and state contracts for infrastructure development from the previous decades. Furthermore, most big business firms were organized in the form of multi-activity holding companies operating in different economic sectors for overcoming the shortage of entrepreneurial resources and the scarcity of capital within an unorganized precarious capital market.⁹⁹

Within this context, the private sector developed and had a crucially significant presence in the industry and national economy with highly advanced organizational structures and an increasing social position. Big businessmen increasingly demanded long-term economic strategy and take part in the public policy formation actively. Moreover, they distanced themselves from the existing business organizations, chambers and conveyed their demands to the government authorities individually by establishing personal relations with the government authorities. The political environment provided by the 1961 Constitution functioned as a catalyst in orienting a small group of businessmen to consolidate their social position as a class. This

⁹⁸ Keyder, 1987, pp. 121-122.

⁹⁹ Buğra and Savaşkan, 2014, pp. 35-36.

secession would give way to the formation of TÜSİAD (The Association of Turkish Industrialists and Businessmen) by a small group of big businessmen having doubts about the social legitimacy they had and believed in the necessity of a solid status for the business community and a social consensus within a politico-economic environment.¹⁰⁰ Namely, the competition among various segments of the business community increased due to a scarcity of foreign exchange and credit. Big businessmen argued that their demands could not be presented in The Turkish Union of Chambers and Stock Exchanges (TOBB) exactly and prepared a declaration signed by 145 big businessmen. They announced the establishment of TÜSİAD publicly in 1971. TÜSİAD claimed to represent the interests of the private sector that progressively acquired a significant position in Turkish economic and political life and launched their emergence as a substantial development in a decade of polarization and uncertainty in the political and economic life of the country.¹⁰¹ It demanded a mixed and planned economy model in order to minimize instability protecting democratic government and free enterprise. The Association both strived to restructure the Turkish economy and to promote the interests of big businessmen while improving the balance of power in favor of the private sector and its wider class interests by using both formal and informal channels of access to policymakers during the period between 1974-1980.¹⁰² Thus, the foundation of TÜSİAD led to significant changes in the state-business relations and the big business became less dependent on the state and more courageous in criticizing government policies in a decade of political polarization and uncertainty in the political, economic, and social life. While the decline of the state autonomy is expected in such an environment, that did not happen so in the Turkish case. On the contrary, neither the power and influence of the government on the direction of business development became less important, nor the tensions in government-business relations disappeared.¹⁰³

Moreover, increasing urbanization and industrialization in Turkey throughout the 1960s and 1970s brought about not only the deepening in the liberalisation and diversification in the economy but also unprecedented rise of political Islam together

¹⁰⁰ Buğra, 1994, pp. 131-132.

¹⁰¹ Heper, 1991, p. 18.

¹⁰² Buğra, 1994, pp. 237, 246-247.

¹⁰³ Buğra and Savaşkan, 2014, pp. 10-11.

with increasing Islamization of socio-political and cultural areas in the society.

Actually, although secular nationalist politics always defined the parameters of political discourse in the Republican Turkey, the strategic relationship it maintained with Islam became more dynamic and complicated. As it is known, Islam was not totally banished and excluded from the official public sphere since the foundation of the secular state. Instead, Turkish state adopted a double discourse without changing its basic secularist stance; on the one hand, established a rigid segregation between Islam and the political realm; on the other, accommodated and incorporated Islamic politics into the system in various ways. In this respect, secular nationalist politics and Islam cannot be portrayed as polar opposites with two simple modalities of interaction for the Turkish case.¹⁰⁴

When the evolution of political Islam in Turkey is examined, it is seen that National Outlook Movement, which was the national developmentalist phase of political Islam, occurred first within the center-right Justice Party (Adalet Partisi, AP) in 1969. Then, the ‘Group of Independents’ founded National Order Party (NOP, Milli Nizam Partisi, MNP) which was replaced by National Salvation Party (NSP, Milli Selamet Partisi, MSP), the coalition partner in three governments during the 1970s. The National Outlook Movement positioned Islam as the centerpiece of culture and morality. MSP emphasized the need for protectionist and interventionist policies in line with the policy environment of the 1970s. Moreover, MSP emphasized the strategy of private sector development. So that, Necmeddin Erbakan successfully mobilized the small and medium-scale enterprises who felt alienated by the leadership of the Union of Chambers, which was traditionally controlled by big business enterprises, during the elections campaign of 1969. The discrimination faced by SMEs enterprises was the major concern in the policy discourse of the movement. As a result, the reaction against the state protected big business has remained an integral component of the anti-Kemalist political strategy of the National Outlook Movement against the Republican modernization project. However, its religious references had not extended to the legal, economic and institutional structures of the state yet. Hence, the role of religion in Turkish politics acquired a new meaning and religious identity acquired a new significance in

¹⁰⁴ Ümit Cizre Sakallıoğlu, “Parameters and Strategies of Islam-State Interaction in Republican Turkey”, *International Journal of Middle East Studies*, Vol. 28, 1996, pp. 231-251, pp. 231-232.

economic life during this era. Religion would become an important factor to be considered when analyzing the post-1980 patterns in business life and government-business relations.¹⁰⁵

During the ISI boom in Turkey, the Islamist opposition arose within the small independent business environment that felt threatened with dissolution. Actually, the creation of the first Islamist political party NOP in 1970 was an outcome of the conflict between the ISI-based, big industrial and other business interests in urban areas and the traditional, small to medium-size business sector in provincial towns. The constituency of the NSP mostly represented conservative followers of religious orders and the provincial small-business people. Some argue that Islam functioned as a protest ideology of small traders, small businessmen, and artisans, who often feel threatened by the increasing importance of the industrial economy with the integration of the country into the world markets and these made the social base of political Islam of the NSP.¹⁰⁶

Social and economic transformation increased gaps and inequalities between different economic sectors. Additionally, it produced a perception of interest conflict between various groups and regions competing for forming new political associations and conflict groups to the gradual rise of the religion within the state. The most responsive one was a large group of provincial Anatolian merchants investing in middle scale industry and frustrated by government and banking policies that encouraged the concentration of investment in the bigger enterprises of the larger cities. Their unusual brand of moralism and populist protest became functional to organize provincial businessmen and artisans (*esnaf*).

Thus, with all these developments, the division between the big business and small and medium-sized firms increased. The big businessmen not only demanded their social positions to be identified but also to actively participate in the economic decision-making process. Although these demands were not realized, the state always provided incentives to convince the business community to move in terms of realizing social and economic objectives of the country in several times. Actually, the political uncertainty of the business environment reached at its peak at the end of the two decades. Although economic growth and industrialization rate were quite

¹⁰⁵ Buğra and Savaşkan, 2014, pp. 37-38.

¹⁰⁶ Güllalp, 2001, p. 435-436.

impressive between the early 1960s and mid-1970s, the implementation of the ISI strategies carried major problems.¹⁰⁷ The political instabilities throughout the 1970s caused the coalition governments of the period to ignore the increasingly severe problems of a practically bankrupting economy. In consequence, Turkey passed of the 1970s with artificial measures just preserving existing structures and models, and herewith faced with a deep and intense crisis.¹⁰⁸ The economic instability highly displeased the big business community. Most importantly, class conflict began to dominate the society in the second half of the 1970s and the violent clashes between armed nationalist and socialist groups brought the country to the brink of civil war. Although the private enterprise system was no more under the state threat, its future was not fully assured within such an instable economic and political environment.¹⁰⁹

To sum up, development based import substituting industrialization policy during the 1960s and 1970s led to the development of a competitive free-market environment while strengthening the centrality of the state in economic administration. In this way, this era witnessed the gradual supremacy of capitalist relations to increasing domination by the bourgeoisie and to the emergence of a capitalist state. The economic policy orientation of Turkey during this period is presented as a new model of accumulation based on the alliance between the developmentalist state and the big bourgeoisie. However, this model does not seem to generate a break in the legacy of state-business relations in Turkey but was a continuation of a historical process within which the state-created bourgeoisie would undertake more important responsibility in the economic development from now on. Although the social position of the big businessmen was increasingly consolidated in the post-1960 period, the tension in state-business relations was still present.¹¹⁰ Thus, the directive role of the Turkish state still ensured continuity rather than discontinuity.

¹⁰⁷ Buğra and Savaşkan, 2014, p. 36.

¹⁰⁸ Pamuk, 2014, p. 265.

¹⁰⁹ Buğra and Savaşkan, 2014, p. 37.

¹¹⁰ Buğra, 1994, p. 132.

CHAPTER III

NEOLIBERAL POLITICAL ECONOMY

Turkey experienced a profound political, economic, and social transformation with the neoliberal policies pursued to solve the economic crisis and the political instability during the 1980s and 1990s. The developments of these decades are vital in analyzing the rise of Islamic capital in the capitalist development process in Turkey. For this reason, in this chapter, the changing place of economy and religion in Turkish society during the 1980s in terms of neoliberal transformation process, Islamization of socio-political and cultural areas, and the rise of provincial conservative businessmen will be explored. Then, the rise of Islamic politics in Turkish political economy during the 1990s and the February 28 process will be analyzed in detail.

3.1. Neoliberal Transformation: The 1980s

Although the rise of Islamic capital in Turkey is shaped against the background of domestic developments; yet, its rise came to occur in a framework constituted by the changes at the international level and their society-specific manifestation within the Turkish case. In this regard, it should be recognized that Islamic capital in Turkey is in no way cut off from the developments within the global economy, but reflects often well-articulated strategies of adaptation to these developments. So, the interaction between domestic and international transformations will be covered in detail in this part.

Economic turmoil and political crisis of the rigid ideological division between the left and right brought Turkey to the brink of civil war at the end of the 1970s. Claiming to end chaos, the military intervened in 1980 and stayed in power

until 1983. The coup d'état of 1980 was the most ruthless military intervention in the Republican history and had also the most long-lasting and devastating influence on the society.

As it has been stated in the previous chapter, Turkish economy had shifted from a state-dominated, heavily interventionist, import-oriented to a neoliberal, market-and export-oriented economic model but the Turkish state had preserved its interventionist character dominating and manipulating the business environment. Yet, the global economic and political developments towards 1980s necessitated a further integration into the global financial and commodity markets, challenged and aimed to reduce the state intervention in economy. It is because, while the end of the Cold War brought about great uncertainty in relation to the geopolitical order of the world economy, the developing or the less economically developed economies acquired importance with the intensification of capital mobility in pursuit of new markets.¹¹¹ As a result, nation-states gradually declined during the globalization process. The modern states and their national economies were eroded and alternative forms of community with competing claims to identity emerged. When the nation-states lost their grounds, new political, social, and civilizational interpretations were developed as sub-national and supra-national movements.¹¹² These socio-economic and political changes naturally affected greatly the wider geographical area of the East, namely the Islamic world.

In the newly emerging international setting, as a result of the technological process and shortened production cycles, flexible specialization, a new logic of production different from Fordist mass production was seen. In this way, the North American, the European and the East Asian models of instituting the economy appeared as the alternative strategies in order to adapt this new logic. In such changing global environment, successful network structure of Asian capitalism attracted attention as the Asian economies are rooted in institutions that maintain personal ties in their cultural specificity.¹¹³ The efficiency of these models increasingly required the down-sizing of large firms, the decentralization of enterprises,

¹¹¹ Ziya Öniş and Mustafa Kutlay, "Rising Powers in a Changing Global Order: The Political Economy of Turkey in the Age of BRICS", *Third World Quarterly*, Vol. 34, No. 8, 2013, pp. 1409–1426, p. 1410.

¹¹² Güllalp, 2001, p. 438.

¹¹³ Buğra, 1994, p. 522.

decreasing the role of the nation states in economic life and the replacing of hierarchical management practices with less rigid ones. That is, the importance of small enterprises, which operate in relations of cooperation as well as competition, increased in an environment characterized by diverse interfirm linkages. By the advent of industrial districts, such networks of production relations between small and medium-scale enterprises were supported by local institutions and maintained by personal relations of trust and loyalty. In this new political economy model associated with the modern paradigm of solidarity, the boundaries between political, economic and cultural aspects of social life was blurred and the traditional left-right nexus was replaced with new types of social belonging and identity.¹¹⁴

Actually, these socio-economic and political changes effected the Islamic world as well. Since the fundamental feature of these reactions intensified the ideological debates about the compatibility of Islam with neoliberalism, return to Islamic roots became the essential element in the ideological exploration for the inclusion of Islam throughout the following period. In this way, interests as well as values and ideas began to play great role as they are typically present in societies experiencing transformation. Religion became a significant element of the cultural as well as political element of the new capitalism by not only effecting the social relations but also political discourse and government policy. In the same way, with the rise of political Islam, the changing place of religion in society and politics has changed and significantly reconfigured organizational discourse and strategies in Turkey. In such a setting, the export potential of some smaller enterprises located in certain towns of Anatolia gained crucial significance. References to ‘Asian tigers’ have consequently multiplied and contributed to the consolidation of the social position of some groups in conformity with Islamic ways of business life as the representative of these very dynamic segments of the business community called as ‘Anatolian tigers’.¹¹⁵

Within this context, the Turkish political economy was marked by the liberalization efforts in the 1980s. The country became more open to the influences of capitalism which would lead to significant political, economic, social and cultural repercussions, particularly in terms of the relation between state, economy, and

¹¹⁴ Ibid.

¹¹⁵ Ibid.

religion.¹¹⁶ The process of integration to the neoliberal economics resulted in a relative liberalization of the Turkish economic policymaking by carrying out a profound shift from the ISI to export-oriented policies. Turkey's integration into the global market economy began just after the military intervention. One of the most significant objectives of the junta regime was declared as successfully implementing an outward-looking development strategy by emphasizing the role of the private sector as an important component of the economy and society taking over the state's responsibility of providing growth. In January 1980, Süleyman Demirel's minority JP government had intended to liberalize the economy on a sustainable growth path through export-led policies while reducing inflation on permanent basis. As a result, the government introduced a comprehensive stabilization and economic liberalization program with a pro-market orientation known as January 24 Economic Stabilization Decisions¹¹⁷ sponsored by the International Monetary Fund (IMF). Although the junta regime prohibited Demirel from political scene, it initiated the implementation of the program intact by keeping Turgut Özal, who was the architect of the January 24 Decisions, and giving him the post of Deputy Prime Minister in the military cabinet. In 1981-82, the financial and market liberalization program was succeeded in terms of real economic growth, relatively low inflation rate, liberalized external trade regime and financial system and also further integration of the domestic economy with the global market while promoting foreign direct investment in Turkey.¹¹⁸ In economic terms, the decisions mainly aimed to provide stability by improving the balance of payments and reducing the inflation in the short term and a market and export-oriented economy in the long term, under the patronage of the World Bank (WB) and IMF. Since the program not only provided order and stability but also arranged the basis for an alternative export-oriented growth model, it marked a shift from a state-dominated, heavily interventionist import-oriented economic model applied ever since 1930s towards a neoliberal and market-oriented one due to carrying out the development of a free market economy and integrating

¹¹⁶ Berrin Koyuncu Lorasdağı, "The Relationship Between Islam and Globalization in Turkey in the Post-1990 Period: the Case of MÜSİAD, Bilig, No. 52, Winter 2010, pp. 105-128, p. 106.

¹¹⁷ Pamuk, 2014, p. 265.

¹¹⁸ Boratav, 2006, p. 57.

the country into the global commodity and financial markets.¹¹⁹

In 1983, following the return to civilian politics, structural adjustment and economic reform were maintained by the Motherland Party (Anavatan Partisi, ANAP) under the leadership of Özal under the same program. To invert the crippling economy, the MP government launched the package of reforms by following neo-liberal policies in close cooperation with the IMF and the WB and giving priority to the export promotion.¹²⁰ In this way, the ISI policy of the 1960s and 1970s was ended as a strategy, and certain major transformations were introduced through the creation of the institutional basis of a self-regulating market economy. Initially, de-ruralization gained impetus by eliminating most agricultural subsidies and barriers against agricultural imports. So, manufacturing became the leading export sector of the country. Besides, most tariff and non-tariff barriers to trade were removed and the foreign direct investment regime was liberalized. Export promotion proceeded with considerable success and further liberalization of trade and payment regimes were introduced.¹²¹ Thus, the January 24 Decisions led to significant changes in the balance of power in the business environment as the private sector organizations with higher adaptability to such a functional transformation capacity converted from investment to trade, from industry to tourism, finance, construction and from domestic market to exportation.¹²² At the same time, privatization became an important component of the policy agenda and a number of SOEs were privatized during the 1980s.

Furthermore, outward-looking international trade policies not only included eliminating trade barriers but also providing significant subsidies to exporters. Accordingly, extremely generous subsidies and tax cuts in order to increase export were provided to small and medium-scale export based companies in Anatolia. As a result, a boom occurred in production and capital accumulation of companies with many shareholders in the Anatolian provinces. Thus, the most important turning point in the formation of the Anatolian capital occurred during this period. During the process of opening of the economy to the outside world, SMEs at local levels

¹¹⁹ Pamuk, 2014, pp. 265-266.

¹²⁰ Boratav, 2006, p. 58.

¹²¹ Buğra and Savaşkan, 2014, pp. 50-51.

¹²² Boratav, 2006, pp. 59-60.

improved business practices, learned technology and searched new markets and so formed a new business community by absorbing large numbers of urban immigrants. In such a setting, the export potential of some smaller enterprises located in certain towns of Anatolia gained crucial significance. In this changing context, government policy encouraged this development by taking an active role in the construction of organized industrial districts for SMEs.¹²³ Moreover, the global neoliberal trend made it possible for the provincial elite to transform their savings into investment too. So, an important portion of them combined their funds to form joint-stock companies with multiple shareholders in order to be able to compete with the huge monopolies created by the heavy state support and intervention.¹²⁴ Furthermore, remittances sent by Turkish citizens working in Europe through these companies constituted an important source for the accumulation of Anatolian capital. Some big companies, such as Kombassan, Büyük Anadolu Holding, Yimpaş and Jet-Pa, grew rapidly in Anatolia with the savings sent by workers abroad. Actually, Islamic sects and religious community structures, with their intra-community solidarity in an environment of cooperation and mutual support, played a significant role in the formation of the Anatolian capital.¹²⁵ In this respect, they adopted a rhetoric emphasizing the need for the unity of believers against the secularist bourgeoisie. Moreover, a rhetoric propagating the values of private entrepreneurship based on competition, maximization of self-interest, risk-taking, and exalted merits of free-market economy was also utilized.¹²⁶ Thus, this newly economic environment not only forced the businessmen to change their traditional attitudes, but also created opportunities of vertical social mobility for new groups of businessmen. This new environment led to the development of a new pious Anatolian entrepreneurial group that had already been developing in the periphery outside the traditional businessmen under the protection of the political authorities. This new group would form the basic dynamics for the establishment of many national and regional businessmen's

¹²³ Demir, Acar, and Toprak, 2004, p. 169.

¹²⁴ Cihan Tuğal, "Islamism in Turkey: Beyond Instrument and Meaning", *Economy and Society*, Vol. 31, No. 1, 2002, pp. 85-111, p. 92.

¹²⁵ Demir, Acar, and Toprak, 2004, p. 170.

¹²⁶ Mustafa Şen, "Transformation of Turkish Islamism and the Rise of the Justice and Development Party", *Turkish Studies*, Vol. 11, No. 1, 2010, pp. 59-84, p. 69.

organizations, the foremost of which will be MÜSİAD.¹²⁷

The government also became an active partner of the private sector in the foreign market search insomuch as groups of businessmen were taken around the world on state visits, especially to countries like China, the Soviet bloc, and the Arab states which were seen as potential markets for Turkish goods. Moreover, the Iran-Iraqi War led to a commercial revival and created opportunities to make trade with the region. These all strengthened the commercial capital and forced it open to international markets. As a result, the export boom created an illusion that Turkey had -in Özal's words- 'skipped an epoch by doing what no one else had the courage to do and will be the Japan of the West Asia with God's permission'.¹²⁸ Actually, the Islamic politics became more promising in terms of expansionist tendencies due to opening new markets with special reference on religion during the new era of capital accumulation.

As it has been mentioned, the liberalization policies of the Özal period had a transforming and increasing influence for the political economy of the country. To this end, important steps were taken for the institutional basis of a self-regulating free-market system to restructure the economy. Actually, the political and institutional transformation that Turkish economy experienced during the 1980s had long term effects. However, the kind and limit of the neoliberal economic policy measures were ultimately defined by the political conditions. While the economic policies were enforced without creating the infrastructure, the economy would experience instability in the coming period.¹²⁹ After 1987, Özal pushed the reforms and innovative features aside and enforced the most striking examples of daily measures in the economy due to the ongoing features of the social and political structure of the country such as the instability in politics, limited power of the state in the economy, and the weakness of the institutions.¹³⁰ So, the new market economy became prone to crises because it operated without a proper regulatory framework to assure the stable functioning.¹³¹

¹²⁷ Haluk Alkan and Uğur Aydın. "Türkiyede İşadamları-Devlet İlişkileri Perspektifinden MÜSİAD", *Toplum ve Bilim*, No. 85, Spring 2000, pp. 133-155, pp. 148-152.

¹²⁸ Ahmad, 1993, p. 206.

¹²⁹ Pamuk, 2014, pp. 268, 272-273.

¹³⁰ Ibid, p. 273.

¹³¹ Buğra and Savaşkan, 2014, pp. 52-53.

In addition, because the distribution of national wealth favored businessmen and rentiers rather than industrialists, economy grew but investment in industry declined in relation to investments and foreign exchange in the service sector.¹³² Namely, the neoliberal process aimed to establish a stable political-economic environment compatible with the neoliberal order and so to contribute to the development of an alternative national bourgeoisie. In this way, it can be argued that the neoliberal transition of Turkey during the Özal period did not primarily aim to resolve the profitability crisis of the existing bourgeoisie or reestablishing their class power but to create an alternative to it. This new class would not only intercept the radical Islamic movements and anger of the masses, but also provide the redistribution of the wealth to lower segments of society and form a larger middle class.

For the state-business relations during this period, the Turkish state retained, even significantly strengthened its central position for the business class perhaps more than any other period through the Republican history. Although the major objective of the official ideology of the decade for a free market economy was minimizing the domain of the state by removing bureaucratic barriers but expanding of the society, even the attempts to restructure the economy in terms of a self-regulating market, deregulation and liberalization system could not lead it. Actually, the traditional role of the state in the economy was gradually minimized by undermining the legislative, legal and bureaucratic state institutions. However, these did not result in the decline of the significance of the state for business activity. Despite the continuity of the state intervention in economy, the only significant difference was the shift of the locus of decision-making from the traditional bureaucratic elites to political elites now. To assure this, the state apparatus was reorganized through centralization of decision-making by enlarging the power of executive branch in general and the prime minister (PM) in particular.¹³³

While the state did not step back, clientelistic relations between state and businessmen continued to be dominant. The most significant consequence on account of the relationship between the state and business class was the centralization of economic decision-making while it provided the government the

¹³² Ahmad, 1993, p. 207.

¹³³ Buğra and Savaşkan, 2014, p. 51.

means to reward the bourgeoisie according to their positioning vis-à-vis the government in terms of personal trust and loyalty. So that, the PM and his exclusive executive inner circle of ministers and technocrats, as the new locus of economic decision making process, bypassed the traditional civil bureaucracy, the parliament and the business groups in the process on the basis of personalized criteria. One of the most important manifestations of the centralization of power was the creation of extra-budgetary funds allowing as an important medium of government spending without the authorization of the parliament.¹³⁴ In such a case, the government favored the businessmen on an individual basis to get support for its policies and so, the autonomy of the state vis-à-vis interest groups was deepened. Hence, the state-business relations showed the features of an exhaustive personal network based on individual interests between the businessmen and the top-level officials of the public bureaucracy and even Özal himself. The arbitrary and personal applications, distributed privileges and rampant corruption as a result of the clientelistic relations of the era led to practices involving illicit gains by the ruling politicians and gave way to much more serious ones for the following period.¹³⁵ Therefore, while the MP governments put down structural amendments changing the political economy of Turkey, sectional interests routinely influenced the economic-decision making process via more or less legal mechanisms from patronage and rent-seeking to outright corruption. As a result, these policies enhanced the incoherence of the economic strategy as marked by a pervasive particularism in a pragmatic approach¹³⁶

As it can be seen, the developments of the post-1980 period were characterized by the practices involving illicit gains by the politicians as a continuation of the clientelistic relations of the earlier Republican period. From this point of view, the introduction of a market-oriented development strategy by a pro-business political authority did not introduce radical changes in the government-business relations. Because, the dominance of the state in the economy pursued and the businessmen still depended on the government for the success in an uncertain

¹³⁴ Ziya Öniş, "Turgut Özal and His Economic Legacy: Turkish Neo-Liberalism in Critical Perspective", *Middle Eastern Studies*, Vol. 40, No. 4, pp. 113-134, p. 120.

¹³⁵ Pamuk, 2014, p. 273.

¹³⁶ Buğra, 1994, pp. 264-265.

economic environment vulnerable to government intervention.¹³⁷ So, particularism continued to be the major factor behind business success in conformity with the historical legacy of this relationship. Actually, although the big businessmen were still concerned about the intent of the government, they were now more confident with their positions in the society.¹³⁸

As an outcome of the social project of neoliberalism, along with the economy, and largely because of it, Turkish society has also been radically transformed during this era. As it has been mentioned in the previous chapter, the Republican discourse perceived secularism as the only way to modernity and progress and kept Islam under strict state control. In this regard, the Kemalist modernization project basically aimed to actualize a shift from a traditional Islamic to a secular western civilization.¹³⁹ Within this context, Turkish political culture, modernization, development, westernization, and catching up with global civilization as interchangeable concepts have all been associated with de-Islamization of Turkish politics and society.¹⁴⁰ This conception had led to aggressive policies of the state elites due to disestablishing Islam from the public space throughout the Republican history.¹⁴¹ However, the state controlled and institutionalized Islam with a monopoly power. Thus, Turkish secularization has always been an ongoing reproduced struggle over the nature and development of an official Islam characterized by the public use of religion for national cohesion.¹⁴² Islam has always remained omnipresent in Turkish society as a dominant ideology and a strong cultural reference for the symbolic formation of Turkish identity.¹⁴³ Despite the exclusionary and delegitimizing efforts of the Kemalist state, a gradual yet profound social transformation was already taking place at the grassroots of the society as a result of the emergence of new alternative social, cultural, and economic public spaces

¹³⁷ Buğra and Savaşkan, 2014, p. 51.

¹³⁸ Buğra, 1994, p. 143.

¹³⁹ Göle, 1996, pp. 22-23.

¹⁴⁰ Haldun Güllalp, "Whatever Happened to Secularization? The Multiple Islams in Turkey", *The South Atlantic Quarterly*, Vol. 102, No. 2/3, 2003, pp. 381-395, p. 388.

¹⁴¹ Keyman, 2007, p. 224.

¹⁴² Cihan Tuğal, "NATO's Islamists: Hegemony and Americanization in Turkey", *New Left Review*, Vol. 44, 2007, pp. 5-34, pp. 7-8.

¹⁴³ Keyman, 2007, p. 224.

determined by the peculiarities of the Turkish socio-economic development.¹⁴⁴

While the economic liberalization increased dominance in the economic life, the politics of identity and recognition in different forms, such as the resurgence of Islam, the Kurdish question, and the liberal claims to rights and freedoms, emerged as powerful actors in the political and social life. The emergence of new actors, new mentalities, and the new language of modernization and democracy made culture and civil society important variables by challenging the legitimacy of the strong state that cannot respond to social problems anymore. Therefore, with the emergence of alternative modernities by the 1980s, the Turkish modernization process involved new actors, new mentalities of development, and new identity claims with specific articulations of culture and capital in specific institutional settings. Thus, the formation of the Turkish modernity during the 1980s was increasingly marked by the coexistence of economic liberalization and the resurgence of traditionalism. In this regard, the Islamic capital was the articulation of liberal, Islamic, and the conservative articulations of culture and capital from within which their own models of Turkish modernity are institutionally and materially constructed.¹⁴⁵

Within this context, the ongoing and accelerating power of Islam in Turkish societal life has strongly increased since the 1980s and then in the 1990s and became an influential and powerful political, economic, and cultural force. In this respect, the Kemalist modernization process had a serious legitimacy crisis when the secularist principles and economic policies became subject to serious criticisms. Actually, Islam persistently articulated in political, cultural, and economic identity claims; yet, Turkish secularism failed to respond effectively to these by denying their recognition.¹⁴⁶ In consequence, the rise of Islam disclosed the clash between the secular national identity as the bearer of cultural homogenization and the revival of difference.¹⁴⁷ This kind of a relationship which was full of tension between politics,

¹⁴⁴ Hakan Yavuz, "Islam in the Public Sphere: The Case of the Nur Movement", in M. Hakan Yavuz and John L. Esposito, ed. by, *Turkish Islam and the Secular State: The Global Impact of Fethullah Gülen's Nur Movement*, Syracuse: Syracuse University Press, 2003, p. 1.

¹⁴⁵ Berrin Koyuncu Lorasdağı and E. Fuat Keyman. "Globalization, Alternative Modernities and the Political Economy of Turkey", *Review of International Political Economy*, Vol. 12, Issue 1, 2005, pp. 105-128, pp. 108-110.

¹⁴⁶ E. Fuat Keyman, "Modernity, Secularism, and Islam: The Case of Turkey", *Theory, Culture and Society*, Vol. 24, Issue 2, 2007, pp. 215-234, p. 223.

¹⁴⁷ E. Fuat Keyman, "On the Relation Between Global Modernity and Nationalism: The Crisis of

modernity, and religion led to a cultural struggle in the country.

While the 1980 junta regime aimed to impose an authoritarian Kemalist doctrine on the society, it proved itself to be more congenial on the role of the religion in society than it had ever been before. In this regard, the 1980 coup was a turning point in the state's relation to Islam with a highly controlled opening.¹⁴⁸ Although the military had always absolutely opposed to the utilization of religion for political purposes,¹⁴⁹ Islam was no more eliminated from politics but integrated into the nationalist ideology of the state. In this way, the idea of Turkish-Islamist Synthesis (TIS), cultural Islam, emerged as an important ideological component of the new political environment¹⁵⁰ connecting the individual and state and serving as a unifying force between different segments of the society. TIS policy aimed to reorganize state and society around national culture and Islamic values and so hamper radical leftist mobilization. The compulsory religious education was put into curriculum in order to make way for Islam in the public sphere. Islam was instrumentalized to assure order and rule over the society as a propaganda tool to promote the official ideology.¹⁵¹ In such a historical context, the 1982 Constitution was a replacement of Kemalist state discourse with Turkish-Islamist synthesis without abandoning the secular character of the state but emphasizing historical and moral values in order to maintain identity and unity as a crucial antidote to communism as well as radical Islamism. Actually, the TIS did not basically aim the politicization of Islam; but, it mainly aimed an authoritarian state along with religion as the essence of culture and social control in order to overcome the legitimacy crisis and consolidate the power of the state. The extensive propagation of the TIS by the state especially through education led to the penetration of religious ideology into daily politics during the 1980s.¹⁵² Although the TIS policy mainly aimed to reestablish the hegemony of the Kemalist paradigm in the Turkish society, it provided Islamic symbols gain more visibility in the public sphere. As a result, it

Hegemony and the Rise of (Islamic) Identity in Turkey", *New Perspectives on Turkey*, Vol. 13, 1995, pp. 93-120, p. 95.

¹⁴⁸ Tuğal, 2007, p. 11.

¹⁴⁹ Heper, 1985, p. 146.

¹⁵⁰ Buğra and Savaşkan, 2014, p.49.

¹⁵¹ Yavuz, 2003, pp. 70-71.

¹⁵² Nesim Şeker, "The Development of Political Islam in Turkey: A Historical Perspective", *Revista de Historia Actual*, Vol. 10, No. 10, 2012, pp. 133-142, p. 138.

contributed to Islamic revivalism and fostered the basis for the rise of Islamist politics at the end of 1990s.

Under these circumstances, Islam was politicized by political parties with Islamic discourse and articulated into economic actors, civil society organizations, and cultural identity claims.¹⁵³ In this regard, Turgut Özal, as the leader of a coalition of the economic liberals, Turkish nationalists and political Islamists,¹⁵⁴ combined his strong commitment to economic liberalism with his loyalty to Muslim conservatism, an approach based on his engineering pragmatism and cultural conservatism. Essentially, Özal perceived Islam as a significant instrument in the transformation of Turkey. However, his perception was not a utopian Islamism, but capitalization on the heritage and ideal with faith instead.¹⁵⁵ Özal emphasized individualism and the minimization of the state as the basis of liberalism in terms of freedom of thought and speech, faith and religion and enterprise. More importantly, Özal provided opportunities to ensure the activism of these conservative segments of the society throughout his political career first as prime minister and then as president. So, the conservative segment of the society, which had been excluded from the public sphere all along the Republican history, had opportunity to participate in political, economic, and social processes. Actually, the conservatives who were already emphasizing the necessity of a transformation of the basic political and economic coordinates of the development strategies pursued through the Republican era could successfully adapt to the challenges of international environment and integrate it to the domestic environment. They could be able to respond to the challenges of the current international and domestic economic order by using conservative values in the formation of networks via social and political relations. Thus, the rising economic visibility of the conservative middle class during the MP rule led to the rise of a bourgeoisie class as a result of this synthesis of modernization and Islam, capitalization based on Islamic morality in economic terms.

These all contributed both to revival of Islamic values and increase of Islamic

¹⁵³ Keyman, 2007, p. 223.

¹⁵⁴ Ayşe Buğra, "Political Islam in Turkey in Historical Context: Strengths and Weaknesses", in *The Politics of Permanent Crisis: Class, Ideology and State in Turkey*, ed. by Neşecan Balkan and Sungur Savran, New York: Nova Science Publishers, 2002, p. 119.

¹⁵⁵ Nilüfer Göle, "Authoritarian Secularism and Islamist Politics: The Case of Turkey," in *Civil Society in the Middle East*, ed. by A. R. Norton, Leiden: E. J. Brill, 1996, p. 30.

visibility in the public sphere as stated above. So, previously repressed and culturally and economically excluded identities had a chance for public visibility with gradual liberalization of the Turkish society. These groups of people began to take part in diversified activities such as public broadcasting, education networks, publications, holding companies and civil society organizations in the way to create their own society.¹⁵⁶ As a result of the relatively liberal policies of the era, Islam was recognized at the state level and proliferated in the MP governments and prospered at the societal level while improving public visibility. Within such context, especially due the process of migration, urbanization was intensified and resulted in the growing role of larger sections of society in shaping socio-cultural, political, and economic structures of the country. As a result, the actual socio-economic inequalities became increasingly visible and the relationship between the central and peripheral powers of the country was intensified. These all created a potential to produce a cultural synthesis through the homogenization of the modern society. Thus, these developments led to the transformation of the relations between state, market, and society by the leading newly empowered conservative market actors.

The visible Islamization of the state, society, and economy during the 1980s had its repercussions in politics.¹⁵⁷ In the political sphere, the relatively free political atmosphere and the fragmentation of the center-right and center-left parties led to the gradual rise of Islamist politics, and of the reconstituted NSP, as WP in 1983. After Necmettin Erbakan became the leader of the WP in 1987, the Party went through becoming an ideological mass party by reshaping the relations between Islam and state during the 1990s.

3.2. Islamic Politics and the Turkish Political Economy: The 1990s

The 1980s were a turning point for the political Islam that had been used to be represented by right-wing parties in the Turkish politics. Since then, it found not only greater mass support but also more opportunities to establish itself by challenging the official parameters and principles through various identity discourses during the 1990s. The changes in the relations between state, economy, and religion led to the

¹⁵⁶ Yavuz, 2003, p. 1.

¹⁵⁷ Şeker, 2012, p. 138.

resurgence of political Islam in the 1990s. So, while the relatively undifferentiated nature of the Turkish society in general and economy in particular has tragically changed, the politics were characterized by ambiguity and uncertainty due to the legitimacy and representation crisis. Within this context, the Islamic revivalism basically proposed the reconstruction and recognition of the Islamic identity in the Turkish society by challenging the Kemalist modernization project¹⁵⁸ and incorporating it into the state institutions via politics and economy.

With regards to the political integration of the Islamic politics, one of the initial steps was the triple alliance of the 'believers' under the banner of WP in 1991 general elections which resulted in a success with almost 17 percent of the total votes and 63 seats in the Parliament. However, it did not last long. The WP gained its first real victory in the 1994 municipal elections when it took 19 percent of the votes and governance of 6 metropolitan and 22 other city municipalities. So, for the first time in Turkish politics, an Islamic political party managed to break out the previous minority status and became an ideological mass party. Actually, its rise in the 1990s was the result of the support it took from the conservative poor urban neighborhoods of the large metropolitan centers and Kurdish regions. Since the WP spoke the language of socio-economic justice and equality, it became the most attractive choice for subaltern populations. In this regard, the WP represented an anti-capitalist and anti-authoritarian rhetoric with post-nationalist and post-socialist sense of justice in order to appeal to these populations and functioned as a welfare state via local religious organizations and foundations working to help the poor in urban neighborhoods. These all became particularly instrumental for the success of the WP in local elections in particular and thereby contributed to the popularity of the Islamist political movement in general.¹⁵⁹

Municipalities were now governed by the WP and then VP (Virtue Party-Fazilet Partisi-FP) during the 1990s. Now governed by the local religious-conservative politicians, this power led the municipalities to make contracts with local companies for local services. The Islamists essentially learned the reciprocal relationship between political and economic power. After gaining exact power, the

¹⁵⁸ Nilüfer Göle, "Secularism and Islamism in Turkey: the Making of Elites and Counter-Elites", *Middle East Journal*, Vol. 51. No. 1, 1997, pp. 417-426, p. 420.

¹⁵⁹ Güllalp, 2001, p. 442.

local capital, for the development of which the politics provided opportunities, started financing first the local, and then national political actors.¹⁶⁰ Furthermore, the successful municipality administrations of the WP further increased its popularity and made it the leading party with 21 percent of the votes and 158 seats in the Parliament in the 1995 general elections. As the largest group in the parliament the WP formed a coalition government with the TPP (True Path Party- Doğru Yol Partisi-DYP) in June 1996. However, WP-TPP (Refah-Yol) coalition government with the Prime Ministry of Necmettin Erbakan could rule the country for just one year until being forced out of power by the secularist reaction of the Turkish armed forces in June 1997.

The victory of an Islamic party in Turkish politics was related to the center-periphery relations in academic circles, that is, the victory of the periphery that suffered from the political, economic, and ideological exclusion and peripheralization of the Kemalist center. In the same way, the WP claimed itself to be the party of the periphery against the center, or the party of the civil society against the state. However, this analysis is inadequate in reflecting the issue with all aspects since it ignores the cultural specificity of the current situation that had been transformed through a long period of time.¹⁶¹

When the evolution of Islamic economic policies is analyzed, it is seen that the NSP had employed an egalitarian rhetoric strictly opposed to Western capitalism and advocated a protectionist and interventionist position in the economic development. In this way, the economic policy of the NSP was based on protectionism emphasizing to promote the development of the national industry, particularly the heavy industry. Actually, the NSP pursued clientelistic relations with different elements of its constituency due to shaping and using existing associational structures for its political goals. In this way, private sector development had a central place in NSP's critical position vis-à-vis the Republican modernization project. Also, the reaction against the big business was an integral component of the anti-Kemalist political strategy of both the WP and NSP.¹⁶² Actually, the manipulation of interest conflicts between the big business and medium-scale enterprises goes far back in the

¹⁶⁰ Demir, Acar, and Toprak, 2004, pp. 168-172.

¹⁶¹ Güllalp, 2001, p. 434.

¹⁶² Buğra, 1994, p. 525.

political career of Erbakan, the founder of NSP and the leader of the WP, to the Turkish Union of Chambers and Commodity Exchanges (Türkiye Odalar ve Borsalar Birliği- TOBB) elections campaign in 1969. He successfully mobilized the small and medium-scale enterprises, especially those located in the provincial Anatolia towns, who felt alienated by the leadership of the Chamber that was traditionally controlled by the big business. So, the discrimination faced by the SMEs remained a major theme for the National Outlook policy discourse and the outlook of political Islam in general. Thus, the reaction against the state protected big business remained an integral component of the anti-Kemalist political strategy of the WP and its predecessors. However, since the NSP positioned Islam at the core of culture and morality, the religious references did not extend to institutional structures and clientelistic policies.¹⁶³

However, the WP was founded within the environment of the market-oriented and outward-looking capitalist developmentalist post-1980 period. During this period, the relationship between politics and religion was reshaped and the actual socioeconomic inequalities became increasingly visible in the cultural and economic context of Turkey's integration to the global market economy. So, the economic outlook of the WP had to be completely revised through pro-market approaches compatible with the globalizing economy. Besides, the Party should have differentiated itself from center-right parties and appeal to the resentments and expectations of the marginalized masses as well as those of upwardly mobile entrepreneurs. When looked at the historical context of this period, the capitalist culture was increasingly marked by multi-culturalist currents and the role of religion was globally arising. In such a context, Islamic identity provided a platform for a new orientation and helped the WP reshape itself around the shifting political economy of Turkey. In this way, Islamism formed a prominent aspect of the WP's economic policy discourse. The WP appropriated the multiculturalist rhetoric to theorize pious Muslims as a disadvantaged group alienated by the Republican project to secularize an Islamic society. In this manner, the WP situated its economic policy discourse within a comprehensive model of social integration called 'Just Order'.¹⁶⁴

Actually, the Just Order ideology of the National Outlook movement was a

¹⁶³ Buğra and Savaşkan, 2014, pp. 43-45.

¹⁶⁴ Ibid, pp 53-55.

comprehensive economic and moral development program of social integration based on integrating peripheral economic, social, cultural, and political actors into the center. The discourse promised a society free of interest, exploitation, monopolies, unemployment. Moreover, the rhetoric presented a new understanding of religion involved not only in the realm of morality but also in the socio-economic institutional structures as a network source. Therefore, Islam became the centerpiece of a civilization project to redesign the institutions, including economic ones.¹⁶⁵ Initially, the WP signaled an intention of working towards a global democracy based on the cooperation of Muslim nations under Turkish leadership.¹⁶⁶

With regards to economic policy discourse, the WP adopted an explicitly Islamic approach in order to redesign the economic institutions suitable to religious principles. In this environment, some economically rising religious groups and the networks that these groups formed had growing importance in Turkish economy since they became active in the economy in all the governments that Erbakan took part.¹⁶⁷ Furthermore, although the state gave some tax advantages to the establishments within the industrial districts in the Anatolian cities, these petty entrepreneurs still complained about the lack of support from the state. This language of social disadvantage and discontent found expression in an anti-statist discourse calling for a critical reappraisal of the secularist modernization of the Republic.¹⁶⁸ Moreover, the relatively liberal restructuring process increased the number of civil society organizations which became more dynamic especially after 1990.

As it has been mentioned above, the first business association in Turkey TÜSİAD was founded in 1971 by the owners of the largest holdings companies. The Association represents the westernized, secularist elites who live in big cities, especially in İstanbul, and has been called as the İstanbul bourgeoisie. However, the developments in the political, economic and social spheres opened the path for the emergence of a new business elite organized in MÜSİAD.

¹⁶⁵ Pamuk, 2014, p. 313.

¹⁶⁶ Tuğal, 2007, p. 15.

¹⁶⁷ Pamuk, 2014, p. 313.

¹⁶⁸ Buğra and Savaşkan, 2014, p. 117.

3.3. Islamic Interest Representation: The Case of MÜSİAD

MÜSİAD came to the economic scene in a critical decade during which significant changes in global and domestic patterns of production and trade as well as in the political arena occurred as we have seen so far. It was founded on May 5, 1990 in İstanbul by a group of conservative businessmen with close links to the Islamist movement as the association of the Islamically-oriented businessmen of the SMEs mainly in Anatolia, under the presidency of Erol Yarar. The purpose of the foundation was stated as strengthening the entrepreneurship in Turkey required for the economic development in a democratic and planned order.¹⁶⁹ Actually, the Association was founded on existing solidarity networks that were mainly based on religious and political affinities and developed as a non-profit network organization based on trust relations claiming to protect and advance the interests of the SMEs that manifest a greater diversity of size and geographic location.¹⁷⁰ Initially, MÜSİAD represented the newly emerging Muslim entrepreneurs who were the traditional artisans and traders, the SMEs of provincial towns who desired to assert their provincial identities and conservative values¹⁷¹ while integrating into the world markets. This new group was mainly consisted of culturally conservative and economically liberal entrepreneurs mostly from the periphery of Anatolia and used to be called as ‘Anatolian tigers’.¹⁷² MÜSİAD aimed to contribute to the economic development by being open to the international economy, employing an export-oriented free market economy and getting integrated into the globalization in economic terms by holding onto their Islamic identity. In this way, MÜSİAD claimed to be the first association to represent the Anatolian capital as a reaction to the failure of TÜSİAD’s elitism to represent them and an alternative to the hegemonic secular big business.¹⁷³

Moreover, it was claimed by some that there seems to be an analogy between the use of Islam by MÜSİAD and minority status in the society as it could manifest itself in the expression of being excluded from economic life controlled by a big

¹⁶⁹ <http://www.musiad.org.tr/tr-tr/musiadla-tanisin/tarihce-01/02/2016>

¹⁷⁰ Buğra, 1998, p. 524.

¹⁷¹ Demir, Acar, and Toprak, 2004, p. 168.

¹⁷² Koyuncu, p. 107.

¹⁷³ Koyuncu Lorasdağı, 2010, pp. 107-109.

business community supported by the secularist state has a significant role in the organization of the association. Within this discrimination perspective, it is observed that the most decisive event which triggered the foundation of the association occurred in 1990 when a group of Muslim businessmen were not allowed to participate in a meeting organized in the Soviet Union by DEİK (The Association of Foreign Economic Relations). Actually, whether the Muslim businessmen represented by MÜSİAD really faced systematic discrimination or not is a very doubtful issue. However, it is so obvious that they derived a considerable advantage from this in order to bind these businessmen into a coherent community. Of course, all of these entrepreneurs are not Islamist, but, the Islamic segment of the business class comes primarily from among this sector and forms the member profile of MÜSİAD.¹⁷⁴ In this regard, the foundation of MÜSİAD was the real break-through for Islamic capital with its specific formulation of Islam as a regulatory force to go beyond mere economic-corporate interests.¹⁷⁵

Moreover, MÜSİAD declared its aims as increasing the industrial, commercial, socio-economic, educational level and providing the coordination of technology, capital, and intellectual cooperation while finding solutions to the problems of Turkey, Islamic countries in the region¹⁷⁶ and mankind in general while committing itself to social and economic development, through combining industrialization with high ethical and moral standards. Thus, the Islamic discourse is claimed not to be backward or mystical, and solely traditional, on the contrary, to be progressive, open to economic and technological innovation compatible with the economic rules of capitalist rationality, and so able to create the sources of wealth. In this regard, as the representative of economic Islam in Turkey, MÜSİAD has aimed to promote liberal capitalism as economic globalization but situated it into Islamic discourse as its cultural basis. Besides, as an effective economic actor and a powerful pressure group linking Islam with western economic rationality, MÜSİAD aimed to constitute a strong alternative to Turkish secular capitalism¹⁷⁷ which is used to be an economic and political order based on a strong oligarchy of bureaucrats and

¹⁷⁴ Buğra, 1998, p. 529.

¹⁷⁵ Evren Hoşgör, "Islamic Capital/Anatolian Tigers: Past and Present", *Middle Eastern Studies*, Vol. 47, No. 2, March 2011, pp. 342-360, p. 348.

¹⁷⁶ *MÜSİAD Tüzük*, Article No. 3, İstanbul: MÜSİAD, 1997, p. 3.

¹⁷⁷ Koyuncu Lorasdağı and Keyman, 2005, pp. 118-119.

capitalists and more on rent and interest rather than production.¹⁷⁸ While doing so, the Association aimed to produce the co-existence between Islamic identity and free market ideology by constituting an alternative moral and cultural economic modernity.¹⁷⁹

MÜSİAD brought about 3000 members representing more than 10000 firms in diverse sizes and geographical locations together. When the foundation year of the Association is considered, it is seen that the number of member companies that had been established in the period between 1970 and 1979 were 280, whereas the same figure for the 1980-1989 period were 744. Also, the peripheral nature of MÜSİAD's membership was witnessed in the geographical distribution of its member companies. While there are some companies operating in İstanbul, most of them operate in various provincial Anatolian cities, especially the conservative ones. To illustrate, Konya comes third with 153 companies after İstanbul with 488 and Ankara with 175 members, while Kayseri comes fifth with 112 members after İzmir with 114 members. These figures are so attractive when compared to TÜSİAD that had only 17 members from Konya and none from other Anatolian cities such as Kayseri, where MÜSİAD members abound through this period.¹⁸⁰ The majority of these companies were small and medium-scale and family owned enterprises employing fewer than 100 workers. There was just small number of large-scale enterprises more than 100 workers. The MÜSİAD member companies mostly operated in almost all the sectors with large workforce.¹⁸¹

The foundation years, the peripheral nature, and the diversity of size and location of the MÜSİAD companies demonstrate the need to examine the international context that MÜSİAD was born in. Actually, MÜSİAD was founded at a later stage of economic development in Turkey as a strong internal economic actor of globalization in Turkey in the post-1990 period. In this regard, it is witnessed that MÜSİAD largely figured the East Asian development model, which is a pre-modern approach to the place of the individual within the society where traditional relations

¹⁷⁸ Cihan Tuğal, "Islamism in Turkey: Beyond Instrument and Meaning", *Economy and Society*, Vol. 31, No. 1, 2002, pp. 85-111, p. 99.

¹⁷⁹ Koyuncu Lorasdağı and Keyman, 2005, pp. 119-120.

¹⁸⁰ Buğra, 1994, pp. 525-526.

¹⁸¹ Ibid, p. 527.

of authority define both entitlements and commitments.¹⁸² This model proves to be easily compatible with the ways in which MÜSİAD uses Islam at the international and domestic level as a strategic resource basis for cooperation and solidarity between producers as well as a device to create special secure market niches or sources of investment finance. Yazar stated that the most important factor behind the successful adaptation of the East Asian model of development to the requirements of the contemporary information society was the Asian nation's faithfulness to its cultural identity and resistance to the civilization of the rationalist West. Thus, this led to the overturning of religious values by replacing secular morality in the formation of networks mobilized in different areas of economic life.¹⁸³

While the relations between state and society became so significant in the transformation led by economic globalization, new enterprises had to compete with older ones which had already secured comfortable places in protected markets. In such an environment, MÜSİAD did not experience any difficulty during the process of adaptation to the capitalist environment. More importantly, it also accelerated the globalization of production in Turkey facilitating the mobility of global capital through collaboration with the international system. To illustrate, the role of religion as a network source in the Turkish business development process has characterized the new capitalist order in forms of productive organization and political action not contradictory to capitalist entrepreneurial activity. Obviously, this situation seems to contradict to the approach asserting that Islamic institutions hamper to capitalist economic development. On the contrary, as observed in the Turkish case, religious identity caused to such an economic consequence in a specific historical context. When profit became the foremost aim, the conservative businessmen made peace with the system and worked for ensuring the most suitable conditions for the proliferation of markets.¹⁸⁴

Moreover, as MÜSİAD mostly owes its existence to the globalization process, the Association's appropriation of globalization has been positive. MÜSİAD has advocated globalization in the way to integrate itself to the global economy which then will provide the most significant opportunity for the Muslims to propagate

¹⁸² Ibid, p. 524.

¹⁸³ Ibid, p. 522.

¹⁸⁴ Tuğal, 2002, p. 100.

around the world.¹⁸⁵ In this manner, MÜSİAD has successfully promoted the economic interests of members in the context of competitive globalized capitalism. In turn, the member companies have been well integrated into the international economic system and could respond to the challenges of the international order. Actually, the Association has derived its strength to a large extent from its ability to use Islam by embodying in all areas related to politics, economy, and administration. So, the Association has ensured the functioning of the market economy. To illustrate, it promoted the Medina markets which they argued to be the basis of a free enterprise system in the economy without any interference and thus contributed to the autonomous development of the Muslims.¹⁸⁶

MÜSİAD derived this strength to a large extent from its ability to pursue strategies designed to bring their members into a coherent community of interest. In fact, the structure of the interests that MÜSİAD represents has determined its significance for its constituency and also its chance of assuring the loyalty and support for its constituency in the class mission it pursued. In its class strategy, MÜSİAD has used Islam at the international and domestic level as a basis for cooperation and solidarity between producers. In other words, MÜSİAD has acted as an agent of class solidarity and hegemony as a product of a particular societal environment where the state has a very significant economy and society shaping role.¹⁸⁷

In this context, MÜSİAD represented a new business model that brought pious Muslim entrepreneurs together around a work ethic expressed in Islamic terms, by conceptualizing an Islamic economy functioning on the basis of homo-Islamicus as an alternative to the individualistic work ethic of homo-economicus of Western capitalism. In this model, Islam played the role of a network source for building trust in economic processes between market subscribers and in their relations with the government. In this regard, the most distinctive feature of the Association has been the incorporation of Islamic values into the economic sphere in a selective manner by manipulating the market demand. This provided a great advantage against the rivals especially in a country where the vast majority is Muslim. In this regard,

¹⁸⁵ Koyuncu Lorasdağı, 2010, p. 114.

¹⁸⁶ Mustafa Özel, *Kapitalizm ve Din*, İstanbul: Ağaç Yayınları, 1993. p. 6.

¹⁸⁷ Buğra, 1998, pp. 522-523.

although the ‘M’ in the abbreviation MÜSİAD is the initial for *müstakil*, meaning independent, it was interpreted as an abbreviation for Muslim in order to refer the strategic role of Islamic identity for the Association. Thus, while the manipulative use of Islamic values as a class strategy formed one of the reasons behind the success of the enterprises, this also met the social needs of the Islamic population in the country by providing an Islamic economic discourse as a common bond for the members in solidarity against the other, motivation to (re)gain the markets in the Islamic world captured by non-Islamic forces and a way of moderating the labor. The development and spread of this discourse has become so effective in uniting not only the Islamic entrepreneurs across Turkey, but has also played a central role in propagating and spreading the ideals of Islamic economic system transnationally through publications, meetings, seminars, conferences, and fairs.¹⁸⁸ Moreover, religion was also used by emphasizing the discrimination and exclusion that conservative Muslim enterprises faced due to the actions of the secularist institutions and business environment supported by the Republican state. So, being against the ‘other’ not only served to build the solidarity among the constituencies, but also the assertion of religious identity acted as the determining factor in building alliances or conflicts in the Turkish business environment.

There has always been a mutual dependency marked by a strong element of particularism between the governments and business actors in the Turkish case, as we have seen throughout the Republican history. That is, the business associations have acted as determinants in political processes by changing the interest configurations within the business community. Actually, the relatively liberalization in Turkey with further integration into the global markets led to the development of civil society and private business but did not decrease the power of the strong state. In the same manner, MÜSİAD, like other Turkish business associations, has been very dynamic to develop strong adaptability vis-à-vis the strong state. MÜSİAD, as a business association situated in the political networks around the ruling government, have relied on government support for economic interest or associational power and mobilized its influence to support the ruling political party. What made the position of MÜSİAD in the business environment distinct was that the Association has been

¹⁸⁸ Emin Baki Adaş, “The Making of Entrepreneurial Islam and the Islamic Spirit of Capitalism”, *Journal for Cultural Research*, Vol. 10, No. 2, 2006, pp. 113-137, p. 120.

fully aware of the potential of Islam as a network source and has often made explicit references to its potential. So, MÜSİAD played a significant role in fading the boundaries between religion and economy. As a result, it contributed to the transformation of the traditional clientelistic relations between the government and the business community and maintained its significance in determining the accumulation of the capital in the business people with specific political affiliations. Since the political representative of the Islamic capital has ruled the country, MÜSİAD has consolidated its power.

Thus, the rise of political Islam in Turkey became a fundamental source of political tension as well as an essential element of economic and social solidarity. Islamic elites represented by MÜSİAD have showed impatience for power in politics, economic governance, and collective action in social organization in the way to create new political, economic, and social elites. In this context, the importance of MÜSİAD is well-rounded while it has played a crucial role in the process of inventing a renewed and rationalized Islamic ethic, a specific role in the transformation of the traditional economic mentality compatible with the needs of capitalist organization in the country, and simply a role model as a relatively elite group in the Islamic community with renewed ethical and aesthetic forms in Turkey.¹⁸⁹ Since MÜSİAD is the bearer of Islamic interest representation, it plays a significant role in the analysis of the evolution of the political economy of Islamist movement in the contemporary Turkey. Additionally, it has served as a transnational business network and played a leading role in the economic development of the Muslim countries by exporting its organizational model to the region, especially in the transition period during the post-Arab spring era. Thus, MÜSİAD has turned the direction of the Muslim community through an economic jihad.

In terms of politics, although the constituency of MÜSİAD formed the base of support and voting potential for the WP, MÜSİAD behaved so cautious and preferred to stay away from Islamic politics in general and the WP in particular through the period of searching for legitimacy between 1990-1993. It is because, the WP was still appraised as a marginal actor in the political arena for the secular regime. So, MÜSİAD followed a pragmatic strategy evolving through adaptation to

¹⁸⁹ Özdemir, 2005, p. 206.

the changing interests and stayed away from the ideological affinities at first. However, the founders were aware that the ties of the Association with the WP were significant both in terms of the member base and the widening of its activities. Initially, MÜSİAD's strategic vision incorporated a critical position against the traditional exercise of political authority and so, the relations of the Association with the state involved at least a potential tension that coincides with the Islamist WP strongly challenging the Republic. In this context, the WP could successfully incorporate the losers of the existing order into its orbit, which also constituted the principal base of support and voting potential for it. So, the Association generated a key element in the WP's constituency. In the same manner, the WP could be a political ally for MÜSİAD by taking the advantage of the weakness of the economic program of the Just Order. The clearest indicator of this claim was the electoral victories of the WP at the municipal level in 1994 and later at the general elections of 1995. The most significant factor behind the electoral success of the political Islam was the ability to use the language of social disadvantage effectively in a way to incorporate diverse segments of the population. Initially, when the municipalities began to be governed by the WP, the distribution of wealth and privileges were done through municipal organizations. Throughout this period, MÜSİAD became increasingly visible and influential both in the economy and society. To illustrate, the number of the members which was 300 in 1992 increased to 1950 in 1995 and to 3000 in 1997.¹⁹⁰

Moreover, after the formation of the WP-led coalition government by Erbakan in 1996, the increasing significance of MÜSİAD in the economy and society culminated. In this period, MÜSİAD demanded a larger role in the economy for its members, who had traditionally received unfair treatment from the state authority in terms of access to investment funds and other privileges given to the large enterprises.¹⁹¹ In the same manner, the WP claimed to voice the position and the interests of the newly emerging, but still peripheral or provincial industrialist class of entrepreneurs, which was mostly export-oriented, highly dynamic and successful but also distant from the sources of governmental power and felt unprotected by the state. Taking advantage of the state support, Islamic

¹⁹⁰ Gülaip, 2001, p. 44.

¹⁹¹ Buğra, 1998, p. 525.

entrepreneurs grew, leading to the foundation of some holding companies that reached the size and economic power of many units of core capital.¹⁹² Thus, the Refah-Yol coalition government became the first pressure group experience of MÜSİAD which claimed that the SMEs had been discriminated by the governments throughout the Republican history. In return, MÜSİAD members such as Kombassan and Kalyon had privileges and a significant share in privatization and defense industry bids and state aids during the coalition government.

Moreover, MÜSİAD and the WP partnership manifested itself in the foreign policy front when the WP advocated a very different strategy as in economy. The WP attempted to make a dramatic shift in the external relations of the country away from Europe and the West in favor of the Muslim bloc which was a decisive front in the re-orientation of the foreign policy priorities of the Republic. The Party defended an orientation towards Islamic continuities and was opposed to any institutional organization with the Western world, including NATO, the US or EU. While MÜSİAD supported the D-8 (Developing Eight) Project¹⁹³ of the WP, the Party supported the Cotton Project of the Association as a rivalry to the European Union (EU) that aimed to gather the Muslim countries in the Middle East, Central and South Asia and the Medina Market Project due to lowering the state intervention in the economy. The Association supported the systematic attempts of the government to cultivate close economic and political relations with Islamic and East Asian countries with large Muslim populations both in relation to the significance for the country and with regard to the opportunities presented for the members. Likewise, the government made parallel references to advantageous business opportunities that this foreign policy orientation created for conservative businessmen. So, the members were taken around the world on state visits by the government for the

¹⁹² Ibid.

¹⁹³ D-8 Organization for Economic Cooperation is an organization for the development of cooperation among Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. The establishment of D-8 was announced officially through the Istanbul Declaration of Summit of Heads of State/Government on June 15, 1997. The objectives of the Cooperation are to improve member states' position in the global economy, diversify and create new opportunities in trade relations, enhance participation in decision-making at international level, and improve standards of living. (<http://www.developing8.org/About.aspx>-02/02/2015) The Cooperation functions as a symbolic organization for the development of cooperation between the Muslim countries rather than a significant economic importance.

foreign market search and assigned contracts priced over 800 million dollars.¹⁹⁴ Hence, it is so obvious that the developments in the domestic politics facilitated the progress of MÜSİAD in the foreign market as a result of the strategy of integration encouraged by the WP politics. As a result, the close relationship between MÜSİAD and the WP led to consolidation of the economic and political power of the Islamic bourgeoisie during the 1990s. The new Islamic bourgeoisie challenged the economic balance of power that had developed in favor of the big businessmen represented by TÜSİAD until this period, paving the milestones for the reproduction of the ruling elite.

3.4. Post-Modern Blow to Islamist Politics: The February 28 Process

On February 28, 1997, Turkey witnessed a very dramatic and problematic ‘post-modern coup’ which was claimed to last for a thousand years.¹⁹⁵ The military intervened in politics by expressing the necessity of protecting the secular state against the rising danger of religious reactionism (*irtica*). The coup is entitled as post-modern, because, the armed forces did not have a direct military intervention but prompted the hearty laicist unarmed ‘civil’ forces of the Republic composed of the judicial and bureaucratic institutions, universities, trade associations, and media to this end. In addition, the Kemalist civil society organizations manipulated some specific incidents through media campaigns in order to secure the support of the larger masses. Actually, the whole course of events that brought together such diverse political, economic, and social unarmed forces under the leadership of armed forces in an intervention process against the elected government can be evaluated as a struggle of the Republican middle class for the reestablishment of their corrupted intra-state hegemony. This total war aimed to remove Islam from the public sphere, especially the political and institutional structures by suppressing all conservative public expressions and re-isolating them in their niches. So, the Kemalist hegemony could restore its already existing interests, power and control within the regime and prevent the continuous rise of conservatives’ upward mobilization by preserving the

¹⁹⁴ Dilek Yankaya, “28 Şubat: İslami Burjuvazinin İktidarı Yolunda Bir Milat”, *Birikim*, No: 278-279, June-July 2012, pp. 29-37, p. 4.

¹⁹⁵ The 23 rd Presidential Chief of General Staff Hüseyin Kıvrıkoğlu declared in a reception in 2001 that the February 28 Process will last for a thousand years.

status quo.

Subsequently, the military overthrew the coalition government and presented an ultimatum claiming WP to have a secret Islamist agenda to establish a shariah state. The military defined Islamism as the foremost threat to domestic security and secular state order and demanded the implementation of a list of measures for assuring the strict enforcement of secularism.¹⁹⁶ Subsequently, the WP was closed and banned from politics by the Constitutional Court for exploitation of religion for politics and the intention of changing the secular Republican regime in 1998. The Court banned Erbakan and five prominent party members from political activity for five years. This was the last hit to the Islamic politics.

Moreover, Islamic network relations were claimed to be the supporter of institutional change attempts of political Islam. So, Islamic or Anatolian capital – green capital as called- was claimed to be the essential opponent of the secular Republic in the military briefings of the period. Lawsuits and the public campaigns against the Islamic capital effected the vast majority of the members of MÜSİAD. Actually, when the February 28 process is analyzed in terms of economics, the existence of conflict of interests between the big bourgeoisie trying not to lose their existing privileges and the Islamic bourgeoisie trying to emerge is quite obvious. To illustrate, TÜSİAD involved in the civilian alliance of the unarmed forces against the government by conducting a campaign accusing MÜSİAD, which had almost doubled its membership after the WP rule, of corruption and illegal money transfer aiming to provide financial support to religious reactionism. The military authorities took a stand against the activities of Islamist groups which they claimed to be subversive and supported by the Islamic capital. The MÜSİAD companies claimed to be in alliance with Islamist political movements and excluded from the public bids for army contracts. The president of MÜSİAD was put on trial and some members were arrested on money-laundering charges. Actually, the process seriously limited the organizational and financial resources of Islamic capital through criminalization of capital accumulation processes by legal actions, police and financial investigations, systematic public display, boycotts and campaigns via media. These efforts to undermine the legitimacy of the Association caused the MÜSİAD member

¹⁹⁶ Şeker, 2012, p. 139.

companies to become under strict political and judicial control. As a result, the inquiry commission published a list of member companies claimed of supporting reactionary Islamist activities financially and took legal action against some companies including Kombassan and Yimpaş.¹⁹⁷

Although the February 28 declaration seriously alarmed the MÜSİAD companies in question, the Association and the WP authorities began to state claims as capital had no color, no faith, and no ideology and about the merits of Islamic solidarity; subsequently, all components of the Islamic front experienced a heavy retreat during the process. However, this severe secularist military interference triggered a transformation process not only for the Islamic politics but also for MÜSİAD as a turning point in the development of the Islamic bourgeoisie. Initially, the Association made a self-evaluation and maintained a survival strategy that included distancing from political Islam and getting closer to a more centrist position. In this way, they adopted the strategy of not to confront but to co-exist with the state by paying more attention to democracy, freedom of speech, thought and religious practice. In addition to minimizing the role of Islam in practices and professionalizing, MÜSİAD focused on professional services and economic expertise for businessmen. The transformation process was accelerated following the European Union's (EU) acceptance of Turkey as an official candidate for accession in 1999. Turkey's integration with Europe gave rise to the modernization of organizational culture and working patterns of the entrepreneurs and their anti-EU sentiments became much less stated. The Association adapted to new dynamics of national politics and global economy and so proved its economic and professional effectiveness during the 2001 economic crisis. The MÜSİAD members avoided the negative effects of the crisis due to correct strategic moves and this increased its economic credibility and effectiveness and led to a good reputation as well as social prestige.¹⁹⁸

Thus, the February 28 process was the history of a total war by armed and unarmed forces of the Republicans against the conservatives' efforts for upward mobilization. The Turkish state could not tolerate even such a restricted criticism of

¹⁹⁷ Hoşgör, 2011, p. 352.

¹⁹⁸ Yankaya, p. 50.

secularist state. Actually, this process had significant effects in the transformation of the full cadre of conservatives, who was tried to be removed from the public realm by the secular bloc, ultimately the chief actors of the country with political, economic, and social forces. In the same manner, although the conservative businessmen were subjected to a strict punitive policy during the February 28 process, the development process was not disrupted seriously. On the contrary, the entrepreneurs could achieve to strengthen their profile by emphasizing democracy and representation and so, a new identity of relatively sophisticated conservative businessmen profile gained power. Hence, the February 28 process was a milestone through the development of the Islamic bourgeoisie since the MÜSİAD not only successfully passed this break by evaluating it as an opportunity to modernize and professionalize itself but also ensured its position by articulating to global capitalist system. As a result, membership in the Association became attractive when its contribution to the economic and social life of the entrepreneurs, who want to grow in the international market and have a status in society, is considered. So the upward mobility of the new Islamic bourgeoisie, who became a significant component of the ruling elite as a result of the economically strengthening MÜSİAD membership, has become actively involved in the course of social change in terms of their ideals, interests and lifestyles.

CHAPTER IV

THE VICTORY OF CONSERVATIVE LIBERALISM

The beginning of the twenty-first century witnessed crucial developments in Turkish politics. The modernization efforts and secularization doctrine of the Kemalist regime was challenged by pro-Islamist political agenda. Deep insecurities raised identity crises and reflected in conflicts between the secularists and Islamists.¹⁹⁹ As the Islamic identity claims began to be represented in political terms by the JDP early in the 2000s, and as it consolidated its rule persistently for three terms since 2002, the Islamic politics gained the control of the state apparatus and had more power in the Turkish political system than ever. In this context, the political system has undergone a transformation shaped by a complex interplay of domestic and external influences.²⁰⁰ In this chapter, the victory of the conservative entrepreneurs with the JDP rule throughout the three terms of electoral victories during the 2000s by paving way to the power consolidation and the institutionalization of the Islamic bourgeoisie will be analyzed in detail. Islamic politics in Turkish political economy during the JDP rule will be examined in details in terms of transformation of the political economy, new forms of state-business relations, and the role of MÜSİAD in the new business environment. Actually, the analyses to contextualize the present day political debate around the JDP rule need to be made within a larger historical and institutional setting. Accordingly, there are not so much resources analyzing the period comprehensively. However, while the contemporary context is a significant component of the transformation process that

¹⁹⁹ Ali Çarkoğlu, "Conclusion", in *Religion and Politics in Turkey*, ed. by Ali Çarkoğlu and Barry Rubin, London, New York: Routledge, 2006, pp. 169-177, p. 169.

²⁰⁰ Ziya Öniş, "The Political Economy of Turkey's Justice and Development Party", *The Emergence of a New Turkey: Islam, Democracy and the AK Party*, ed. by Hakan Yavuz, Salt Lake City: University of Utah Press, 2006, pp. 211-228, p. 211.

we are trying to examine, the period will be reflected so far as the limits of the research and the straightness of the materials allow.

4.1. Transformation of the Political Economy: The JDP Rule (2000s)

During the 1990s, not only unregulated market system and populist tradition of economic policy but also political tensions and uncertainties left the Turkish economy vulnerable to crises. The new market economy was prone to crises because it operated without a proper regulatory framework to assure the stable functioning and so led to the economic crises of 1994, 1999 and 2001 respectively. Subsequently, the legitimacy and governing crisis of the state after the 1997 military intervention was followed by a devastating political and economic crisis in 2001. This major crisis resulted in a massive collapse of output with negative growth rate and effectively bankrupted the economy. In this respect, the 2001 economic crisis was the most destructive one as high inflation, foreign debt, high budget, and current deficit led the economy to be disposed to domestic and international shocks. Moreover, the crisis affected SMEs most and led to rising unemployment nationwide. The crisis made it clear that there was a strong necessity for a proper regulatory framework in order to assure the stable functioning of a market economy and in this regard, economic institutions and government-business relations had to be radically transformed.²⁰¹ Since then, a very strong long term IMF-sponsored and WB-supported restructuring program that involved both the stabilization measures and longer-term structural and institutional changes in the regulatory framework of the economy due to creating a new mode of regulation of the state-society relations was enforced.²⁰² This was the beginning of a significant political and economic transformation process of the country.

Although the economic restructuring program in order to overcome the economic crisis was a considerable attempt to restructure the state, clientelist and corruption-producing mode of regulation of societal affairs, that marked the nature of Turkish politics in the 1990s, should have also been restructured. Actually, the

²⁰¹ Buğra and Savaşkan, 2014, p. 76.

²⁰² Pamuk, 2014, p. 285.

legitimacy crisis of the Turkish state could be solved most effectively by restructuring the state-society relations in a democratic way through which the state would become an effective governing institution capable of responding to the needs and demands of society.²⁰³ As a consequence of the failed centrist party responses to the challenges owing to multidimensional identity conflicts, polarized ideological struggles, and continual economic impoverishment, Islamic movement gained momentum through this era.²⁰⁴ When the situation discredited the established parties on both the left and right of the political spectrum, it created a political space for Justice and Development Party (JDP) to capitalize upon.²⁰⁵

The JDP was founded in such a great shake that Turkey in general and the Islamic politics in particular was living. Actually, different ideas among the Islamists became too sharp to be contained within a single party following the impasse of 1997. So, by the beginning of the 2000s, Islamic identity claims were represented in political terms by the JDP, the majority of the leading of which were the former modernizer and moderate cadres of the National Outlook movement and in top positions in the WP and Virtue Party (VP, Fazilet Partisi, FP). The founders of the JDP distanced themselves from the previous Islamic stance by defining themselves as conservative democrats with a pro-European and pro-US stance for addressing center-right constituencies. So, the Islamic elite was able to eliminate the older generation of leadership for the first time by undergoing a metamorphosis, or 'taking off national outlook shirts' in their term, and so enlarge its traditionally marginal constituency. The JDP emphasized cultural conservatism by making references to the virtue and potential of Turkish Islamic culture instead of Islamism. Moreover, modernization, democratization, and commitment to secularization also remained important elements of the JDP's pragmatist political discourse. Thus, this new leadership mainly aimed to reconstitute an updated alliance of provincial businessmen, religious intellectuals and state elite which could also offer to strengthen the neoliberal Turkish capitalism.²⁰⁶

Following the collapse of the DLP (Democratic Left Party, Demokratik Sol

²⁰³ Koyuncu Lorasdağı and Keyman, 2005, p. 107.

²⁰⁴ Çarkoğlu, 2006, p. 169.

²⁰⁵ Öniş, 2006, p. 212.

²⁰⁶ Tuğal, 2007, p. 18.

Parti, DSP)-NMP (Nationalist Movement Party, Milliyetçi Hareket Partisi, MHP)-MP coalition government due to the ongoing economic crisis in the country, the general elections of 3 November 2002 was held. Eventually, the JDP dominated the electoral scene and gained a significant victory with the 34.3 % of the votes and two-thirds of the seats in the parliament. So, following a decade of political instability featuring successive coalition governments since 1991, an Islamic political party gained the control of the legislation and formed a single-party majority government for the first time in Turkish history. This new period would be a significant turning point in terms of marking the beginning of a series of radical reforms in the political, economic, social, and legal structures referring to the 'New Turkey' and for the Islamic world as well. The victory was projected as an 'Anatolian Revolution' since the JDP introduced itself as the representative of the disadvantaged Anatolian Turkish-Muslim people, who were dominated and oppressed by Republican secular and modernist military and civil elites. In this regard, the prominent groups of businessmen, who had already gained strength recently by the state support that provided opening of the local entrepreneurs to the foreign markets and so improved in the Anatolian cities during the 1980s and 1990s, made their choices for the JDP not only for its conservative structure but also for the need of a stable one-party government rule to restore their gainings.

Actually, the JDP's electoral victory can be explained with reference to several forms. As we have seen so far, the popular resentment created by the military's role in the collapse of the WP and the economic circumstances of the period were the main determinants. In fact, after the 2001 financial crisis, the DLP-led three party coalition government took strict measures in order to discipline the economy via stabilization and structural adjustment policies. Substantially, as the deepest financial crisis of Turkey, the 2001 crisis had so much negative repercussions on all segments of the Turkish society and had a devastating impact on the electoral fates of the established political parties.

Under these circumstances, a newly established party easily appealed to the discontented population as a progressive force that could bring the positive aspects of economic globalization, based on active participation and competition in the global market. In the same manner, the JDP emphasized social justice in terms of the

distribution of material benefits and extension of individual rights and freedoms. Namely, despite its Islamic heritage, the JDP targeted a broad constituency by claiming to be the very center of Turkish politics and developing a forward-looking and reformist attitude. In return, it gained the support of those who had previously voted for central-right and Islamic parties. Its emphasis on the benefits of the market and the need to reform the state towards a post-developmental regulatory model became extremely successful in constructing a cross-class alliance incorporating both winners and losers of the process into its orbit.²⁰⁷ Moreover, the declaration of the Party that the new reforms for the Turkey's accession process to EU would continue under its rule became too determinative in terms of electoral success and broad electoral coalition as well. All these assurances were significant for all in general and the business community in particular.²⁰⁸ In addition, the most extensive component of the business support, notably from small and medium-sized business units under the umbrella of MÜSİAD, constituted a crucial element of the JDP's electoral support.

While the coming to power of the JDP was the most significant success for the Islamic movement in Republican Turkey, a series of longstanding questions about the nature of the movement were raised. The issue was significant in terms of a party with direct links to the pro-Islamist tradition reasserted itself through democracy in Turkey. However, this could be done just by moving to a centrist position since such a high percentage of votes could not be gained in an anti-systemic Islamist position within a secular institutional basis.²⁰⁹ Essentially, a long-term, effective, and democratic solution for the structural problems of the state-centric Turkish modernity was bringing about the restructuring of state-society relations by taking into consideration the changing sociological and institutional nature of the political economy of Turkish capitalism.²¹⁰ The JDP seemed to be aware of the issue and had a big load to carry out this transformation process.

Actually, the Islamic movement in general had learned a series of important lessons from the economic and political developments of the 1990s. In this way,

²⁰⁷ Öniş, 2006, pp. 222-224.

²⁰⁸ Buğra and Savaşkan, 2014, pp. 59-61.

²⁰⁹ Binnaz Toprak, "Islam and Democracy in Turkey", in *Religion and Politics in Turkey*, ed. by Ali Çarkoğlu and Barry Rubin, London, New York: Routledge, 2006, pp. 25-45, p. 28.

²¹⁰ Koyuncu Lorasdağı and Keyman, 2005, pp. 107-108.

Islamic politicians were aware of the importance of economic stability and henceforth, committed to the rules of the economic liberalism and avoided Islamic references in their political economy discourses. Within this context, being aware of the significance of the transformation process for Turkey, the JDP promised to create a democratic, pluralist, economically and politically well-governed, prosperous, just and strong Turkey ready to become a full member of the EU. The Party declared its choice as change over status quo, effective governing over populism and democratization over nationalism and isolation.²¹¹ This hybrid character of the JDP that enabled it to be Turkish, Muslim, and Western at the same time and, as a result guaranteed its broad appeal in the elections. Thus, the JDP represented the Turkish-Islamic synthesis by articulating into it the global discourses of human rights and democracy on the political level and neoliberalism on the economic level and so became the representative of liberal Turkish Islam.²¹²

When the JDP's ideological manifesto, conservative democracy is analyzed, it is observed that it has solely been a new interpretation of liberal democracy according to the needs of Turkish society and state through democratic pluralism, constitutionalism, rule of law, and participation. In this regard, it mainly harmonized the faith of Islam and the traditional values of Turkish society within the neoliberal framework in order to assure the role of the new urban Islamic class in Turkey's neoliberal transformation. The Party emphasized the need for economic reform and political democratization in the way to become a mainstream party with some sensitivity to religious issues. The rise of the JDP to power was realized through directing and reinterpreting sociopolitical and socioeconomic conditions of the country, mobilizing the social dynamics and integrating the local wealth by articulating Turkish Islamism and neoliberalism for its own objects. To this end, as one of the most dynamic sociopolitical forces of Turkey, the JDP successfully presented itself as the main agent of transformation in terms of economic development and democracy and willingly adopted its political agenda on economic and political stability and democratization.²¹³

Virtually, the possibility of this transformation was mostly lying in

²¹¹ Ibid, p. 125.

²¹² Şeker, 2012, p. 141.

²¹³ Şen, 2010, p. 76.

understanding the changing nature of the political economy of Turkish modernity. The Turkish economy's extreme vulnerability enabled the JDP's commitment to the rules of the market economy and the economic liberalism in general.²¹⁴ Therefore, business environment generally supported the JDP for its more moderate, outward looking, pro-globalization and pro-Europeanization stance. More interestingly, the secular center-right and also liberal democratic socialist intelligentsia played a forceful role in the construction of the JDP rule as an antidote to the shrinking political centre and the authoritarian state bureaucracy. So, they have also represented the JDP as the only political agent that could integrate Turkey into liberal and democratic world.²¹⁵

Having risen to power in 2002, the JDP government promoted an intense reform wave in many fields named as Democracy and Development Program. Initially, the reform program reflected the priorities of the new conservative liberal democratic discourse aiming the improvement of human rights, the protection of minorities, the recovery of the judicial system, and the removal of military tutelage over politics for the integration with the EU.²¹⁶ Actually, the prospect of the EU membership with commitment to the principles of market economy, multiculturalism, and social justice also played such a favorable role for enhancing its electoral assets for three terms. Besides, the EU policy created a leeway for moderate Islamic politics to introduce the reforms by providing the support of big business circles and liberals and providing protection against the repulse of secularist state elites.²¹⁷ Thus, the JDP has been able to consolidate its power and popularity both in domestic and international circles by representing a unique synthesis of reformism and conservatism in a pragmatist manner.²¹⁸

Essentially, while the possibility of transformation was mostly based on the political economy, the most important pillar of the JDP's program was neoliberal economic reforms. In this regard, the JDP declared its commitment to continue IMF's long-term economic program by emphasizing fiscal discipline, structural transformation, and privatization and marketization of public services, so taking

²¹⁴ Buğra and Savaşkan, 2014, p. 60.

²¹⁵ Tuğal, 2006, p. 19.

²¹⁶ Şeker, 2012, p. 140.

²¹⁷ Öniş, 2006, p. 2.

²¹⁸ Ibid, p. 17.

necessary steps due to establishing economic and political stability. The government introduced new regulations for the banking system, opted for fiscal discipline and privatized state enterprises and launched a period of growth in the context of regulatory neoliberalism. Moreover, the JDP government took necessary measures to strengthen public finance and increase the effectiveness of public enterprises. As the Turkish economy still could not retrieve the negative effects of the 2001 financial crisis, it could just reach a steady growth rate at the first step helped by a favorable global liquidity environment.

Actually, during the first five years in power, the Party followed pro-private sector policies more than any other period through the Republican history and so provided not only the support of emerging industries in new industrial centers of Anatolia but also the big industrialists and businessmen in İstanbul. The businessmen strongly supported the strategy of the JDP government on ensuring fiscal discipline, integration with the EU, and export-oriented industrialization. In this regard, IMF and EU became the two significant anchors for the stabilization of the economy and strengthening of the institutional framework in the long-term.²¹⁹ Therefore, the reorganization of the economy through a neoliberal path strengthened the image of the country in the eyes of Western and non-Western audiences.

In sum, the JDP liquidated whatever constituted a problem in the context of the dominance of neoliberalism and fully embraced a neoliberal economic policy thoroughly.²²⁰ Actually, the JDP was differentiated from the other neoliberal parties in its capacity to transform the attitudes towards the marketization of the economy at a molecular level. The general resistance to neoliberalism has now been removed, and there occurred a broader acceptance of ‘market realities’ among the sectors. This sort of a wide settlement of liberalism was mostly realized through the Islamic discourse which provided a mass consent.²²¹ In this regard, the JDP effectively used a variety of formal and informal redistributive mechanisms in order to enlarge its electoral coalition, that some call as ‘controlled neo-populism’.²²² In this context,

²¹⁹ Pamuk, 2014, p. 287.

²²⁰ Sungur Savran, “İslamcılık, AKP, Burjuvazinin İç Savaşı”, in Balkan, Neşecan, Erol Balkan and Ahmet Öncü. *Neoliberalizm, İslamcı Sermayenin Yükselişi ve AKP*, İstanbul: Yordam Kitap, 2013, pp. 53-143, pp. 90-91.

²²¹ Tuğal, 2006, p. 22.

²²² Ziya Öniş, “The Triumph of Conservative Globalism: The Political Economy of the AKP Era”, 2012.

while the political rise of the JDP can be explained easily, the analysis of the consolidation of power and establishing itself as a major force for several terms can be explained by an adequate systematic and critical analysis of the economic policies.

In terms of policy discourse, the JDP leader Erdoğan released the previous radical exclusionary discourse for which he had been sentenced in prison and banned from running for office in 1998. So, the previous elements of the Islamic radicalism were replaced with an emphasis on cultural conservatism in the JDP's more cautious social policy discourse by expressing the merits of traditional culture. Moreover, the JDP's political discourse on modernization and secularization was also important and met with enthusiasm on the post-secularist debates about the possibility of democracy in a Muslim environment. Accordingly, the government launched a series of democratization reform packages towards the accession to the EU. Thus, both the neoliberal economic reforms and the EU political reforms brought together economic recovery and democratic participation in the country.

However, on 27 April 2007, the Turkish Armed Forces intervened in presidential nomination procedure by publicly expressing fear that a candidate nominated by the governing Islamic roots would threaten Turkish secularism via an electronic memorandum. The process was resulted in a call for the general elections in July 2007 and the reelection of the JDP by taking nearly 47 % of all votes, 341 of the seats in the Parliament and thus increasing its share by almost 12 percent compared to the 2002 elections. Following this, Abdullah Gül was elected as the president. After the 2007 elections, the reform program was continued to be implemented decisively. During the second term of rule, the JDP consolidated its affection on the state institutions and highly seized the state apparatus.

In terms of neoliberal economic policies, the JDP government's economic policy mostly concentrated on a decisive and comprehensive privatization of SOEs that had been aimed since 1980s not fully actualized. Actually, the JDP's privatization approach can be appraised as the most significant proof of the strong commitment of the government to economic liberalism. Controversies and obstacles around the privatization process were eliminated through legal amendments by simplifying the bureaucratic procedures, expanding and consolidating prime

ministerial control over the administration. Within this context, in addition to the privatization of natural resources and objects of common property, social services were also commercialized. These attempts created many profitable capital accumulation occasions for private investors especially in energy, mining, tourism, construction, and health care sectors. Thence, most of the new entrepreneurs that conspicuously grew through the JDP rule invested and benefited in these large-scaled privatized sectors, especially energy.²²³

Actually, the JDP's determination to privatize the economy was coherent by its equally strong commitment to SME development too. Aware of the importance of the broad business support in the electoral victory, the JDP government designed and enforced the necessary policies for the development of the SMEs. Initially, the JDP's Urgent Action Plan before the 2002 elections declared that the rights and interests of the small companies would be protected. These kinds of anti-monopoly references were instrumental in securing such a wide SMEs support and it has largely been ensured in turn.²²⁴ In this context, the enterprises were defined and categorized and a strategic action plan for their development was implemented during the first term of the JDP rule. In 2003, a new institutional framework was installed in order to provide preferential credit to the SMEs. Thus, the government became a determinative actor in the economic activities of the SMEs. Actually, the state support provided to SMEs constituted a significant split from the previous centrist approaches.²²⁵ In this respect, public administration reform was actualized through a series of legislative changes with the aim of limiting the authority of central government in favor of local governments.²²⁶ In fact, the removal of the authority from the central to the local was compatible with the policy orientation of the JDP government aiming the empowerment of local authorities as it relied on the entrepreneurial potential of provincial business environment. So, the municipalities became important actors in some of the areas previously controlled by the central government. With the 2004 law on metropolitan municipalities, the municipal governments had rights in economic decision making processes especially in the

²²³ Buğra and Savaşkan, 2014, pp. 81-82.

²²⁴ Hoşgör, 2011, p. 355.

²²⁵ Buğra and Savaşkan, 2014, p. 82.

²²⁶ Hoşgör, 2011, p. 354.

infrastructure investments.²²⁷ Therefore, the Anatolian businessmen had great business opportunities with the limitation of the central government authority. During this period, the number of the public contracts awarded to conservative businessmen through JDP-run municipalities increased.²²⁸ Moreover, the urban investments of the municipalities and also the infrastructure and road investments have been mostly realized by conservative businessmen.

The central government did not retreat during the empowerment of the local but still played a significant role in the process of capital accumulation and business development with a change in the form of the relationship between the public and private sectors.²²⁹ Since the central government authority was still the major player in building urban infrastructure and controlling investment projects and as these projects were carried out through partnerships with public actors, any role that the private sector had in such big projects still involved government-business relations at the central administration level. In this regard, an important area in the relationship between the public and private sectors became Housing Development Administration Fund (TOKİ- Toplu Konut İdaresi Başkanlığı). Resources, responsibilities, and privileges of TOKİ further increased with legislative changes. TOKİ was allowed to use public as well as private funding for its activities. Thus, the administration has played a crucial role in the development of public-private partnerships in the construction sector since it could support and collaborate with private companies using immense financial and real estate resources.²³⁰

Since ongoing urban development created enormous capacity in construction sector and led to fruitful business opportunities countrywide, not only the central government authority, but also its local branches and the municipalities could grant public contracts in this sector. When the private partners of the major urban transformation processes are analyzed, it can be seen that almost the same companies benefited from the public contracts. So, the tender procedures of the investments undertaken by these new business actors sometimes carried controversies and

²²⁷ Buğra and Savaşkan, 2014, pp. 86-88.

²²⁸ Hoşgör, 2011, p. 354.

²²⁹ Buğra and Savaşkan, 2014, pp. 81-84.

²³⁰ Ibid, pp. 85-86.

irregularities carrying the efforts to bypass legislative regulations.²³¹ Actually, the pragmatic political and economic policies of the JDP governments were likewise reflected in the multidimensional and more assertive foreign policy objectives. Turkey maintained efforts of integration into the EU, cooperation with the United States, and commitment to the NATO membership on the one hand; it developed political and economic relations with Russia, some states in Africa and Latin America on the other. Furthermore, Middle East became another significant component of the Turkish foreign policy with increasing political and economic interest and involvement in the regional affairs by promoting Islamic identity. The increasing relations with neighbors were evaluated in the context of an ideological and identical reshuffling of the Turkish foreign policy, a shift of axis. The continuity and rupture in Turkish foreign policy was legitimized by being quite rational and pragmatic in terms of political economy fundamentals and having counterproductive consequences regarding the country's long-term national interests and ability to play a stabilizing role as a pro-active regional power.²³²

The new foreign policy orientation created fruitful business opportunities for the conservative businessmen in Turkish, Middle Eastern and African countries. While the Turkish companies conducted construction works across the Middle East and beyond, not only the commercial properties and services but also the cultural products such as music and TV series also had so many audiences beyond the borders.²³³ Thus, the passion of the Islamic politics to be the big brother of the region through the exportation of an authentic Islamic culture, that is not inconsistent with modernization, economic rationalization and strategic partnership, was performed via the new Turkish Islamic businessmen who would proudly undertake the representation of this particular neoliberal model. So, the Turkish Islamic bourgeoisie has had a central place not only in the economic, political, and cultural agenda of Turkey but also has implications for rest of the region as the representative of a conspicuous organizational model.

Apart from these big investment projects, the JDP provided the Islamic capital

²³¹ Ibid, pp. 92-95.

²³² Ziya Öniş, "Multiple Faces of the "New" Turkish Foreign Policy: Underlying Dynamics and a Critique", *Insight Turkey*, Vol. 13, No. 1, 2011, pp. 50-69, p. 50.

²³³ Reuben Silverman, "Doğan versus Erdoğan: Business and Politics in AKP-Era Turkey", *Mediterranean Quarterly*, Vol. 25, No. 2, Spring 2014, pp. 131-151, p. 142.

to extend its share in different sectors as media. When Sabah newspaper and ATV television media companies were put under the control of Savings Deposit and Insurance Fund, they were transferred to the JDP affiliated companies. This issue was a clear-cut example of the politics seeking to shape the market using the power of the state to shift the media world increasingly toward their own alliances.²³⁴ Moreover, the government played an important role in social policy especially in the public health sector by providing more opportunities to the private sector. Besides, the government provided scholarships and grants for the lower middle class and poor students. This decision mainly profited private schools established by religious networks or sects.²³⁵ Actually, the increasing state involvement in religious affairs to enhance the place of Sunni Islam in all affairs and so the rise of religious conservatism within the society are clearly correlated with the developments in cultural policy. Although the JDP has meticulously tried to distance itself from the radical Islamist discourse, it carried out a social engineering project for the rise of religious conservatism in the country. Most importantly, the place of Islam in society was being reshaped not only by government action but also by the role of the organizations using Islamic references in their organizational strategies. In this regard, Islamic business organizations mobilized all the sources in order to enhance the rise of religious conservatism with all dimensions within the Turkish society.²³⁶

4.2. New Forms of State-Business Relations

When the state-business relations during the three terms of the JDP rule is analyzed within a broad perspective, against long odds, Turkey experienced not the retreat of the state but a change in the form of relationship between the public and private sectors. Initially, the IMF reforms were mainly designed to separate the economy and politics in order to create an institutional structure for the proper management of the economy by an autonomous bureaucracy. The aim of the reforms was to prevent the discretionary intervention of politicians that had proved so damaging in the past. In this regard, when the JDP came to power in 2002, it was

²³⁴ Ibid, p. 146.

²³⁵ Hoşgör, 2011, p. 354.

²³⁶ Buğra and Savaşkan, 2014, pp. 138-139.

expected that that the reforms would limit the government's ability to influence private-sector activity, and the particularistic character of the state-business relations would no longer exist in the Turkish political economy. Actually, the first term rule marked the signs of this tendency by supporting all the components of business environment equally. However, when the JDP consolidated its power by the second victory, it steadily rolled back many of the changes. The economic policies that supported all components of the private sector were mostly abandoned and instead more discriminatory practices were enforced. While the JDP governments contributed to the current large profits of the Islamic capital, it articulated the economic demands of the bourgeoisie to the interests of the newly arisen medium-sized business groups of Anatolia. Moreover, it forced the big business circles of İstanbul to adopt compromises to the medium-sized firms in order to establish a long-term organic relation across the economic, political, and ideological fields. As a result of stability and economic growth, a temporary truce within business environment was maintained. Moreover, the government put off the formation of a front against neoliberal reforms by prospecting social justice, income equality, and democratization.

As it has been stated in the previous chapter, there already existed a significant capital accumulation in Anatolia. The global context also amply supported the alternative modes of development in order to broaden the legitimacy of neoliberal development within religious masses of the East. In this context, Turkey took its role in promoting an alternate modernity. The JDP pursued and succeeded in combining the structural agents that put forward capitalism and religion mutually inclusive within the particular conditions of the country. In this way, the discourse on return to Islamic roots became an essential element in the ideological quest for the inclusion of Islam in the neoliberal market and the religious legitimacy of capitalist development itself. As a result, the JDP's harmonization of Islam with the country's neoliberal transformation has been a significant instrument in consolidating and stabilizing its authority. Within this framework, neoliberalism has been legitimized in practice within the wider religious masses through Islam and local elements via the Islamic elite, both in the theoretical and economic fields with Islamic capital at the centre.

The connections of the JDP government with conservative businessmen throughout the period demonstrated that the earlier political practices which supported the capital accumulation processes would still continue to operate. As it has been examined so far during the JDP rule, the government's role in shaping the business environment did not become less significant but took a new form in terms of the relations between the government and private sectors. In this regard, there witnessed impressive business successes of the new entrepreneurs who developed businesses and invested more than one sector by having privatization and public tenders and public-private partnerships in different sectors. The rapid local capital accumulation of these entrepreneurs was mostly realized through subcontracting relations for investment projects in infrastructure development, energy, and construction. Since these projects bring large and medium-scale business together, business networks have played a significant role in the relocation of the industry.

Actually, when such impressive business successes of the new entrepreneurs of the JDP rule are analyzed, it is witnessed that their career paths do not follow a pattern of local industrial development through an eventual nationwide expansion. Contrarily, although most of these entrepreneurs are from the provincial towns of Anatolia, while local industrial experience or capital accumulation has played just a limited role, the public institutions have played a significant role in their business ventures. Of course, we cannot skip the issue that these big business enterprises contributed to capital accumulation locally through subcontracting relations. In this regard, when the intervention of public authorities in the selection of subcontractors for investment projects in infrastructure development, energy, and construction is considered, the importance of business networks that bring together SMEs seem quite obvious.²³⁷

While these new big business actors emerging on a national scale, the big business that has already existed in big industrial sectors continued to profit more and increased wealth and power in neoliberal economic environment. Such a dominant big business environment, where the capital concentrates in a few hands, makes to doubt whether local business interests exclusively benefited from the policy of the empowerment of local. But, as it is known, the neoliberal restructuring

²³⁷ Buğra and Savaşkan, 2014, pp. 88-95.

process itself does not refer to the concentration and centralization of domestic capital in few hands in the national context but refer the domestic players to expand their accumulation base by further integrating with the world market. Although it is obvious that the JDP channeled the resources to the big conservative businessmen through privatization bids and local government authorities and the Islamic capitalists currently yielding large profits secured increasing support in return, the multiple power relations among different capital fractions in Turkey with conflicting demands on the state cannot be skipped. Since these capital fractions have operated in the national and international markets with specific concerns, the capital accumulation process has created a series of contradictions but also alliances between them. So, they have pursued multiple strategies to benefit from different state policies. In this context, TÜSİAD did not fail to respond to this changing environment and tried to develop closer ties with local SMEs. So, although there always existed an ongoing contradiction between different business circles or between these circles and government, this can just be explanatory in terms of the certain regulatory reforms or law. However, it is far away from explaining all the fractional alliances behind the JDP government, especially in its early period.²³⁸

Therefore, during the process of restructuring the Turkish economy during the JDP rule, the government-business relations remained important in terms of shaping advantageous business development areas by government intervention and policy processes. As mentioned so far, throughout the Republican history, the modern nation building process required the formation of a national bourgeoisie as a significant component of the Republican economic development process. The process was mostly shaped with particularist relations between political and economic actors. Also, the politicians engaged in different business activities. In the same manner, the government-business relations mediated by family or friendship and religious sects networks that were oriented around a shared sense of Islam-inspired piety and assisting one another in the pursuit of individual endeavors, by taking direct roles in business life or sharing interests with business actors became so common during the JDP governments.²³⁹ In this regard, such kind of a difficulty in establishing clear boundaries between business interests and political interests in the

²³⁸ Hoşgör, 2011, pp. 354-357.

²³⁹ Pamuk, 2014, p. 313.

JDP policies explain its success in promoting economic growth and development.²⁴⁰

In this respect, public contracts and tax exemptions were important discretionary mechanisms used by the government to favor specific entrepreneurs. In the same way, tax exemptions and tax penalties continued to play a crucial role in government-business relations during the 2000s.

Actually, this strategy change not only affected the sectors of economic activity but also the mechanisms used by the government to influence the configurations of business interests. So, the public and private sector relations took a new form. In this regard, the JDP expanded the scope of political arbitrariness against the boundaries of the regulatory framework by legislative changes. Thus, the particularism in state-business relations during the JDP rule did not disappear but evolved in terms of modification and circumvention of the laws occasionally.²⁴¹ Within the economic regulation process, new significant opportunities were emerged for capital accumulation of the politically supported fractions of the business environment. Actually, these opportunities determined the path of business development by a group of entrepreneurs who had substantial business success despite little previous business experience during the JDP rule.²⁴²

The penetration of the political networks in the business environment was most clearly displayed in the media sector. The developments in this area constitute an important aspect of the change in the historical form of particularism in state-business relations. As it is known, media was used as an instrument of hegemony nearly by all the governments in the contemporary Turkish history. During the JDP rule, the newly emerging entrepreneurs of Islamic capital began to show a significant presence in the media sector. When the JDP affiliated business people began to take part in the media sector, it became more vulnerable to political manipulation. In fact, when the economic interests of the media investors in other business sectors are considered, the possible contribution of this instrument in presenting political commitments and strengthening political networks seems inevitable. In this regard, the developments in this sector clearly present the new dynamics of the state-business relations during the JDP rule. With each impressive electoral victory that

²⁴⁰ Silverman, 2014, p. 149.

²⁴¹ Buğra and Savaşkan, 2014, p. 76.

²⁴² Ibid, p. 21.

the JDP had, the broadcasting policies of the media organizations were changed.²⁴³

Thus, the 2002 general elections was a turning point in Turkish politics as it sparked the beginning for the victory of the new conservative middle class who had been excluded from the political and economic fields in the previous decade. From this point of view, the JDP was an effort of the Islamic politics to be able response to the new requirements of the movement and a new strategic orientation in order to break the secular alliance against the movement.²⁴⁴ In this respect, the JDP's conservative democratic politics discourse harmonized local traditional values including Islam within the neoliberal transformation process of the country in order to consolidate the power of political Islam. So, the changes at the institutional and intellectual level of the country reshaped the Turkish Islamic politics. In this context, while a party with conservative claims is expected to take a pro-status quo stand, the JDP portrayed a culturally conservative pro-Islamic but liberal anti-systemic movement in its opposition to the authoritarian secularism of the Republican state elites during its transition to be a ruling dominant force in Turkish politics.²⁴⁵ The objective of reshaping the politics according to religious principles became less important in the political discourse and the radical Islamist elements were left behind after the formation of the first JDP government.

4.3. MÜSİAD in the New Business Environment

As it has been examined thus far, particularism continued to influence the current state-business relations in Turkey pervasively as it had always been so during the Republican history, but now with changes in mechanisms and forms. Although large government support provided to newly emerging big entrepreneurs has mostly circumvented the organized interest representation, business associations still have had an important presence in the government-business relations due to the JDP's emphasis on local industrial development and the emergence of provincial entrepreneurs. The selective empowerment of the business associations in terms of their relations with the political authority has been an important feature of the current

²⁴³ Ibid, pp. 95-100.

²⁴⁴ Savran, 2013, p. 90.

²⁴⁵ Buğra and Savaşkan, 2014, pp. 109-110.

context. In this regard, since business associations with Islamic references uses religion not only in the formulation of their organizational discourses and strategies but also as a network source to establish links between enterprises located in different sectors and regions, they have become a significant component of the business constituency of the JDP government. Because of the nature of their relations with the political authority, they have not only represented the interests of their constituencies but also shaped these interests. Moreover, they have contributed to the definition of objectives and strategies of policy orientation and transformation of economic and socio-cultural institutions. Thus, they have operated in a wider relational matrix by significantly contributing to political developments of a broader agenda in terms of reshaping the business environment and contributing to a macro-level socioeconomic project emphasizing the centrality of Islam in Turkish society.²⁴⁶

Within this context, the conservative entrepreneurs of Anatolia, that have been mostly organized under the umbrella of MÜSİAD, had an important presence in the economy, politics, and society during the JDP rule. They have taken necessary measures to consolidate the power of the conservative entrepreneurs and became the new capitalists of Turkey. Today, MÜSİAD is the largest voluntary business association in Turkey with more than 11.000 members, 46.000 enterprises employing 1.600.000 employees, 86 branch offices in the country and 168 overseas offices in 65 countries abroad. The member-firms operate in each and every sector in the economy; in total, they produce more than 100 billion dollars of the national revenue²⁴⁷ and more than 15 percent of the GDP by organizing members through its national structure of local branches all over Anatolia. 16 sectorial working groups and 13 committees carry out research, reporting and follow up activities in order to update members on developments about the national economy.²⁴⁸ The members of the Association are not only widely distributed throughout the country, but also operate in the international markets by producing almost 15% of the export mostly pursued with Europe, Central Asia, the Middle East and North Africa. There are many indicators available showing the increasing power of the Islamic capital

²⁴⁶ Ibid.

²⁴⁷ <http://www.musiad.org.tr/tr-tr/musiadla-tanisin-02/02/2016>

²⁴⁸ Yankaya, 2015, p. 46.

progressively during the JDP rule. To illustrate, the number of MÜSİAD members in Turkey's Top 500 Industrial Enterprises List are progressively increasing in the last decade. While there were 4 MÜSİAD members in the list in 2002, it increased to 8 in 2004, 23 in 2007, 25 in 2008 and thirty-one in 2009. Totally, there were more than 70 conservative enterprises in the list in 2009.²⁴⁹ Actually, while the most powerful enterprises in the list are still the TÜSİAD member big enterprises and the rise of Islamic capital is not such salient at first sight. However, the present data indicates that MÜSİAD does not only represent the SMEs but also some of the newly emerging big entrepreneurs that conduct partnerships with government in different business sectors. These big entrepreneurs also create significant business opportunities for smaller subcontracting firms in terms of subcontract, procurement, chain, and dealership relations. In this context, supervision of local accumulation process gains more importance within the Turkish business environment since such kind of a diverse membership allows the Association to form effective communication channels and cooperation beyond local. In this regard, while most of the SMEs along with the big Islamic enterprises are MÜSİAD members, the increasing power of Islamic capital has gained importance as a significant and transforming component of the business environment.

Corollary to the economic growth and institutional strengthening, the participation of the MÜSİAD elites in politics consolidated and resulted in Association's increasing importance in the political issues. In fact, since the JDP's rise to power in 2002, political engagement in the Party has systematically taken place within the Association. The MÜSİAD members have not only been candidates in the elections, but they have also taken responsibilities in the Party's provincial organizations. Actually, the MÜSİAD members' interest in public affairs and their political engagement have not been restricted to the provinces but circulated towards national scale. To illustrate, while there were 6 members among the JDP founders, there were 23 MÜSİAD member businessmen among the 363 founder members of the first JDP government in 2003. Following the second victory in 2007, it raised to 30 deputies and in the 2011 elections, there were 26 seats of the MÜSİAD members in the Parliament. Hence, the MÜSİAD membership was institutionalized as an

²⁴⁹ <http://www.milliyet.com.tr/muhafazakaryukselis/ekonomi/ekonomidetay/28.07.2010/1269129/default.htm-02/02/2016>

operative tool of passage facilitating the transition of local economic elites to the national politics as political elites via its instrument of political power. This mechanism has assured the linkages between the economic and governing elites.²⁵⁰

In this context, MÜSİAD has had significant opportunities and privileged positions in the distribution of economic and political gains, had the maximum benefit and as a result, consolidated its position during the JDP rule. Strengthening in the politics was pursued with strengthening in the business environment. Firstly, the group with six MÜSİAD members seized the management of İstanbul Chamber of Commerce (İTO), which possesses an indisputable economic power and political influence, under the presidency of Murat Yalçıntaş in 2005. Yalçıntaş had the presidency again in 2009 as well as an absolute majority of MÜSİAD members took place in the board of directors with 6 of 9 in the administration, and also a significant presence in the professional committees. This result was the victory of MÜSİAD in terms of its taking control of the upper ranks of business affairs in the country's economic capital as a result of its longstanding attempts.²⁵¹

Moreover, the president of MÜSİAD Ömer Cihad Vardan and the president of TÜSİAD Ümit Boyner held the first official meeting between the two big business associations in 2010. At the joint press release after the meeting, two businessmen declared that they exchanged ideas on the economic crisis in order to find solutions to avoid the negative effects of the crisis on Turkish economy. This meeting was important in the way that it was held on the invitation of TÜSİAD. So, it can be argued that the big business accepted this new brother as a potential partner. Most importantly, the meeting proved that the Turkish bourgeoisie has been consolidated by being aware of the economic and political interests beyond moral and cultural diversities.

Moreover, the Association became an institution that the international economic and financial institutions received feedback during their visits to Turkey since 2003. IMF made a visit to MÜSİAD in 2003 through which it accepted MÜSİAD as an employer counterpart jointly with TÜSİAD and TOBB. Besides, a joint delegation of IMF, WB and major global companies attended a meeting with MÜSİAD in 2009 in order to follow the real sector in Turkey closely in their terms.

²⁵⁰ Yankaya, 2015, pp. 68-69.

²⁵¹ Ibid.

Hence, MÜSİAD has been addressed as an interlocutor by the international financial institutions on the issues related to the real sector and the SMEs in particular and the Turkish economy in general. This international recognition proves that MÜSİAD has been strengthened as an employers' club the economic expertise of which was recognized. Besides, it proves that the actors of the global economy recognize the socio-professional group represented by MÜSİAD and the economic and social power of the Islamic businessmen attracts attention worldwide. These all reveal that the power of MÜSİAD increased nested with the JDP power. While the MÜSİAD strengthened its position within the business environment through the JDP rule, the new Islamic bourgeoisie could be able to reveal its strength and ability of a larger collective action decisively.

As it has been examined so far, the Islamic capitalists have demonstrated the desire for power and capacity for collective action progressively. In this way, MÜSİAD has acted as a lobbying group by influencing the decision-making processes in public affairs and integrating the new Islamic bourgeoisie into influential positions at the national level. So, MÜSİAD members assumed prominent roles in Turkish politics especially in terms of economic governance and social organization as political actors in policy decisions.²⁵² Within this context, MÜSİAD gained access both to domestic and foreign policy decision making procedure directly or indirectly during the JDP rule. So, economic considerations of the new political, economic, and social elites played a significant role for the policy orientation of the JDP government.

In this regard, MÜSİAD members has always had their seats reserved in Prime Minister and then president Erdoğan's plane in foreign trips for establishing economic contacts abroad under the guidance of the state. The state support for the opening of the local entrepreneurs to the foreign markets gained strength during this period. In terms of foreign policy orientation, the entrepreneurs demanded new export markets for their goods and investment opportunities and so, Middle Eastern, African, Russian and some East Asian countries gained importance to meet the new market demands of the new business class in terms of exportation, investment, tourism and energy. The Muslim businessmen have been relatively transnationalized

²⁵² Ibid, pp. 46-47.

and become an important force in Turkish foreign policy initiatives. As the most important economic development during this period, the 2008 global financial crisis affected the Turkish economy mainly through trade relations to some degree but resulted in relatively low damage. Following the recession period, Turkey established new trade markets alternative to the EU and increase in domestic demand and export rates contributed to the recovery. When the crisis paved the shift from the West to the East in terms of economy, regions in the East and South became more important for expanding trade and investment for Turkey and this increased the significance of the conservative businessmen in Turkish economy. Actually, this new orientation of Turkey's foreign economic relations helped to bypass the 2008 economic crisis with least damage.

These results can be interpreted as a sign of the new Islamic entrepreneurs' consolidation of power by ending the absolute monopoly of the secular bourgeoisie over economic activity and the institutionalization of its victory over it. This phenomenon owes a great deal to the Association's affinities with the JDP rule because such proximity creates a political-economic integration between these organizations. This symbiosis has offered a premise for less conflictual economic governance and fast-paced administrative processes for the political elite on the one hand, and a favorable redistribution of economic privileges and access to government officers on the other. Moreover, MÜSİAD has distinguished itself as the business association with the strongest consanguinity with the JDP has encouraged businessmen to mobilize through solidarity networks for the continuation of these advantages.²⁵³

Thus, the political and sociological affinities between the JDP and MÜSİAD made them as complementary even as twins defending the interests of the modernized Muslims in political and economic terms. The conducive character of the political and economic environment has been consolidated by the conformity between the dominant business association and the party in power. The affinities between the political and economic centers have contributed to the consolidation of power of the new Islamic entrepreneurs. The JDP's rise to power carried MÜSİAD into a position of influence within patronage networks. The members had economic

²⁵³ Ibid, p. 73.

privileges, political influence, official positions, and social status. In this context, MÜSİAD requested the rearrangement of the wealth distribution in its favor, became more effective within the politics and worked for the Islamization of the community in the socio-cultural sense. As a result, MÜSİAD raised its economic, political, and social power during the JDP rule and became the main structure in terms of institutionalizing the Islamic bourgeoisie. MÜSİAD did this not by demanding the overthrow of the order and build the new one but transforming the established one by making it suitable for their own interests.²⁵⁴

Thus, since the JDP consolidated its rule persistently with three successive terms, this new period became a turning point in terms of marking the beginning of a series of radical reforms in the political, economic, social, and legal structures of the country referring to ‘New Turkey’ and also new approaches for the Islamic world as well. In this context, the Turkish political system has been transformed due to a complex interplay of domestic and external influences. With the changing place of the economy and religion in Turkish society and the reconfiguration of business interests by new patterns in state-business relations during the JDP rule has led to the victory of conservative entrepreneurs. Since the political representative of the Islamic capital is ruling the country persistently throughout the decade, by promoting the market conditions, integrating with the international business community, privatization, and exalting conservative morality, Islamic bourgeoisie has consolidated its economic, political, and social power, institutionalized and well-integrated into the economic and political power structures of the country. Thence, Islamic capital is at the center of the economic, political and cultural agenda of contemporary Turkey since it strongly effects the organization of social and political space and also the economic and moral-cultural configurations. The longevity of the ruling power more than any period in the Republican history led to the development of the government-business relations to become more comprehensive and the multiple affinities between the political and economic powers strengthened the influence of the new businessmen over social change and ensuring the stability of its power. The process of economic, political, and social capital accumulation of Islamic

²⁵⁴ Ibid, pp. 76-77.

businessmen led to an upward mobility by ensuring their recruitment into the spheres of influence.²⁵⁵ As a result, the Turkish Islamic businessmen have a central place not only in the economic, political, and cultural agenda of Turkey but also has implications for rest of the region as the representative of a conspicuous organizational model contemporarily.

²⁵⁵ Ibid, p. 48.

CHAPTER V

CONCLUSION

Turkey has gradually transformed towards neoliberal market economy in the last three decades with an Islamic bourgeoisie at the core. These conservative entrepreneurs have had a central place not only in the economic, political, and cultural agenda of Turkey but also had implications for the rest of the Middle East region as a role model temporarily. In this regard, this study provided a political economy based analysis of the contemporary rise of Turkish Islamic capitalism within a larger historical and institutional setting by focusing on a significant conservative economic actor, namely MÜSİAD in terms of its particular societal vision, identity claim, and institutional strategy. Since the modernizing Islam in contemporary Turkey is a multi-dimensional fact in the socio-economic, political, cultural and religious aspects of life, it has been observed that this transformation process comprises sui generis forces based on a set of specific political, economic, and social conditions behind. So, it has been observed that examining the transformation of the Islamic politics in Turkey is not only a priority for the contemporary social sciences, but also essential for answering the vital debates of the contemporary Turkish politics. For this purpose, the study tried to contribute to the studies on the Turkish political economy by providing a historical analysis of the Islamic capital within the capitalist development process in Turkey.

We have been aware that the political processes significantly contributed to the formation of the Islamic capital, yet the issue needed a much more comprehensive analysis. In order to substantiate our argument, we have tried to evaluate the motives behind the Islamic representation of interests within the transformation process of the Turkish political economy due to providing not only a political economy based analysis of Turkish capitalism but also the role of religion in the Turkish society. In

this regard, we have focused on some basic interrelated questions in order to examine the developments that have transformed the economic, political, and cultural coordinates of the country with all aspects. The study has mainly focused on the transformation of the state-business relations and the role of religion in the society in terms of continuity, rupture, and reconstruction in order to understand the context of the rise of Islamic capital in Turkey.

In order to offer a comprehensive historical framework, the study has examined the political and economic developments throughout the capitalist transformation process of Turkey beginning in the late Ottoman era to the present in terms of economic policy and religion. When the late Ottoman and early Republican Era have been examined, it has been witnessed that the state-centric and developmentalist national economic policy with the aim of creating a national bourgeoisie at the center defined the economic development policy orientation of the state. Then, the import-substitution industrialization development model led to a competitive free market environment during the 1960s by more strengthening the centrality of the state in economy. During these periods, the Turkish state maintained its traditional monopoly over the markets as the most important determinant of distribution, growth, and profit. Moreover, creating a national bourgeoisie still remained a significant state policy. Just after the market transition in the 1980s, this traditional role of the state was gradually minimized, the economic liberalization dominated the economic life and the identity politics in different forms through the interaction between historically determined domestic and international factors. With the resurgence of Islam, Islamic capital has gradually become a considerable force in the country.

During the 1980s and 1990s, Turkey experienced a profound transformation in terms of political, economic, and social dimensions and the relationship between the state and society with the neoliberal policies pursued. Within this context, the changing place of economy and religion in Turkish society and the rise and fall of the Islamist politics in terms of the efforts of the conservatives for upward mobilization through MÜSİAD has been explored in detail. As a result, it has been observed that there has continuously been a policy based interaction between the state institutions and the business groups in Turkey. While the transformation of the

capitalist institutions in Turkey has been mostly determined by political action, through which interests, ideas, values, beliefs, alliances, and conflicts have been so determinative in socio-economic and political processes, there has always been a mutual interaction, dependency, and tension between the political and economic powers.

In the same manner, the specificity of the business environment has been determined by specific configurations of factors each of which also has had effects on the autonomy and the capacity of the state. While the autonomy of the state has always remained significant, the policy making process was marked by a strong particularism traditionally. In this regard, while the state has always been interventionist dominating and manipulating the business environment, the business actors have acted as determinants in political processes by using economic resources and mobilizing their influence in order to shape the interest configurations within the business community. With the liberalization of the economy and accommodation to the global system during the post-1980 period, the expected reduction in the role of the government through the capital accumulation process was expected to give way to new forms of interest representation and change the state-business relations in the country. Although the transformation process was resulted in a relative autonomization of interests from politics, it led to the involvement of business in party politics as a significant aspect of the state-society relations. Actually, the state redesigned the relationship with business groups by accommodating a more pluralistic and representative manner in especially economic policy making processes, however, it has not effectively abolished traditional corporatist structure. The relations of the business associations with the government was also marked by a strong particularistic character. In this respect, certain business associations have expressed the will for taking part in policy processes. Thus, the state-business relations have traditionally been characterized by a strong particularism in a pervasive manner within the Turkish context.

Whatever the extent of the continuity was, it seems it seems there occurred a transformation against the historical background founded by the economic development and cultural change experience of the country. In this context, the relative balance of power, interest configurations, and new types of alliances, and

conflicts characterized the state-business relations during the post-1980 period. Furthermore, there occurred a special emphasis on the place of religion in public life by redefining the state-society relations as well. With the rise of Islamic capital, the Islamic businessmen have served to increase the political and cultural differences and tensions between secular and religious dynamics of Turkey and became the main force in the mobilization of the political Islam in the country. In this context that the conservative entrepreneurs of Anatolia which have been mostly organized under the umbrella of MÜSİAD, acquired an important presence in the economy, politics, and society during the WP and then the JDP rule. They have consolidated the power of the conservative entrepreneurs and became the new capitalists of Turkey.

The JDP rule became a turning point for Turkish politics as it sparked the beginning of the victory of the conservative middle class in corollary to the JDP's conservative democratic political discourse that harmonized local traditional values with the neoliberal transformation process in order to consolidate the power of political Islam. The political economic policy orientation of the JDP has conformed with the traditional character of the relationship between the state and big business in the country in many ways. The JDP integrated and demobilized the Islamic entrepreneurs in order to maintain the neoliberal hegemony in the country by resting on a very specific conjuncture of mobile class forces, state structures, and cultural traditions with the attempts to make its strategic vision accepted by its constituency and by the society at large. When the state-business relations during the three terms of the JDP rule has been analyzed within a broad perspective, another stage of political capital formation process and a new classic state formed bourgeois class in the modern history of the country is observed. The regulations that the government has executed over time shaped the business environment and contributed to the capital accumulation of the recently emerged group of conservative businessmen. Therefore, the state has not retreated, but the form of relationship between the public and private sectors has been retransformed. Actually, this strategy change has not only affected the sectors of economic activity but also the mechanisms used by the government to influence the configurations of business interests.

During the JDP rule, particularism continued to dominate the state-business relations pervasively in terms of politicians' taking direct roles in business life or

sharing interests with business actors as it had been ongoing during the Republican history. But there occurred some changes in mechanisms and forms such as family or friendship and religious sects networks, which were mostly oriented around a shared sense of Islam-inspired piety and assisting one another in the pursuit of individual endeavors. In this regard, while the boundaries between business and political interests blurred, it interestingly seemed to contribute to the economic growth and development. In this context, Islamic business associations with their solidarity networks have had an important presence in the government-business relations. The selective empowerment of the business associations in terms of their relations with the political authority has been an important feature of the current context. In this respect, MÜSİAD has constituted a significant component of the business constituency of the JDP government that had the full capacity with three terms majority rule for planning a hegemonic project in terms of reshaping the business environment and contributing to a macro-level socioeconomic project emphasizing the centrality of cultural Islam in Turkish society.

In corollary, the Islamic capitalists have demonstrated the desire for power and capacity for collective action progressively by acting as lobbying groups influencing the decision-making processes in public affairs and integrating into influential positions at the national level. So, as the largest business association, MÜSİAD members assumed prominent roles as political actors in policy decisions of the Turkish politics especially in terms of economic governance and social organization. Moreover, the political economy of the JDP has so much differentiated from the previous politics with its more promising expansionist tendencies with its special emphasis on the problems of the Islamic world. So, the JDP's involvement in the regional affairs with increasing political and economic interest via Islamic identity so much contributed to the political and economic relations with the Middle East and North African region. Thus, Islamic capital accumulation reached a new stage with the exportation of Turkish Islamic liberalism by the new conservative business environment. On the basis of preceding historical evaluation of the Islamic capital, it is possible to make the observation that the strategies, interests, and configurations pursued by the nature of its relationship with the state have been quite successful to the extent that they have been accepted by their members and by the general public.

Moreover, the balance of power between the state and the business class has crucial significance in determining the outcome of class strategies pursued by them to enhance class solidarity and social hegemony.

In the contemporary context, this group of Islamic capitalists is claimed to be classified as Turkish Islamic bourgeoisie since there are so much qualitative visible evidences about the existence of the entity in the public space and the desire for power in politics. Today, while they are the primary actors within the businessmen, they effect the organization of social and political space and also economic and moral-cultural configurations of the country. An ever rising and modernizing religious appearance of primarily conservative actors has been observed in all segments of social life ranging from outfits, home designs, and holiday villages. The process not only makes Islamic religious lifestyle more visible in the society, but also transforms traditional forms of religious mentality by wealth and power.

In these circumstances, the rising status of the conservative businessmen in the political, economic, and social spheres of the country can be evaluated a symbolic resource of a new hegemonic project. Since the Islamic legitimacy of the neoliberal transformation prompted the conservative values towards capitalist expansion it contributed to dissemination and transformation of the consumption patterns As a result of integration with capital, Islam has been secularized in terms of consumption and lifestyle As the mass character of the upward mobility, rising influence, visibility, and broadening legitimacy makes it obvious that Islamic bourgeoisie is the product of a conscious construction of certain actors. The opportunities that the group creates for the massification, political and moral education, socio-cultural integration, and mobilization of the collective consciousness proves this.

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APPENDICES

APPENDIX A

TURKISH SUMMARY

İslami ekonomilerin çağdaş küresel ekonomik düzende gittikçe daha önemli rol oynadığı günümüzde Türkiye, neoliberal piyasa ekonomisine doğru merkezinde İslami burjuvazinin bulunduğu bir dönüşüm süreci geçirmektedir. ‘Muhafazakar/İslami’ olarak adlandırılan sermayenin temsilcisi olan girişimciler yalnızca ekonomik olarak piyasada değil, aynı zamanda siyasi yönelimleri, yaşam tarzları ve estetik beğenileri ile de ülkenin siyasi ve sosyal gündeminde merkezi bir konumda yer almaktadırlar. Türkiye’nin İslami kapitalistleri İslam dünyası içerisinde nispeten başarılı bir demokratik sistem içerisinde gelişmeleri ve uluslararası ekonomik sisteme daha kolay entegre olabilmelerinden kaynaklı olarak en dinamik deneyimin temsilcisi durumundadırlar. Bu bağlamda Türk İslami sermayesi, özellikle Arap Baharı ile başlayan geçiş sürecinde dikkat çeken bir uluslararası iş ağı ve örgütlenme modelini ihraç etmek suretiyle Ortadoğu ve Kuzey Afrika bölgesi başta olmak üzere tüm İslam dünyasını önemli ölçüde etkileyerek İslam ülkelerinin ekonomik kalkınması için güncel bir rol model olarak öncü bir rol oynamıştır. Bu nedenle akademik literatürde radikal İslam korkusunun hakim olduğu uluslararası siyasi ortamda siyasi İslamın yükselişine ilişkin çalışmalarının bir değişkeni olarak Türkiye’de iş dünyasının dönüşümü ve bu dönüşümün siyasi etkileri yoğun tartışmalar yapılmaktadır. Adalet ve Kalkınma Partisi (AKP) deneyimi ile birlikte neoliberal ekonomi ve ılımlı İslamcı siyaset ile Batı yanlısı tutumu bütünleştiren Türk politik ekonomisi yeni Ortadoğu için bir model olarak takdir görmektedir.

Türkiye örneğinin son dönemde bölgede yaşanan gelişmelerin ekonomik ve siyasi etkilerini araştırmak için çok verimli bir örnek sunacağından hareketle bu çalışma, modern Türkiye’de İslami kapitalizminin yükselişini geniş bir tarihsel ve kurumsal bağlamda kendine özgü toplumsal vizyonu, kimlik iddiası ve kurumsal

stratejisi ile önemli bir muhafazakar ekonomik aktör olan MÜSİAD örneği üzerinden inceleyen politik ekonomi temelli bir analiz sunmuştur. Günümüz Türkiye'sinde modernleşen İslamın yaşamın sosyo-ekonomik, politik, kültürel ve dini yönlerine etki eden çok boyutlu bir olgu oluşundan kaynaklı olarak bu dönüşüm sürecinin, arka planında bulunan bir dizi nevi şahsına münhasır ekonomik, politik ve sosyal koşulların etkisiyle şekillendiği gözlemlenmektedir. Bu nedenle, Türkiye'de İslami sermayenin dönüşümünün incelenmesi yalnızca çağdaş sosyal bilimler için değil, aynı zamanda günümüz Türk siyasetinin temel tartışmalarının sağlıklı bir biçimde yürütülmesi için de öncelikli bir husustur. Bundan hareketle mevcut çalışma, Türkiye'nin kapitalist gelişme sürecinde iş ortamını yeniden şekillendiren temel dönüşümler ve bu kapsamda İslami sermayenin yükselişinin tarihsel bir analizini sunarak Türk politik ekonomisi üzerine yapılan çalışmalara katkıda bulunmaya çalışmıştır. Bu bağlamda, ekonominin liberalleşmesi ve ülkenin küresel sisteme dahil olması ve siyasal İslamın yükselişi ile devlet ve sermaye ilişkilerinin ve iş dünyası içerisindeki çıkar yapılanmalarının ve güç dengelerinin ne ölçüde süreklilik veya değişim geçirdiği analiz edilmiştir.

Bilindiği üzere Türk modernleşme sürecinde din ve dine ilişkin hususlar her zaman en tartışmalı konular olmuştur. Öyle ki, Türk siyasetini İslama referans vermeden analiz etmek neredeyse imkansızdır. Aynı şekilde, İslami sermayeyi ve onun kurumsal yapısını göz önünde bulundurmadan Türk politik iktisadını ya da İslamın sembolik ve toplumsal gücünü tanımadan Türkiye toplumunun kültürel yapısını anlamak da mümkün değildir. Bu bağlamda bu çalışmada, Türkiye'nin ekonomik, siyasi ve kültürel koordinatlarını dönüştüren, yeni çıkar sunumlarının ortaya çıkmasına yol açarak devlet-işadamları ilişkilerini dönüştüren gelişmeleri tüm yönleri ile incelemek amacıyla bazı temel sorular üzerine odaklanılmıştır. Çalışma temelde Türkiye'de İslami sermayenin yükseliş ve dönüşüm sürecini devlet-iş adamları ilişkileri ve dinin toplumdaki rolü üzerinden devamlılık, kopuş ve yeniden yapılanma argümanları temelinde açıklamaya yoğunlaşmıştır.

Türkiye'nin 1980 sonrası dünya ekonomisiyle bütünleşmesi sürecinde sermaye birikim süreçlerinin büyük oranda devlet müdahalesine bağlı olduğu korumacı ekonomik sistem yerini piyasa odaklı bir sisteme bırakmış ve böylece önemli bir ekonomik değişim sürecine girilmiştir. Bu ekonomik değişim süreci,

ekonomi politikaları ve kurumlarının da ötesine geçerek mevcut devlet yapısının reforme edilmesi gerekliliğini gündeme getirmiş, bu anlamda siyasal rejimin yapısını da önemli ölçüde etkilemiştir. Ekonomik küreselleşme ve yeni kapitalist düzenin getirdiği uluslararası bağlamda din de mevcut önemini korumakla kalmamış, siyasi söylemleri ve politikaları etkileyerek siyasi bir gerilim kaynağı ve ekonomik ve toplumsal dayanışma unsuru olarak ilişkilerin içeriğini dönüştüren bir unsur olarak öne çıkmıştır. Demokratikleşme talepleri ve kimlik politikaları kapsamında İslamcı siyaset yükselmiş, bu da siyasal rejim değişikliğine ilişkin tartışmaları daha da kuvvetlendirmiştir. Dinin siyasetin yanı sıra ekonomide de bir ilişki sermayesi olarak kullanılması ve siyasal İslamın tabanının gün geçtikçe artması ile İslami sermaye büyük ölçüde yükselişe geçmiş, bu süreçte devlet ve girişimci örgütler ve kullandıkları strateji ve söylemler belirleyici rol oynamıştır.

Bu nedenle, modern Türkiye tarihi üzerine yapılan bilimsel çalışmalar içerisinde en ilgi çekici ve tartışmalı süreçlerden birisi İslam dünyası içerisinde en radikal laik devrimi deneyimleyen Türk devletinin laiklik yanlısı güçlerinin 1980 sonrası dönemde İslamcı bir eleştiri ve meydan okuma süreci ile karşı karşıya gelmesi hususunun değerlendirilmesi olmuştur. Şüphesiz, Türkiye’de iş dünyasının yeniden şekillenerek geçirdiği dönüşüm, ülkenin 20. yüzyıl boyunca geçirdiği ekonomik ve kültürel değişim süreci tarafından belirlenen tarihsel zeminde geçirilen büyük dönüşüm sürecinin önemli bir aşamasıdır. Ancak bu süreçte ekonomiye yoğun devlet müdahalesinin kalkınma sürecini olumsuz etkilediğini vurgulayarak ekonominin yeniden tanımlanmasında ısrar eden baskı gruplarının yanı sıra otoriter seküler modernleşme sürecinin devlet-toplum ilişkilerinin yapısına verdiği zararı daha yüksek sesle eleştiren ve dinin kamusal alanda yerinin yeniden tanımlanması gerekliliğinde ısrar eden görüşlerin dönüşümü zorlamasıyla Türk devleti 20. yüzyıl boyunca geçirdiği kalkınma ve kültürel değişim deneyimiyle pek de uyum göstermeyen bir değişim sürecine girmiştir. Bu nedenle, bu çalışma kapsamında son dönemde yeni söylemler ve stratejilerin ortaya çıkması sonucunda ekonomi, siyaset ve toplumsal alanlarda meydana gelen başlıca değişikliklerin politik ekonomi ve din bağlamında analiz edilmesi suretiyle tarihsel bağlamın ana hatları ortaya konulmaya çalışılmıştır. Tüm bu gelişmelerin Türk ekonomisi ve iş dünyasındaki yansımaları ve politik ve kültürel etkilerini çözümü çabaları kapsamında İslami sermayenin

oluşumuna önemli ölçüde katkı yapan politik süreçlerin ayrıntılı olarak incelenmesi öncelenmekle birlikte konu hakkında çok daha kapsamlı bir analize ihtiyaç duyulduğu gözlemlenmiştir. Bu itibarla, mevcut tartışmayı desteklemek amacıyla Türk kapitalizminin yalnızca politik ekonomi tabanlı bir analiziyle sınırlı kalınmamış, aynı zamanda Türk toplumunda dinin rolü de Türk siyasal iktisadının dönüşüm sürecinde çıkarların İslami temsiline gerekçeleri bağlamında tüm yönleriyle değerlendirilmeye çalışılmıştır.

Kapsamlı bir tarihsel çerçeve sunmak amacıyla çalışma, geç Osmanlı döneminden başlayarak Cumhuriyet tarihinin farklı dönemlerinde günümüze kadar uzanan dönemde Türkiye'nin kapitalist dönüşüm süreci boyunca yaşanan siyasi, iktisadi ve toplumsal gelişmeleri gelişmeleri politik ekonomi ve din açısından incelemiştir. Konu tartışılırken kavramsal ve teorik yönlerinden ziyade temel siyasi ve sosyo-ekonomik tarihsel boyutlarının analiz edilmesine odaklanılmıştır. Örneğimizin kendi çıkarları doğrultusunda üyelerinin kaynaklara ve temel süreçlere katılımını mobilize ve kontrol etmek için kullandığı yöntemleri analiz etmek amacıyla ilk aşamada İslami, İslamcı ve siyasal İslam gibi bazı temel terimler ve İslami grupların neoliberal ekonomiye entegrasyon süreçlerine ilişkin ilgili literatürde yer alan bazı temel metodolojik tartışmalara değinilmiştir. Aslında, bu çalışmada Weber'in Protestan Etik ve Kapitalizmin Ruhu tezi bağlamında Protestan ve İslam ahlakının analogik olgular olarak değerlendirilmesi ve bu doğrultuda Anadolu'daki Müslüman işadamlarının Kalvinist İslamcılar olarak ele alınması suretiyle uygulanması işlevsel olabilirdi. Ancak, konunun Müslüman işadamlarının içerisinde varlığını sürdürdüğü sosyo-ekonomik bağlamların çeşitliliğini göz önünde bulundurmadan yalnızca katı monolitik zihinsel bir konfigürasyona dayalı soyut bir kavram olarak ele almanın yetersiz olacağı değerlendirilmiştir. Aynı şekilde, sermayenin homojen bir varlık olarak değerlendirilemeyeceği ve kapitalist iktidarın yapılanmasını ve kullandığı yöntemleri etkileyen değişiklikleri incelemeyi analiz edilemeyeceği açıktır. İşletmelerin ekonomik çıkarlarındaki farklılıklar dönüşümlerin etkisini şekillendiren önemli faktörler olmakla birlikte siyasi duruşlar veya kültürel kimlikler de dönüşüm süreçlerinde belirleyici roller oynamaktadırlar. Bu itibarla sosyal sermayenin güven yaratan en önemli unsurlarından biri olan din, ekonomi dışı bir belirleyici olarak farklı sınıf aktörlerini ve ekonomik, siyasi ve sosyal süreçleri

etkileyerek büyük bir dönüşüme yol açmaktadır. Ayrıca, kapitalist sınıf ve burjuva kültürü gibi terimlerin evrensel kategoriler olarak değil, politik ve ideolojik çıkar sunumunun toplumlara özgü formlarının sonucu olarak değerlendirilmesinin daha isabetli olduğu düşünülmektedir. Bu yüzden İslami sermaye tarafından ülkenin sosyal ve ekonomik gelişme seyrini etkilemeye yönelik bulunan girişimlerin kapitalist hegemonyanın standart açıklamalarına referansla anlaşılabilmesinin çok güç olduğu dikkate alınmalı ve konu sosyal ve tarihsel arka planı içerisinde değerlendirilmelidir. Bu bağlamda mevcut çalışma kapitalizmi evrensel özelliklerinin ötesinde belirli bir tarihsel dönüşüm ve toplumsal değişim bağlamında incelemeyi amaçlamıştır.

Bir ülkenin geçmiş mirası siyasi ve iktisadi aktörlerin tutumlarını belirleyen önemli bir faktör olduğundan bu aktörlerin eylemleri de dönüşümlerin parametrelerini, ülkenin zaman içerisindeki siyasi, ekonomik ve sosyal davranışları ve değişimlerinin silsilesini belirler. Bu bağlamda, belirli bir sosyo-ekonomik süreçle iç içe geçmiş belirli bir tarihsel konjonktürün değerlendirilmesi ve yeni girişimcilerin güç yapıları içerisine entegrasyonunu açıklamak amacıyla konu İslami çıkar sunumunun önemli bir taşıyıcısı olan bir örnek üzerinden açıklanmıştır. Esasında MÜSİAD örneği, bir sınıf örgütü olarak sosyal rolleri dar tanımlı kurumsal çıkarların sunumunun çok ötesine geçerek 1980 sonrası dönemde Türkiye'nin en güçlü İslami ekonomik aktörü olması nedeniyle çok anlamlıdır. Ayrıca MÜSİAD örneği, geleneksel ve resmi olmayan formlarla ve dayanışma değerleriyle birbirine bağlı özerk girişimcilerin dayanışma, yardım ve ortaklığa dayalı bir model olarak modern kapitalizmin kültürel ve maddi yönlerinin eklemlenme dinamiklerini tarihsel ve kültürel açıdan farklı bir bağlamda örnekleyen bir olgu olarak bilimsel açıdan da çok operasyoneldir. MÜSİAD dini piyasa aktörleri arasındaki ekonomik ilişkilerde ve bu aktörlerin devletle olan ilişkilerinde güveni sağlamak için bir ilişki sermayesi olarak kullanmak suretiyle yeni kapitalist düzene özgü bir üretim örgütlenme ve siyasi eylem biçimi geliştirmiştir. MÜSİAD, iş dünyasının ekonomik, politik ve kültürel koordinatlarını dönüştürerek Türk iş dünyasını yeniden şekillendirmiş olması ve belirli bir tarihsel ve sosyal varyasyon sunarak kapitalizmi durağan evrensel özelliklerinin ötesinde anlamaya katkıda bulunması nedeniyle çok pratik bir örnek sunmaktadır.

Üç bölümden oluşan çalışmanın ulusal bir burjuvazi yaratma başlıklı birinci bölümünde, geç Osmanlı ve erken Cumhuriyet Döneminde Türkiye'deki ekonomik gelişmeler, devlet politikası olarak siyasi destekli sermaye birikim ve ekonomik kalkınma stratejilerinin oluşturulma süreci devlet-işadamları ilişkileri bağlamında tarihsel bir arkaplan olarak sunulmuştur. Hem 20. yüzyıl başındaki İTC hükümeti hem de Cumhuriyetin kurucularının ulus inşası sürecinin en önemli hedeflerinden biri ulusal bir burjuvazi yaratılması olmuş, yeni girişimci sınıfın ilk yatırım kaynakları devlet tarafından sağlanmıştır. Yeni işadamlarının sınırlı girişim kapasiteleri nedeniyle devletin üretim faaliyetlerinde doğrudan rol aldığı bu dönemde ekonomik müdahalecilik ve siyasi otoriterliğin hakim olduğu bir devletçilik anlayışı hakim olmuştur. 1960'lı yıllarda ithal ikameci sanayileşme kalkınma modeli devletin ekonomideki merkezi rolünü daha da güçlendirerek rekabetçi bir serbest piyasa ortamına yol açmış ve devlet, dağılım, büyüme ve kârın en önemli belirleyicisi olarak piyasalar üzerindeki geleneksel tekeli korumuştur. Ulusal burjuvazi yaratma hedefi bu dönemde de önemli bir devlet politikası olarak işlev görmüştür. Sonuç olarak bu dönemde temelinde ulusal bir burjuvazi yaratma hedefi bulunan devlet-merkezli ve kalkıncı ulusal ekonomik politikanın devletin politik ekonomisinin temelini oluşturduğu tespit edilmiştir.

Çalışmanın neoliberal politik ekonomi başlıklı ikinci bölümünde, 1980'li yıllarda ülkenin küresel piyasa ekonomisine entegrasyon süreci ile Türk toplumunda ekonominin ve dinin değişen yeri incelenmiştir. Ayrıca bu bölümde 1980-2000 yılları arasındaki dönem Türk politik ekonomisinde neoliberal ve İslami politikalar ve devlet ve çıkar grupları arasındaki klientalist ilişkiler analiz edilmiştir. Bu bölümde MÜSİAD örneği de ülkenin politik ekonomisine etkileri, Derneğin oluşumu, kurumsal ve üyelik yapısı ve ideolojik çerçevesi ile İslami sermaye birikimi, yeni çıkar yapılanmaları ve iş dünyasında meydana gelen yeni ittifaklar ve çatışmalar açısından detaylarıyla incelenmiştir. 1980'li yıllarda dönemin resmi ideolojisinin temel amacı bürokratik engellerin kaldırılması suretiyle devletin etki alanını minimize ederken toplumunkini genişletmektir. Devletin ekonomideki geleneksel rolü yasama ile yasal ve bürokratik devlet kurumlarının etkisini azaltmak suretiyle azaltılmış, ancak bu devletin ticari faaliyetlerdeki rolünün azalmasıyla sonuçlanmamıştır. Devletin ekonomiye müdahalesinin sürekliliğine rağmen karar

verme yetkisi geleneksel bürokratik elitlerden siyasi elitlere geçmiştir. Bunu gerçekleştirmek için devlet aygıtı karar verme mekanizmasının merkezileşmesi ve yürütme organının ve özellikle başbakanın gücünün artırılması suretiyle yeniden düzenlenmiştir. Bununla birlikte, ekonomik liberalleşme ulusal ve uluslararası faktörler arasındaki etkileşim yoluyla iktisadi yaşama ve farklı biçimlerdeki kimlik siyaseti de sosyal yaşama hakim olmuştur. İslamın tüm alanlarda yükselişi ve muhafazakar kesimin toplumsal süreçlere aktif olarak katılması için sağlanan fırsatlar sonucunda, İslami sermaye giderek önemli bir güç haline gelmiştir. Türkiye, 1980'ler ve 1990'lar boyunca izlenen neo-liberal politikalarla siyasi, ekonomik ve sosyal alanda ve devlet-toplum ilişkileri bakımından derin bir dönüşüm yaşamıştır.

Çalışmanın muhafazakar liberalizmin zaferi başlıklı üçüncü bölümünde ise 2000'li yıllarda AKP hükümetinin üç dönem boyunca süren iktidarı boyunca İslami ya da muhafazakar olarak nitelendirilen burjuvazinin zaferine katkıda bulunan siyasi, ekonomik ve sosyal süreçler tüm yönleriyle ele alınmıştır. AKP iktidarı boyunca Türkiye'nin politik ekonomisinde İslami politikaların etkisi ve böylece politik ekonominin dönüşümü, devlet-iş ilişkilerinin yeni biçimleri ve bu yeni iş ortamında MÜSİAD'ın rolünün ayrıntılı olarak analiz edildiği bu bölümde İslami burjuvazinin güç konsolidasyonu ve kurumsallaşması ile taahhütleri ve ikilemleri de değerlendirilmiştir.

Türk toplumunda ekonominin ve dinin değişen konumu ve İslamcı siyasetin yükselişi ve düşüşünün MÜSİAD bağlamında muhafazakarların mobilizasyon çabaları ekseninde detaylı olarak incelendiği bu çalışma kapsamında Türkiye'de devlet kurumları ve iş dünyası arasında politika temelli bir etkileşim olduğu gözlenmiştir. Türkiye'de kapitalist kurumların dönüşümü çoğunlukla çıkarlar, fikirler, değerler, inançlar, ittifaklar ve çatışmaların sosyo-ekonomik ve siyasi süreçlerde etkili olduğu politik eylemler tarafından belirlenirken, siyasi ve ekonomik güçler arasında her zaman karşılıklı etkileşim, bağımlılık, ve gerginlik olduğu gözlemlenmiştir. Aynı şekilde, iş ortamının özgüllüğünün de devletin özerkliği ve kapasitesine de etki eden belirli faktörler tarafından belirlendiği gözlemlenmiştir. Devlet her zaman iş ortamına hakim ve yönlendirici müdahaleci bir yapıda iken, iş dünyası da toplulukları içerisindeki çıkar yapılanmalarını şekillendirmek için ekonomik kaynaklarını ve nüfuzlarını kullanmak suretiyle siyasi süreçlerde

belirleyici rol oynamışlardır. 1980 sonrası dönemde ekonominin liberalleşmesi ve küresel sisteme uyum sağlanması ile, sermaye birikimi sürecinde devletin rolünde beklenen azalmanın çıkar sunumlarında yeni formlara ve devlet-iş adamı ilişkilerinde değişime yol açması beklenmiştir. Dönüşüm süreci çıkarların siyasetten görece bağımsızlaşması ile sonuçlanmış olmasına rağmen, aynı zamanda devlet-toplum ilişkilerinin önemli bir yönü olarak iş dünyasının parti siyasetine dahil olmasına yol açmıştır. Aslında devlet geleneksel korporatist yapısını devam ettirmiş, ancak özellikle ekonomi politikalarının belirlenmesi süreçlerinde iş dünyası ile daha çoğulcu ve temsiliyetçi uzlaşmacı bir ilişki yürütmeye başlamıştır.

Sürekliliğin boyutu ne ölçüde olursa olsun ülkenin ekonomik kalkınma ve kültürel değişim deneyimi tarafından belirlenen tarihsel arka plana karşı bir dönüşümün meydana geldiği açıktır. Bu bağlamda, nispi güç dengesi, çıkar ortaklıkları, yeni tip ittifaklar ve çatışmalar 1980 sonrası dönemin devlet-iş ilişkilerini karakterize etmektedir. Ayrıca, devlet-toplum ilişkilerinin yeniden tanımlanmasıyla kamu hayatında dinin yerine özel bir vurgu yapılmıştır. İslami sermayenin yükselişi ile birlikte, İslamcı işadamları Türkiye'nin laik ve dini dinamikleri arasındaki siyasi ve kültürel farklılıkları ve gerilimin artmasına yol açmış ve siyasi İslam'ın mobilizasyonunda temel güç haline gelmişlerdir. Bu bağlamda, çoğunlukla MÜSİAD çatısı altında organize olan Anadolu muhafazakar girişimciler, RP ve ardından AKP döneminde ekonomi, siyaset ve toplum hayatında önemli bir yer edinmişler ve güçlerini sağlamlaştırarak Türkiye'nin yeni kapitalistleri olmuşlardır.

Siyasal İslamın gücünü pekiştirmek amacıyla neoliberal dönüşüm süreci ile yerel geleneksel değerleri harmonize eden muhafazakar demokrat bir siyasi söylem geliştiren AKP yönetimi, muhafazakar orta sınıfın yükselmesinde dönüm noktası olmuştur. Bu kapsamda AKP'nin politik ekonomisi birçok yönden ülkedeki devlet-iş adamı ilişkilerinin geleneksel karakteri ile uyum içinde olmuştur. AKP, İslamcı girişimcileri mobil sınıf güçleri, devlet yapıları ve girişimleri ile kültürel geleneklerin çok özel konjonktürüne dayanarak stratejik vizyonunun seçmenleri ve geniş toplum kesimleri tarafından benimsenmesi çabalarına paralel biçimde ülkedeki neoliberal hegemonyayı sürdürmek adına entegre ve mobilize etmiştir. Bu bağlamda, hükümetin zaman içerisinde ortaya koyduğu düzenlemeler iş ortamını şekillendirmiş

ve son dönemde ortaya çıkan muhafazakar işadamları grubunun sermaye birikimine katkıda bulunmuştur. Devlet bu dönemde de geri çekilmemiş, ancak kamu ve özel sektör arasındaki ilişkinin biçimi dönüşüme uğramıştır. Aslında bu strateji değişikliği yalnızca ekonomik faaliyet gösteren sektörleri değil, aynı zamanda hükümetin çıkar yapılanmalarını etkilemek için kullandığı mekanizmaları da etkilemiştir. AKP yönetimi devlet-iş ilişkileri geniş bir perspektif içinde analiz edildiğinde görünen odu ki iş dünyasının yeniden konfigürasyonu ve hükümet ile iş adamı ilişkilerinin aldığı yeni biçim Cumhuriyetin ilk döneminde özel sektörün geliştiği ortamı andıran bir seyir izlemiştir. Bu anlamda AKP iktidarı boyunca, ülkenin modern tarihinde siyasi destekli bir sermaye oluşum sürecinin bir başka aşaması ve yeni bir klasik devlet destekli burjuva sınıfı yaratma çabası gözlemlenmektedir.

Bu bağlamda, AKP iktidarı döneminde Cumhuriyet tarihi boyunca da süregeldiği üzere devletin iş yaşamında doğrudan rol alarak ya da iş dünyasının aktörleriyle çıkarları paylaşarak sürdürdüğü partikülerizm devlet-iş adamı ilişkilerine hakim olmaya devam etmiştir. Ancak, çoğunlukla İslami dindarlık ve bireysel odaklı yardım çabaları gibi ortaklık duyguları etrafında aile ya da dostluk veya tarikat ağlarının etkili olduğu yeni mekanizmalar ve formlar ortaya çıkmıştır. Bu bakımdan, iş dünyası ve siyasi çıkarlar arasındaki sınırlar bulanıklaşırken, bunun ilginç bir biçimde ekonomik büyüme ve gelişmeye katkıda bulunduğu gözlemlenmektedir. Bu bağlamda, İslamcı işadamları örgütleri dayanışma ağları sayesinde hükümet-iş adamı ilişkilerinde önemli bir varlık göstermiş, siyasi otorite ile ilişkileri bakımından işadamları örgütlerinin seçilerek güçlendirilmesi mevcut durumun önemli bir özelliği olmuştur. Bu bağlamda MÜSİAD, üç dönemlik iktidarı boyunca iş ortamının yeniden şekillendirilmesi ve Türk toplumunda kültürel İslam'ın merkezi rolünü vurgulayan makro düzeydeki bir sosyo-ekonomik projeyi kapsayan hegemonik projenin AKP hükümetlerinin iş dünyasındaki önemli bir bileşenini teşkil etmiştir.

Sonuç olarak, İslamcı kapitalistler giderek kamu işlerinde karar alma süreçlerini etkileyen lobi grupları olarak hareket etmiş ve ulusal düzeyde etkili pozisyonlara dahil olarak kolektif eylem için kapasitelerini ve güç arzularını ortaya koymuşlardır. Bu yüzden, bu anlamda en büyük işadamları örgütü olarak MÜSİAD üyeleri özellikle ekonomik yönetim ve toplumsal örgütlenme bakımından Türk siyasetinin politik karar alma süreçlerinde siyasi aktör olarak önemli roller

üstlenmişlerdir. Dahası, AKP'nin politik ekonomisi, İslam dünyasının problemleri üzerine yaptığı özel vurgu ve daha vaatkar yayılcı eğilimleri ile daha önceki siyasi yaklaşımlardan farklılaşmıştır. Özellikle AKP'nin İslami kimlik üzerinden bölgesel siyasi ve ekonomik meselelere ilişkin artan ilgisi Ortadoğu ve Kuzey Afrika bölgesi ile siyasi ve ekonomik ilişkilere önemli ölçüde katkıda bulunmuştur. Türk firmaları Ortadoğu ve ötesinde yalnızca inşaat, ticari mal ve hizmet sunumuna ilişkin faaliyetler gerçekleştirmekle kalmamışlar, aynı zamanda müzik ve TV dizisi gibi kültürel ürünlerin de bölgeye ulaştırılmasıyla sınırların ötesinde de pek çok kitleye ulaşma fırsatını yakalamışlardır. Türk İslami liberalizmin yeni muhafazakar iş dünyası tarafından ihraç edilmesi ile İslami sermaye birikimi yeni bir aşamaya ulaşmıştır. Türk siyasal İslamının modernleşme, ekonomik rasyonalizasyon ve stratejik ortaklık ile çelişmeyen bir otantik İslam kültürünü tüm coğrafyaya ihraç etme yoluyla bölgenin ağabeyi olma arzusu yeni muhafazakar işadamları vasıtasıyla gerçekleştirilmiştir.

İslami sermayenin tarihsel değerlendirilmesi temelinde, devlet ile olan ilişkisinin doğası gereği izlenecek stratejiler, ilgi alanları ve yapılandırmaları üyeleri ve genel kamuoyu tarafından onlar tarafından kabul edildiği ölçüde başarılı oldukları gözlemini yapmak mümkündür. Ayrıca, devlet ve işadamları sınıfı arasındaki güç dengesi, sınıfı dayanışmasını ve toplumsal hegemonyayı güçlendirmek için izledikleri sınıf stratejilerinin sonucunu belirlemede de ciddi bir öneme sahiptir. Mevcut bağlamda, İslamcı kapitalistlerin kamusal alandaki varlıkları ve siyasette güç sahibi olma arzularının çok nitel kanıtlarının varolmasından dolayı Türk İslami burjuvazisi olarak sınıflandırılacakları iddia edilmektedir. Günümüzde işadamları içerisinde birincil aktörler konumunda bulunan muhafazakar işadamları, sosyal ve siyasal alanın örgütlenmesini ve ülkenin ekonomik ve ahlaki-kültürel yapılandırmalarını etkilemektedir. Bu şartlar altında, muhafazakâr işadamlarının ülkenin siyasi, ekonomik ve sosyal alanlarında yükselen konumu, yeni bir hegemonik projenin sembolik bir kaynağı olarak görülebilir. Öyle ki, neoliberal dönüşümün İslamiyet ile meşrulaştırılması ile muhafazakar değerlerin kapitalist genişleme yönünde harekete geçirilmesi sürecinde yukarı hareketliliğin kitlesel karakteri, artan etkisi, görünürlüğü ve genişleyen meşruiyeti İslamcı burjuvazinin bariz bir biçimde belirli aktörlerin bilinçli bir ürünü olduğunu ortaya koymaktadır.

Grubun kitleselleşme, siyasi ve ahlaki eğitim, sosyo-kültürel bütünleşme ve kolektif bilincin seferber edilmesi için yarattığı fırsatlar da bunu kanıtlar niteliktedir.



APPENDIX B

TEZ FOTOKOPİSİ İZİN FORMU

ENSTİTÜ

Fen Bilimleri Enstitüsü	☐
Sosyal Bilimler Enstitüsü	☒
Uygulamalı Matematik Enstitüsü	☐
Enformatik Enstitüsü	☐
Deniz Bilimleri Enstitüsü	☐

YAZARIN

Soyadı : Kabacıoğlu
Adı : Hilal
Bölümü : Middle East Studies

TEZİN ADI: Capitalist Development in Turkey and the Rise of
Islamic Capital

TEZİN TÜRÜ : Yüksek Lisans ☒ Doktora ☐

1. Tezimin tamamından kaynak gösterilmek şartıyla fotokopi alınabilir. ☒
2. Tezimin içindekiler sayfası, özet, indeks sayfalarından ve/veya bir bölümünden kaynak gösterilmek şartıyla fotokopi alınabilir. ☐
3. Tezimden bir bir (1) yıl süreyle fotokopi alınamaz. ☐

TEZİN KÜTÜPHANEYE TESLİM TARİHİ: