

RELUCTANT CAPITALISTS:  
THE RISE OF NEO-ISLAMIC BOURGEOISIE IN TURKEY

A Ph.D. Dissertation

by  
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Ankara  
January 2013



To Cengiz and Mira

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Graduate School of Economics and Social Sciences  
of  
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January 2013

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## ABSTRACT

### RELUCTANT CAPITALISTS: THE RISE OF NEO-ISLAMIC BOURGEOISIE IN TURKEY

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The rise of the JDP to power in Turkey in 2002 marked a beginning of a new era in Turkey and Islamic world, in terms of enduring debate between Islam and Democracy and that of Islam and Capitalism. One of the significant outcomes of this politico-economic development was emergence of a neo-Islamic bourgeoisie in modern Turkey. The aim of my dissertation is to contextualize rise of this neo-Islamic bourgeoisie class against the backdrop of conflict and cooperation between Islam and Capitalism in general; and political, intellectual and economic transformations of Islamist actors over the last three decades in Turkey, in particular.

As a case study, I will examine vision, mission and activities of a non-governmental Islamic business organization, İGİAD (Financial Business Ethics Foundation/İktisadi Giriřim ve İş Ahlakı Derneđi), which was an offshoot of MÜSİAD (The Independent Industrialists' and Businessmen's Association/Müstakil İşadamları Derneđi). The reason I chose to work on İGİAD is twofold: a) the organization has never been studied from an academic point of view; and

b) it is an Islamic business organization which makes the most self-conscious effort to reconcile capitalist business principles and Islamic ethical values.

Based on my research, I argue that neo-Islamic class found an “opportunity space” in a Weberian sense, in the last three decades in the Turkish economy-political context, and emerged as a result of an ongoing negotiation between self-perception of their Islamic identity and capitalism. Overcoming the challenges, and decreasing the ‘discursive tension’ between Islam and capitalism, in this process, these Islamic actors defined and redefined Islam, secularism, capitalism, investment, banking, consumption, and luxury in such a way that both Islam and capitalism were considered flexible enough to accommodate each other. At the end of the process, they emerged as “reluctant capitalists”.

Methodologically speaking, my dissertation will integrate my analysis of secondary and primary sources that I have been examining at Bilkent and Harvard libraries last three years; of Islamic media (newspapers, journals, TV channels) products; and more importantly in-depth interviews with members of neo-Islamic bourgeoisie class in Turkey, mostly with the members İGİAD.

Key words: Muslim bourgeoisie, Islam, Capitalism

## ÖZET

### MÜTEREDDİD KAPİTALİSTLER: TÜRKİYE’DE YENİ İSLAMİ BURJUVAZİNİN YÜKSELİŞİ

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Ocak 2013

Adalet ve Kalkınma Partisi (AKP)’nin 2002 yılında iktidar gelmesi “İslam ve Kapitalizm” ile “İslam ve Demokrasi” tartışmalarının seyri açısından Türkiye’de ve İslam dünyasında yeni bir dönemin başlangıcı oldu. Bu ekonomik ve siyasi gelişmelerin en önemli sonuçlarından birisi modern Türkiye’de yeni bir İslami burjuvazinin doğuşu olmuştur. Benim tezimin amacı ortaya çıkan bu yeni İslami burjuvaziye genel olarak İslam ve Kapitalizm tartışmaları özel olarak ise Türkiye’de son otuz yılda Müslüman aktörlerin siyasi, ekonomik ve entellektüel dönüşümleri bağlamında incelemektir.

Yeni burjuvazinin doğuşuna örnek bir vaka olarak, MÜSİAD (Müstakil İşadamları Derneği)’dan ayrılarak kurulan ve bir tür sivil toplum kuruluşu olan İslami iş örgütlerinden İGİAD (İktisadi Girişim ve İş Ahlakı Derneği)’ın vizyon, misyon ve aktivitelerini inceleyeceğim. İGİAD’ı seçmemin iki sebebi vardır: a) söz konusu dernek şimdiye değin akademik bir bakış açısı ile henüz incelenmedi;



ve b) bu dernek İslami ahlak deęerleri ile kapitalist iř prensiplerinin uyumunu saęlamak için en fazla bilinçli çaba sarfeden iř örgütüdür.

Arařtırmalarım neticesinde iddiam řudur ki, yeni İslami burjuvazi son otuz yılın Türkiyenin ekonomi-politik bağlamında Weberyen anlamda kendine yeni “fırsatlar alanı” buldu ve kendi Müslüman kimlięi ile kapitalizm arasında devam edegelen pazarlık neticesinde ortaya çıktı. Bu süreçte Müslüman aktörler İslam ve Kapitalizm arasındaki “söylemsel gerilim”i azaltarak, İslamı, kapitalizmi, banka ile çalışmayı, tüketimi ve lüksü öyle bir şekilde yeniden tanımladılar ki İslam ve Kapitalizm birbiri ile uyumlu hale gelecek derecede esnek hale geldi. Süreç sonunda ise yeni burjuvazi “müteredit kapitalistler” olarak ortaya çıktı.

Metodolojik olarak, tezim son dört yıldır Bilkent ve Harvard kütüphanelerinde arařtırdığım birincil ve ikincil kaynakların; islami medya (gazete, dergi ve TV kanalları) yayınlarının; ve daha da önemlisi Türkiye’de ortaya çıkan yeni İslami burjuvazinin aktörleri, çoęunlukla da İGİAD üyeleri, ile derinlemesine yaptığım mülakatların analizleri üzerine kurulmuřtur.

Anahtar Kelimeler:Müslüman burjuvazi, İslam, Kapitalizm

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I am very thankful to the president of İGİAD, Şükrü Alkan, who helped me immensely not only through sharing his sincere opinions about Islam and capitalism but also introducing me other İGİAD members during my three year-long research. Likewise two other Muslim businessmen, Ali Vural Ak and Hasan Gültekin, introduced me several other members of the Islamic bourgeoisie from different Islamic circles and *cemaats*. I would like to thank to all of them and to my interviewees, some of whom understandably wanted to remain anonymous. That's why I was able to give initials of their names only in the following pages.

During my research at Bilkent, Harvard and Furman universities and libraries in last five years, I had the good fortune to discuss my project with many great scholars and friends, none of whom hesitated to share their enthusiasm and knowledge. I am particularly thankful to Prof. Cemal Kafadar, Prof. Nur Yalman, Associate Prof. Ali Tekin, Assistant Prof. Cengiz Şişman, Dr. İbrahim Kalın, Prof. İhsan Dağı, Prof. Sabri Orman, Prof. Burhanettin Can, Prof. İsrail Kuralay, Dr. Nihat Alayođlu, Erol Yarar, Nejla Koytak, Eyüp Vural Aydın, and Prof. Ersin Nazif Gürdođan whose thought provoking questions in different stages of my research always provided me with excellent feedback and kept me focused when I found myself wandering too far afield.

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# CHAPTER I

## INTRODUCTION

### 1 1. Scope and Arguments of the Dissertation

The purpose of my dissertation is to contextualize the rise of Islamic “bourgeoisie” in Turkey against the backdrop of conflict and cooperation between Islam and Capitalism; and argue that Islam and Capitalism can be compatible since both of them are inherently flexible to be reinterpreted to accommodate each other as it was seen in the case of İGİAD (Financial Business Ethics Foundation/Iktisadi Girişim ve İş Ahlakı Derneği). The dissertation also seeks to demonstrate the flexibility and adaptability of neo-liberalism as it has the ability to combine with other forms of existence to create convergence.

Since the early centuries of Islam, the relationship between Islam and material world has been problematized by Muslims and students of Islam.



Historically speaking it seems that Islam has been one of the most “money making” friendly and pro-business of all the world's major monotheistic religions. The very founder of Islam, Prophet Muhammad, was a merchant, who, as it is quoted in the epigraph of this chapter, reportedly said “Be brave and busy yourself with commerce. The nine tenth of the livelihood (*rızık*) comes from commerce.” The holy book of Islam, the Qur’an, makes several references to the values of money accumulation and money spending.<sup>1</sup> At the same time the Qur’an warns Muslims for the excessive accumulation and extravagant consumption. With those principles in mind, Muslims had been one of the most important engines of the world economy, if not the most important one in pre modern times. In modern times, however, Islamic polities and Islamic economies lagged behind the global and Western economies and capitalists systems. Arguments as to why Islam lagged behind varied from the claim of Islam’s inherent incompatibility with modern and capitalistic values to that of colonialist and post-colonialist domination over the Islamic world. In last decades, however, Islamic economic practices and new life styles started to emerge in different parts of the Muslim world. The rise of the Muslim “bourgeoisie” in Turkey is surely one of the most interesting examples in illustrating these developments. In order to examine this

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1 For some Quranic verses, referring to economic activities of Muslims, see “O ye who believe! Eat not up your property among yourselves in vanities: But let there be amongst you Traffic and trade by mutual good-will: Nor kill (or destroy) yourselves” (4/29); “But Allah has permitted trade and has forbidden interest. So whoever has received an admonition from his Lord and desists may have what is past, and his affair rests with Allah. But whoever returns to [dealing in interest or usury] - those are the companions of the fire; they will abide eternally therein.” (2/275) “O you who have believed, when is called for the prayer on the day of Jumu'ah [Friday], then proceed to the remembrance of Allah and leave trade. That is better for you, if you only knew...” (62/9-10)

new phenomenon, my dissertation focuses on the Turkish case, with occasional references to the global debate of Islam and capitalism.

To date, political, social, cultural and economic behaviors of Turkish Muslims and Islamist have been the subject of considerable research. For example, Metin Heper (2009:413-422), Ergun Özbudun (2000;1987), İhsan Dağı (2008:25-30; 2005:21-37), Nilüfer Göle (1996:46-59; 2000; 2006), Jenny White (2002;2005), Hakan Yavuz (2003;2008;2001:21-42), Timur Kuran (2004; 2011), Ziya Öniş (2006;2009), Ali Çarkoğlu (2009), Ayşe Buğra (1994), Ayşe Saktanber (2002), Binnaz Toprak (2009), Haldun Gülalp (2003:381-395) made important contributions to the study of the political Islam, Islamic public sphere, Islamic subjectivity and Islamic consumption patterns from different perspectives. On a general level, also much has been written on the relationship between Islam and capitalism in the West and Islamic world since the late 19<sup>th</sup> century. Max Weber (1930), Maxime Rodinson (2007), Bryan Turner (1975:230-243), and Charles Tripp (2006) are just few to mention. Most of the times, however, the relationship between Islam and capitalism has been studied within a dualistic framework of capitalistic domination over Islam or Islamic resistance to capitalism, rather than looking at the mutual interaction.

There are still several questions need to be answered with regard to the tension between capitalism and Islam, and more specifically how it is being reflected in the Turkish context. For example, how do we define the

characteristics of the newly emerging conservative class in Turkey? Should we call them “new conservative class,” “middle class,” “neo-bourgeoisie,” “*nouveau riche*,” “elite,” “counter elite,” “neo-Islamists,” or “new Islamic subjectivity”? What did they change economic activities and life styles of traditional Muslims? How and why did they transform themselves from traditional Muslims to Islamist or neo-Islamist? Do these developments create any tension between “old” and “new” Islamic values? How do Muslims reconcile the values of modern capitalist system and Islamic values in their new life styles? What are the internal and external political, cultural and economic factors which contributed to the development and emergence of this new class? How the Islamic intellectuals and members of Muslim Business Associations, such as MÜSİAD (Müstakil Sanayici ve İşadamları Derneği- Independent Industrialists and Businessmen Association ) and İGİAD (İktisadi Girişim ve İş Ahlakı Derneği- Financial Business Ethics Foundation) perceive these developments? A study which examines some of these questions and analyzes the interplay/interaction between Islam and capitalism and their mutual transformation within the Turkish context is yet to be done. My dissertation attempts to fill this scholarly gap.

The crucial questions for the newly emerging Muslim bourgeoisie class are “how to earn” and “how to consume” within a capitalist system, without transgressing Islamic boundaries. For many years, Muslim intellectuals and scholars e.g., Sabahattin Zaim (1992), Ersin Gürdoğan (1991), Mustafa Özel (1994;1997), and Hayrettin Karaman (2010) and Islamic organizations e.g.,

Aydınlar Ocağı, Milli Görüş, MÜSİAD, TUSCON and İGİAD have been overtly or covertly attempting to find meaningful answers for these questions. As an explication of my main argument, that I just outlined in the first paragraph, I claim that, thanks to the political and economic developments which created new “opportunity spaces,” (Yavuz, 2010:272)<sup>2</sup> Islamic actors, rather than creating an “alternative Islamic economic system,” eliminated the discursive and ideological tension between Islam and capitalism over time by: a) inducing Islamic morality into capitalism, and b) changing the definitions of Islam and capitalism. Through these mechanisms, they introduced a new economic rationality into a domain that was previously organized in a way that did not perform the logic of the market, and they were able to create a new “Islamic space,” or *habitus* in the Bourdieu’s sense (Bourdieu, 1990)<sup>3</sup> within the capitalist system.

Within this new framework, a good Muslim has to work hard in an environment in which economic rationality is represented as an Islamic value. Thus the process could be considered not only as the capitalization of Islam but Islamization of capitalism. In combining Islamic practices and values with principles drawn from capitalism is a result of assemblage of two modes of practice, Islam and neo-liberal capitalism.

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<sup>2</sup> As Hakan Yavuz defines ‘opportunity spaces’ as mechanisms that include independent newspapers, periodicals, radio stations, TV channels along with financial institutions, private education facilities, tesettur hotels as well as consumption, social interactions shared meanings and associational life.

<sup>3</sup> Habitus is a system of disposition. The individual develops dispositions in response to the objective conditions, habitus is central to generating and regulating the practices that make up social life.

Historically speaking traditional Muslims and political Islamists were overwhelmingly against the free market of the “wild” capitalism in the 1970s and 1980s, arguing that Islamic and capitalistic values were in contradiction. In the 1990s and 2000s, neo-Islamists adopted the capitalistic system with some reservation as a result of two concurrent developments: gaining more economic/political capital and redefining Islam and capitalism. In other words, as the nascent neo-Islamic bourgeoisie class gained more economic, political means, they redefined Islam and capitalism in order to ease up the tension between the old fashioned “ideal” Islamic values and new revised capitalism and capitalistic life style. While the earlier and more traditional generation developed a resistance against the contemporary economic and political system, and utilized alternative Islamic economic models such as interest-free Islamic banks, the next generation stopped resisting the global economic system, and lived with it by the virtue of forming an alternative moral capitalism. While the first generation earned money and mostly invested it rather than consuming it, the new generation earned money and did not hesitate to consume conspicuously (Thorstein. 1994).<sup>4</sup> While the earlier generation considered some of the consumptions as *israf* (waste), the new generation saw them as *ihitiyaç* (need). In the minds of traditional Muslims, *israf* is simply *haram* (forbidden).<sup>5</sup> Driving luxurious cars, living in big villas, or going

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<sup>4</sup> The term *conspicuous consumption* was coined by economist and sociologist Thorstein Veblen in his 1899 book *The Theory of the Leisure Class*. He used the term to depict the behavioral characteristic of the *nouveau riche*, a class emerging in the 19th century as a result of the accumulation of wealth during the Second Industrial Revolution.

<sup>5</sup> Quran contains several verses about the *israf*. See, “Children of Adam take your adornment at every place of prayer. Eat and drink, and do not waste. He does not love the wasteful.”; “We have destroyed the wasteful.” (Enbiya 9). However, definition of *Israf* differs from scholar to scholar. On one of the Islamic websites ([www.dinimizislam.com](http://www.dinimizislam.com)), an Islamic scholar, Osman Ünlü, justifies the luxurious life in the following manner: “In a country in which there are lots of needy people, is it a

to vacations in five-star all-inclusive “tessettür” hotels, “mavi yolculuk” or “ski-resorts” would be perfect examples of this transformation from the idea of *israf* to *ihitiyaç*. On a discursive level, while the ideal role model for the old generation was Abu Dharr al Ghifari who was notorious for being poor and pious companions of the Prophet Muhammad, the ideal role model for the new generation became Abu Bakr, who was one of the richest companions of the Prophet.

At any rate, nevertheless, the tension between Islam and Capitalism has never been conclusively and uniformly resolved in such a way that it could be accepted by all the Muslims. Depending on the ideological and political underpinnings, Muslim groups and individuals developed different coping mechanisms (most of the times *ad hoc* ones), varying from a total acceptance of the compatibility of Islam and capitalism, to a limited acceptance of it. The way they resolve this issue is being reflected in their ideas and lifestyles. One of the other results of the different coping mechanisms is the creation of a diverse body of so called “Muslim bourgeoisie.” In other words, there is not one uniform,

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waste to spend money for luxurious life? Having a luxurious house is not haram (forbidden) for those who had paid their zakad and earn their income in halal way. It is forbidden not to work hard and remain poor or spending money on forbidden things. Why the hard working halal earning Muslim should feel guilty because of lazy people and haram spenders, It is totally Islamic and halal for the rich to spend on luxurious goods, live in upscale villas. Allah commanded that he loves the ones who use the blessings he deigns. Working and earning money is a way of worshipping God. Allah rewards the thankful riches; however, the rich should not be arrogant. Zübeyr was a merchant. He had estates in Medina, Basra, Kufe, Egypt and lots of servants. When he died, his belongings were distributed to the poor. Hazret-i Talha was another rich man. He had to spend on luxury. Hazret-i Osman was also a very wealthy merchant. All these people are *aşere-i mübeşşere* (The ones whose names were specifically mentioned for going to heaven). More prophets like Abraham, David and Solomon were all very rich men. Wealth is blessing. In one of the hadith it is commanded that “It is felicity to be rich in this world”. In other words, as long as a Muslim earns money in a legitimate way and gives alms to the poor, could live in a luxurious life.

homogeneous class of neo-Islamist bourgeoisie class. Therefore, despite the fact that they share some common characteristics, there are several types of “Muslim bourgeoisie,” about whom more research is needed.

Among these different bourgeoisie groups, the case of the Islamic-minded business association, İGİAD, its members understanding of Islam and capitalism constitutes the most instructive one. Although small in scale, İGİAD is the most ambitious and systematic in addressing the challenges of (in) compatibility of Islam and capitalism. By bringing the scholarly and business world together, they have attempted to create a theoretical framework and new “opportunity spaces” in which wealthy Muslims could earn and spend in an Islamic way within a capitalist system. The case of İGİAD demonstrates the dynamic relationship and tension between Islam and capitalism as well. What is especially interesting about this self-consciously Islamic and yet capitalist Association is that several of its members were the former “radical Islamists” who did not consider Turkey to be an Islamic country and wanted to change the country by force or by revolution in the 1980s and 1990s.

Given the fact that there is no single scholarly investigation on this young and yet important group, İGİAD, I aim to shed lights on to the ongoing discussion about the promises and predicaments of Islamic capitalism in Turkey, through examining İGİAD’S mission, vision, and activities; and argue that such associations were born as a response to the tension between capitalism and Islam,

with the aim of creating a new version of capitalism fused with Islamic values and morality.

## 1. 2. Conceptual Framework and Terminology

Inspired by Pierre Bourdieu's use of capital, and habitus, I envision the emergence of the neo-Islamic bourgeoisie as a result of very complex and yet interconnected political, economic and cultural developments in the 1980s and 1990s (Bourdieu, 1990:52-79). Bourdieu distinguishes between three forms of capital: economic capital, cultural capital and social capital. He defines social capital as "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition" (Bourdieu, 1984: 241). To me, ingathering of these Islamic economic, political and cultural capitals led to the emergence of the neo-Islamic bourgeoisie. I deal with the development of these capitals in separate chapters.

The Turkish neo-Islamic bourgeoisie class carries some idiosyncratic characters due to the specific Turkish context. Clifford Geertz was perhaps the most insightful social scientist of the relation between religion, culture and politics. One of his most important contributions to the study of religion and culture was to explore the position of religion in society to emphasize the



particularity and historicity of religious experiences. Geertz showed that religion supports different social and cultural contexts and provides diverse patterns of existential meaning given the locality in which it is found. Therefore, the lesson of *Islam Observed* remains quintessential (Gertz,1968). In contrast to Weber's work that considers religion as an independent cultural system Geertz's religion is more dependent on outside condition. Inspired by Clifford Geertz who argues that religion is being shaped by the very structure in which it flourishes, I show that the interaction of Islam and capitalism within secular Turkish Republic produced an idiosyncratic and diverse neo-Islamic bourgeoisie class.

Since the terms neo-Islamic bourgeoisie and opportunity spaces are key conceptual frameworks and terminologies for my dissertation, I would like to define them before I delve into the main chapters.

#### “Neo- Islamic Bourgeoisie” and neo-liberalism

To date, this new Islamic class has been labeled with different terms. I prefer to call this emerging class as “neo-Islamic bourgeoisie class.” The reason why the term bourgeoisie rather than middle class is used is due to fact that the term middle class refers to a broader group. The middle class includes; producers of economic wealth, principally the owner and managers of the firms, the ideologists who generate and articulate the values that are associated with the

newly constructed life style which includes professionals, intellectuals, journalists, publicists and white collar workers who work in the large structures of contemporary society like civil servants. There have been clearly links between these groups as the components of the middle class but they are definably different. The primary focus of this study is narrower than this range of groups. The principal focus is upon those engage in economic activity that own or manage productive economic resources apart from their personal labor power, skills and talent. They own productive industrial and financial capacity and put it to work to generate income. They are the businessmen/entrepreneurs who are central on structuring and operation of the economy and in creation of the material basis for the “bourgeois life style”. The neo-Islamic bourgeoisie is a diverse and emerging class, a class in formation rather than a one that fully developed.

The question to be asked with conceptualization of bourgeoisie is as follows; to what extent it can be considered a class, what are the social and educational origins of the members, what is the nature of their common interest, do they have class consciousness and what is the logic to pursuit the interests with its effect on other classes: To anticipate a basic conclusion of my own, I contend that we can categorize bourgeoisie into two in Turkey: state bourgeoisie and non-state bourgeoisie. Neo-Islamists bourgeoisie is a subdivision in the non-state bourgeoisie as the category also holds other bourgeois that are not Islamists. Both of these classes share common life styles and organized for their collective interest.

The concept of the state bourgeoisie and state capitalism both gained particular importance in the 1930. It was the time when markets were failing and large public bureaucracies were instrumentalizing economic measures for resource allocation. Charles Bettelheim, saw the state bourgeoisie as composed of

[t]he agents of social reproduction other than the immediate producers [and] who, because of the existing system of social relations and dominant social practices, possess the effective disposition of the means of production and of the products which belong formally to the State (Bettelheim, 1974:41).

The neo-Islamic bourgeoisie built its political and economic interest after Turkey's transition to export oriented growth strategy after 1980 military coup. The reason I use conceptualization of class rather than group or strata is that these people own means of production with complex financial and industrial enterprises; such as the Albayrak Group and the Boydak Group. They have a common vision of a capitalist future in which they would like to incorporate Islamic moral values and norms. More, the members are well trained, profit oriented businessmen. The members of this class are affiliated with different business associations to pursue their economic and social interest like MÜSIAD, TUSCON, ASKON, and İGİAD. This shows that they have the ability, willingness and consciousness for lobbying and organizational interest. On certain matters, like state intervention into economy, Turkey's EU membership, Turkey's role in the Middle East, the members have observable solidarity and collectively promote or oppose such policies at the behest of newly assertive private interests.

They can pass their wealth to their offspring. They have the strategy to reproduce themselves. Contrary to West, non-state bourgeoisie was developed as a result of economic liberalization rather than class-structural explanation of economic liberalization and marketization (Crossick, Haupt, 1997:218-220).

The rise of the neo-Islamic bourgeoisie brings new ways of life with new values. The rise did not only transform economic process and promote alternative way of life to the state sponsored secularism, but also this class has become an important actor to reshape politics and rework the structure of values that dominate in the society. Like the bourgeoisie in the Western world, neo-Islamic bourgeoisie also carries a revolutionary and reactionary character. In the western world, the revolutionary character is coming from the destruction of feudalism; as the reactionary character is coming from opposition to the proletariat. The western bourgeoisie is the shaper of the modern society, agents of change and constructors of a new, capitalist order. This is the class that fostered and profited from industrialization through transformation of finance and trade. This is the class that dominated political and cultural power and used these powers to reshape the society and its aspirations in its own image. One can even claim that the western “modernity is a bourgeois creation” (Gill, 2008:4).

In this regard if we compare Turkish state sponsored bourgeoisie with the western bourgeoisie, Turkish counterparts did lack a revolutionary character. The state bourgeoisie was produced and supported by the state. Although it had

economic and cultural capital that could be used to reshape the society, because of its detached character from the rest of the society, Turkish state bourgeoisie did not reshape the values and aspirations of Turkish society. The class acted as a complimentary actor to the state.

However, the neo-Islamic bourgeoisie has a different story. As will be discussed in detail in the following chapters, it does not owe its existence to state but rather its existence was made possible with decreasing state protection over economy. Rather than being revolutionary, one can conceptualize the class as reformist, as for three decades they demand change in the quasi democratic nature of the state, role of the state in economy, Turkey's place in the region and in the world (Yavuz, 2008). Part of this reformist character has been the transformation of politics, marked clearly by the shift away from the radical secularism and loss of power of the established state elite.

In rhetoric, due to the Islamic understanding of "ummah" they do not vocalize a reactionary status to workers as most denounce class struggle. Their reactionary character is mostly to state elite or state sponsored bourgeoisie. The lines that separate two bourgeoisies are quite clear in terms of living styles (gated communities, five star Islamic hotels, civil society organizations), social taboos (ban on alcohol, gender segregation). In the political sphere, some members of the bourgeoisie even had organic ties with the ruling the Justice and Development Party (JDP) government which enabled them to exert pressure on the party and

pursue policies that would satisfy their interest. In short, while the new class created its own habitus and did not socially integrate into the existing system; in the political sphere it did integrate into the system through civil society organizations, interest groups and organic relations with the ruling political party. As Eligür states, in the economic sphere neo-Islamic bourgeoisie is still competing with the old established state sponsored bourgeoisie to be the dominant actor (Eligür, 2010).

This Islamic bourgeoisie class has prefix “neo” due to the fact that the display of material wealth, which had been historically discouraged by the state and by Islam and Islamic organizations via the threat of expropriation (*müsadere*) and through social ordering has been reversed. Recent wedding ceremonies, annual company balls, five-star hotel holidays, fashion shows and *iftar* feasts are creating new public spaces which increasingly reflect the consumption experience of private actors. The neo-Islamic class broke the social code in favor of ostentatious display of wealth during the 1990s, distancing themselves from the rest of the pious segment of the society through their newly-acquired *habitus* in the fields of art, leisure and culture.

Subsequently, suiting the historical observations of Thorstein Veblen on the *nouveau riche* (Veblen, 1973:30), conspicuous consumption have become the ultimate markers for social status. The life-style of the urban upper classes from dining habits to leisure activities or from house decoration to vacation choices has

become extremely popular. The newly flourished commercial TV stations, private radios and newspapers contributed to the metamorphosis.

### Opportunity Space

The post-1980s economic liberalization created “opportunity spaces” for the long time neglected, excluded Islamic groups. As Hakan Yavuz defines it, “opportunity spaces” are mechanisms that include independent newspapers, periodicals, radio stations, TV channels along with financial institutions, private education facilities, *tesettür* hotels as well as new patterns of consumption, social interactions shared meanings and associational life (2004:272). “Opportunity spaces” are also “social and economic networks and vehicles for activism and the dissemination of meaning, identity, and cultural codes” (Yavuz, 2003:ix). They provide forums for social interaction, and chances to increase networks of shared meaning and associational life: including electronic and print media, cyberspace, and the market. Yavuz's notion of opportunity space is a space of choice and resistance to the state, and a useful way to reveal the meeting points of micro and macro forces. (2004:273).

All these spaces provide an autonomous network of associations and provide basis of creation of the neo-Islamic identity that is autonomous from Kemalist secularist institutions. However opportunity spaces do not provide equal opportunities for everyone. The power of empowerment of the opportunity spaces does not impact every group evenly. For example, radical Islamists, socialists,

social democrats did not benefit from opening of opportunity space in the same way.

In Turkey, the 1980 Coup and economic policy shift from import substitution industrialization to export led growth model led to the proliferation of opportunity spaces especially for Islamic groups. Ironically, the military also contributed opening up of new opportunity spaces for Islamic groups. In an effort to combat communism and leftist ideologies the military attempted to strengthen the role of Islam and conceive it as “glue” that will create bondage within the society which was very much fragmented and polarized during 1970’s. Although the military sought to continue to “control” Islam from above, especially the construction of Turkish Islamic synthesis opened up new opportunity spaces for Islamic groups in the public sphere (Özbudun, 2006).

The new spaces enabled Muslim actors, like businessmen, intellectuals, and feminists to have their own voice in a constantly drawn and redrawn public sphere. In the newly constructed public space, Islamic groups have shaped and reshaped the Muslim identity with the help of rising sociopolitical consciousness.

The new opportunity spaces were not just for Kemalists elites of the republic anymore as it was in the early years of the Republic. The previous opportunity spaces that were opened by the state were only limited to certain segments of the society which supported the Republican ideals. Some of the new



opportunity spaces were hotels, turban shows, jeeps, new tastes, new architectural designs, music, TV channels, publishing houses, and Islamic financial institutions (Beinin, 1997:144-153).

### 1.3. Outline of the Chapters

Aiming to analyze the roots and developments of Islamic bourgeoisie in Turkey, with a particular attention to the case of İGİAD, my dissertation is structured into an introduction, six chapters and a conclusion.

The introduction deals with the scope and arguments of the dissertation as well as methodology and theoretical framework. In the following chapters, by utilizing the framework of Bourdieu's concepts such as "habitus," "social capital", "cultural capital" and "economic capital", I will demonstrate the emergence of the new class, their habits, life styles, concerns for the future and their institutionalization as represented in the case of İGİAD. This mentioned class became strongly represented in every segments of life, stretching from political, economic and social areas after the 1990s. Member of new class developed a cultural/social/financial capital and *habitus*, and self-consciously distancing itself from other elite in modern Turkey.

The first chapter deals with the theoretical approaches to Islamic economy and its relation to capitalism, as a necessary background for the debate on the Islamic capitalism in Turkey. Through a lengthy literature review, I, first, examine the idea of entrepreneurship in Islam and then, starting from Weber, I contextualize contemporary debates on the question of Islam and capitalism in the world in general and in Turkey in particular. I also aim to demonstrate that there is dispute over the compatibility of Islam and capitalism, and categorize the literature into four groups: Muslim moderates, Muslim fundamentalists, Western orientalist, post-modern westerns.

The second chapter deals with the formation of Islamic economic capital in Turkey. The main purpose of the chapter is to contextualize the rise of “Islamic” capital against the backdrop of the economic developments in Turkey and elsewhere. I argue that, the neo-liberal free market policies of Özal’s Motherland Party that created conducive conditions for the emergence of the neo-Islamic bourgeoisie. The Motherland Party played a crucial role by import surcharges, export rates and subsidies. It was the 1980s when the Islamist who were excluded from the creation of national bourgeoisie was back in the picture. Formation of Islamic financial institutions opened up new opportunity spaces for Islamic businessmen. Interest-free special finance institutions served in two ways in the process of Islamic economic capital accumulation. First, they attracted the savings of religious persons who did not use the conventional banks. Through Islamic financial institutions these “excluded” people were integrated into the

system. More, these institutions brought new funds to the system. Secondly, they provided funds to the Islamic business circles not using banks for capital loans, hence contributing to their development

The third chapter deals with the formation of Islamic political capital. One of the questions that I deal with in this chapter is how the development of Islamic politics and transformation of Milli Görüş<sup>6</sup> (National Outlook Movement-NOM) parties to the JDP and how this transformation contributed to the emergence of neo-Islamic bourgeoisie, and how the nascent bourgeois contributed to the strengthening of political Islam in Turkey. The argument of the chapter is that; the rise of the JDP into power heralded the empowerment of neo-Islamic bourgeois and in return, the neo-Islamic bourgeoisie became the source of moderation of political Islam and enabled consolidation of power of the JDP. For the Islamic bourgeoisie, the JDP constitutes the opportunity of enlarging the public space and closing the huge distance between the masses and the state. This convergence would bring the social peace and stability as well as integration of “the real values” of the masses to the political realm. Examining the transformation of Islamist politics within this context is important, since the İGİAD members, in particular, and neo-Islamic political and economic actors, in general have been part of these developments.

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<sup>6</sup> Although the English translation of Milli is “National,” the word has both religious and national connotations in the party’s terminology. Milli is a direct repercussion of Turkish Islamic synthesis in which “milli” is both national and Islamic.

The fourth chapter examines the development of cultural capital among the Muslims and its impact on the formation of the neo-Islamic bourgeoisie. Accumulation of economic and political capital accelerated the formation of social and cultural capital for the Muslims. The cultural capital is very important because it allowed its actors to bring back the benefit of globalization to the local ground and influence their peers' thinking through their new instruments such as marketing and advertisement, publishing and education.

The fifth chapter examines the case of İGİAD, by which the previous debates were embodied and institutionalized. Some of the questions that I examine in this chapter is how the members of these Islamic institutions perceive developments and transformation of Islamic social, cultural and economic capitals, and how do they reconcile the Islamic values with those of modern capitalistic life. The aim is to show transformation of ex-radicals into Islamic capitalists and how they cope with discursive tension between capitalism and Islam.

The sixth chapter examines the critical attitudes towards the Islamic capitalism and neo-Islamic bourgeoisie life style. Especially new generation's uncritical integration into the capitalistic life styles and consumerism caused dissent and stratification among the Muslims. It seems that the future of the neo-Islamic bourgeoisie will be somehow shaped by the dialectical discussions between the proponents and dissidents of the new life styles.

And finally, the conclusion chapter reiterates the main arguments of the dissertation and asks some questions for the future research.

I believe that my study will make a significant contribution to Turkish studies, in terms of showing various factors behind the formation of Islamic bourgeoisie and birth of a new Islamic subjectivity in modern Turkey. My further hope is that, this work will stimulate students of Turkey, Islam and capitalism to reconsider the received wisdom on interaction (and the lack thereof) between Islam and capitalism; Islam and modernity; political Islam; and the like. In doing so, this dissertation also attempts to contribute to the literature on multiple modernities by demonstrating how economy and culture are articulated in a specific national context. It will also indirectly address the questions of Islam and democracy, Islam and capitalism and Islam and the West.

#### 1.4. Theoretical Synopsis and Methodology:

This research adheres to Weberian social theory as its backbone since it focuses on the relationship between religion and capitalism. The emergence of neo-Islamic bourgeoisie is evaluated through Weber's Protestant ethic thesis. One of the aims of this research is to present new angles for understanding the emergence of a new class in Turkey. This research will be based on Weber's

suggested relation between religion and capitalism. The main concern of the study is to understand how Islam and capitalism interrelate and affect each other and how did Islamic capitalism come into being.

This thesis uses interpretivism to thinking patterns of the members of the neo-Islamic bourgeoisie in Turkey. Understanding is a key concept in the methodology of this study. Understanding is used in the meaning that Weber used in his “Verstehen” approach. Weber’s “Verstehen” covers both understanding and explanation. The task of causal explanation is undertaken with reference to the interpretive understanding of social action. Weber’s *verstehen* approach requires taking actors’ own conception into consideration while examining a social phenomenon.

As research methodology, qualitative methods such as open ended semi-structured interviews and participatory observation are utilized. Semi-structured interviews were conducted among thirty İGİAD members along with ten MÜSİAD members. I should admit that reaching İGİAD members was not an easy task. The respondents only accepted to interview through trusted third parties. I used snowball sampling, meaning after meeting with few businessmen they referred me to some other business people. In the meantime, I did have a chance to discuss some of my findings with Muslim scholars and intellectuals such as Ersin Gürdoğan, Burhanettin Can, Halime Hoca and Necla Koytak, and received many constructive feedbacks from them.

In the interview process a variety of open ended questions were asked which can be categorized into four groups: The first one was about personal demographics, company profile and IGIAD membership questions; the second group is the questions related to understanding and conceptualization of capitalism and its relation with Islam; the third one is related to problems they encounter as “pious businessmen” in capitalist world; the fourth group is on their own perspectives on the rise of Islamic bourgeoisie.

The first group of questions are introductory (age, education, marital status, sector etc) and compose of yes/no type questions as well as questions on the reasons why the respondent has chosen to be a member of the association. In the second category, some questions were: “How can you conceptualize capitalism”, “On what ground do you think that Islam and capitalism can merge/differentiate?”, “Can there be a concept called “Islamic capitalism”? Why/why not? Some questions for the third category were: “Do you use conventional banks?”, “Do you have business relations with the state?” And some personal questions like, “How many cars do you have?” “Do your children attend to private school?”, “Are you living in a gated community?” And in the final group there were questions like “Do you think there exists a class called Islamic bourgeoisie?”, “Do you think the income difference and vertical mobility creates a threat to Ummah?”, and “Do you conceptualize yourself as a member of “Islamic bourgeoisie”?

The questions have been developed on the basis of the researchers own interest on the subject and pilot interviews with MÜSİAD members. Open ended questions enabled the researcher to create an environment of informal chitchat (*sohbet*). The shortest interview lasted one hour. None of the interviews were audio recorded but the researcher kept close notes. In this research, most of the names of the businessmen and companies were kept confidential, unless they wanted to reveal their names. Only the first names and the initial of the surname are given, since they were not all willing to disclose their names.

Participant observation was used to gain a detailed understanding of informants' views on the subject. These observations allowed the researcher to share their daily activities and concerns. During the data collection, researchers' observations have been collected in two forms. First, all of the interviews took place in the work offices of the business people and I had the incidental opportunity to observe the work place where the respondents conducted their business. Secondly, I attended their leisure time activities like, lunches, dinners, reading circles and discussion groups and even deliver some speeches to women groups. With some, I was introduced to the family and spent the whole day at their house and had the chance to observe their houses, consumption patterns and family relations.



In order to explicate the transformation of traditional Islamists in the 1980s to a neo-Islamic bourgeoisie class in the 2000s, I examine intellectual and non-intellectual works and activities of the Muslims in Turkey through reading books written by Islamists such as Sabahattin Zaim, Mustafa Özel, Ersin Gürdoğan and Ihsan Eliaçık; examining Islamic periodicals such as *İslam* (1983-1998), *Altınoluk* (1986-2008), *Aksiyon* (1994-2008); all the İGİAD publications, including their *Turkish Journal of Business Ethic*; dailies such as *Zaman*, *Yenişafak*, *Milli Gazete*, *Vakit*; and TVs such as *Samanyolu*, *Kanal 7*, *Mehtap*, and *Mesaj*.

Based on the discourse analysis of these texts and interviews, I try to understand how the Islamists internalized some of the capitalistic ways of life, how do they create their own version of capitalism, and how can/can't they cope with the tension between Islam and capitalism.

In the 2007, I conducted a TÜBİTAK-sponsored project, where I did examine some of the above mentioned sources with a particular attention to the rise of new Islamic bourgeoisie and to the debate of Islam and capitalism (Madi, 2007). As part of the project, I conducted a pilot survey with 20 people, in order to see the changing consumption patterns among the Muslims and their perception about it. One of my basic conclusions in that project was to see how Islamists started to create a new consumption culture and redefine the notion of *israf* as

they gained access to the material world. I have integrated some of these findings into my dissertation.

## CHAPTER II

### (IN)COMPATIBILITY OF ISLAM AND CAPITALISM

This chapter deals with the theoretical debate on compatibility of Islam and capitalism, as a necessary background for the debate on the Islamic capitalism in Turkey. Here I, first, examine the idea of entrepreneurship in Islam and then, starting from Weber, I contextualize contemporary debates on the question of Islam and capitalism in the world in general and in Turkey in particular.

Despite the fact that Islam has been one of the most “money making” friendly and pro-business of all the world's major religions, a pious Muslim always has to be mindful of Qur’anic or Prophetic warnings against the accumulation of gold and silver and spending it in the way of Allah. In a certain manner, Islamic economy was developed within the framework of the tension between encouragement and warning on the money making and spending. As would be expected, those are in favor of compatibility of Islam and capitalism emphasizes the “encouragement” statements, and those who are in favor of

incompatibility of Islam and capitalism emphasize the “warning” statements. However, before going into the compatibility debate, it is useful to analyze the concept of entrepreneurship in Islam.

## 2.1. The Idea of Entrepreneurship in Islam

Islam transformed, coexisted with, or adapted into many different economic, social and political systems over time. However, in many euro-centric academic discussions, especially when they occur in an Orientalist or Modernization theory context, Islam has often been portrayed as an inert and static religion, remaining essentially the same over the centuries. Islam is regarded as a regressive force that causes economic, political and social underdevelopment in the modern world. For example, in *The Protestant Ethic and the Spirit of Capitalism*, Max Weber argued that development of capitalism in the West could not be replicable in the Muslim world (1930). He depicted Islam as a fatalistic religion with a continuing warrior ethic and strong otherworldly inclinations.

Islam encourages the Muslim community (*ummah*) to engage in business. Business is not only an acceptable pursuit, but also a dignified activity. The Prophet Muhammad himself was a merchant like his first wife Khadija. Muslim entrepreneurs are vicegerent (*khalifah*), and have the responsibility to develop

prosperity because they see business as part of good deed in their search for God's blessings. Gaining profit is one of the important motivations for doing business but contrary to Protestantism, material success should not be considered proof that one is standing in the favor of God. What is important in fact is not what you gain but why you gain it. A Muslim businessman is to make profit not for the sake of becoming wealthier, but for the betterment of the Islamic community (ummah). Thus, the "pursuit of self-interest" (Smith, 2007) and "self-centered creation" (Schumpeter, 2010) are not the driving force behind Islamic entrepreneurial activities. Altruistic motives should override personal considerations and self-interest shall be realized as a natural outcome of advancing society's common welfare.

Islam is not against private property ownership. The religion has its own inner mechanisms like charity (*zakat*), for the redistribution of the wealth. However, God is the absolute owner of wealth and created wealth in abundance and sufficient for all (Rauf, 2010). Wealth is only entrusted to mankind. So the profit maximizing entrepreneur is not the ultimate owner of the wealth, but rather the keeper of Allah's wealth. The main criteria for a Muslim entrepreneur are that they should earn Islamically permissible *halal* money and also spend in *halal* deeds, and should act in the domain of Islam guided by the Qur'an and Hadith.

Such approaches to capital set the tone for Muslims relations' with money and profit. Capitalism provides Muslims with opportunities for economic growth

and wealth while simultaneously it offers ways of consuming newly acquired wealth. As the material gain for the capitalist world increases, new Muslim consumers find themselves, stuck between capitalistic consumerism and Islamic moral values. The ideas of piety and modesty do not go hand in hand with conspicuous consumption, and good and devout Muslims have difficulties in justifying their capitalist behavior. In other words, on the one hand, the Islamic riches should have social responsibility, other worldly orientations and high morality; on the other hand, they should adhere competitiveness, global integration, profit maximizing and the concerns of this world. Not unexpectedly, living and acting in these two competing discourses causes a considerable tension, which I call ‘discursive tension,’ in the minds of Muslims. In the long run, however, Muslims have taken this tension as an opportunity, and they have created solutions to overcome the tension by redefining Islamic and capitalist discourses.

## 2.2. The Viability of Islamic Entrepreneurship in the Capitalist System

It is true that Islam, like other monotheistic religions, has its own principles, regulating economic activities. For instance, it prohibits producing, consuming, and marketing of pork and alcohol. It also bans gambling, prostitution and usury (*riba*). Ideally, Muslim entrepreneurs must not invest or gain profit from any of these activities, directly or indirectly. They should be cautious in

doing business with big firms that sell alcohol, even if they will be doing the contract on selling/buying a different kind of permissible (*halal*) products. Entrepreneurship in Islam is viewed from a larger perspective and the entrepreneur assumes an altruistic role that goes beyond satisfying his/her immediate needs and personal interest. Muslims are free and encouraged to invest and earn profit in any areas outside of those, listed above, that are impermissible (*haram*).

Although *haram* has principally irrevocable rules which are constant and transcendent, it does not necessarily apply in every case, at all times. Variations in the Islamic world on economic, political and socio cultural matters clearly indicate that Islam can not be conceptualized independent of its cultural context and material conditions. Islamic interpretations are dependent on locale and time as I discussed earlier in the context of the Greatz's debate on religion and politics. *Riba*, commonly translated as usury or interest, is a very good example which can illustrate this point. Nearly all of the Muslims seem to agree in principle that Islam prohibits any transactions that involve the paying of interest. *Riba* means to make money out of money without making any investment and taking the risk of that investment. This type of money making is considered to be *haram* and is thus forbidden in Islam. However, recent interpretations and reinterpretations of *riba* by Muslims intellectuals and scholars provide an opportunity to all Muslims, entrepreneurs and regular Muslims alike, to invest their money in Islamic banks, and sometimes also in conventional banks. These interpretations carefully

differentiate the Qur'anic *riba*, which is absolutely *haram*, and other forms of interest-generating investments, which are not necessarily to be considered as Qur'anic *riba*. Reflecting the last three decades of debates about investment and interest, Hayrettin Karaman's opinions are quite revealing (2010). Professor Karaman, who is one of the most respected Islamic scholars in neo-Islamist circles and serves on 'advisory boards'<sup>7</sup> of many Islamic banks and organizations including the banks of Albaraka Türk and Kuveyt Türk, issued a ruling (*fatva*), stating that doing business with an interest rate below or at the inflation rate was not *haram* since it is not earning money out of money, but protecting the rights of the money lenders.

The so-called "Market of Medina," is another tool to ease the discursive tension between capitalism and Islam in the minds of the neo-Islamic bourgeoisie. To Islamic bourgeoisie, the "market of Medina" constitutes a basis for Islamic economy and capitalism.<sup>8</sup> The "Market of Medina" was established by the Prophet Muhammad himself in the "golden ages" of Islam and it serves as the ideal model of a free market for Muslims. It could even be likened to Adam Smith's 'invisible hand'. The market has non-interventionist characteristics and is tax free. It is left to its own devices to function and by nature is not prone to the formation of monopolies. Prices are determined by market forces. In this system the motto is sanctified wealth, the wealth that is earned according to Islamic

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<sup>7</sup> Since having a High Fatwa Board is prohibited by law in Turkey many Islamic financial and business institutions and organizations formed 'advisory boards' to ask for fatwa's in economic matters.

<sup>8</sup> The concept of Medina Market was utilized by many Muslim intellectuals, including, Ali Bulaç, when he is explaining the model for the MÜSİAD fair (Oct 6-10 2010), the General Manager of MÜSİAD, Ömer Cihad Vardan, stated that the fair was modeled after the Medina Market.



market principles (Gökrisel, 2009:23-53). Although the market is left to its own devices, there is always a ‘moral filter’ to minimize unnecessary claims on resources. In the market, both the Muslim buyer and seller should have mercy towards each other (Chapra; 1992). Business is a win-win situation in which both the individual as well as the whole society is better off.

To prove the compatibility of Islam and capitalism, many Muslim intellectuals and businessmen have used the “Medina Market” analogy. It has become a tool for legitimizing their demands for adaptation of neoliberal policies. In one of my interviews said:

In fact, it was our religion and Prophet Muhammad who instituted the idea of free trade many centuries before the West came up with the idea of free market. Later, with demise of the Islamic empires and coming of imperialism, they made us forget our own values. The Market of Medina is one of our own values. (O.A. August 06,2009. Interview with the author Istanbul, Turkey)

These kinds of reinterpretations and re-appropriations of old Islamic concepts have made Muslims more comfortable with engaging in the capitalistic system. To them, the above mentioned examples were sure signs that capitalism was compatible with Islamic principles. Although Islam encourages economic activities in principle, it does not prescribe a full-fledged framework by which a Muslim should abide in a non-Islamic economic system. How should a Muslim engage in a modern capitalistic world? Due to the ambiguities of the answers,

there have been inconclusive debates in the last two centuries about the (in) compatibility of Islam and capitalism.

### 2.3. Islam and Capitalism: Foe or Friend?

If one wants to study the relation between religion and capitalism, Max Weber would be a very good starting point. Weber, being a classical dualist, argued that Islam and capitalism have been inherently incompatible, because of the fact that Islam was not a “salvation” religion and not based on ascetic and not a rational religion. Weber did not have any specific study on Islam and capitalism. He has scattered chapters on Islam in his different works, where he also discussed the issue of Islam and capitalism, and compared it to Protestantism. To him, unlike Protestantism, Islam could not create capitalism due to its religious ethic, type of political domination and type of law.

From the very beginning, Weber takes capitalism in a historical perspective. He deals with the origins and organizational structure of legal institutions that shaped the development of a specific form of capitalism (Schulhter, 1989:9). For Weber, rationalization has existed in all civilizations in very different forms but it is the western rationalization that leads to the formation of capitalist system. In this respect he tries to explain the historical origins of the Western rationalism by indicating “who rationalizes which spheres of life in what

directions and which historical kinds of social order result there from” (Schulhter 1989:12). In other words, Weber tries to explain the emergence of a new bourgeoisie class based on the Western rationality by specifically emphasizing on individuals and their particular way of living. For Weber, Islam is other-worldly religion. The ultimate aim is the salvation in the other world. For this reason, Weber argues that Islam rejects material world and has strict mystical aspects. In other words, a Muslim lives in a spiritual life and renounce this worldly materialism. Another reason in Weber’s argument of incompatibility is individualism. Salvation is individual. However, Islam calls for unity and cooperation among the faithful because it serves the interest of all, to work collectively to attain salvation.

Here we have to remember that Weber was a writer of late 19<sup>th</sup> and early 20<sup>th</sup> century, when Islamic civilization was in a total decline in last hundred years due to a very complex matrix of political, military and economic reasons. Hence Weber did not have any successful prosperous Islamic polity in that time period, to which he could have looked at and came up with different ideas. Heavily influenced by Orientalist scholarship, Weber described Islam with essentialist terms and perceived it as an unchanged entity. Given the fact that capitalism was a modern phenomenon, he thought, Islam could not answer the needs of capitalistic and free market principles, since it was essentially stagnant and resistant to the change. Following somewhat the same Weberian line of thought, Lerner argued that Muslims needed to make a choice between ‘Mecca and

Mechanization,' as Islamic values would not be compatible with modern capitalist values (Lerner, 1965).

By the second half of the 20<sup>th</sup> century, it seems that opinions of students of Islamic studies evolved from the “incompatibility of Islam and Capitalism” argument to the “compatibility Islam and Capitalism” argument, in part because of the changing definitions of modernity, post-modernity and multiple-modernity in the last century, and in part because of political, economic and cultural success of the Muslim countries, institutions and individuals who adopted capitalistic theories and practices in their lives.

Writing in 1960s, Maxime Rodinson criticized cultural reductionism of Weber, and argued for the compatibility of Islam and capitalism (2007). Rodinson bases his Marxist critique of Muslim society on an essentialist understanding of Islam and a materialist understanding of Islamism. He writes:

The Muslim religion has influenced neither the structure nor the functioning of the capitalist sector in the countries of Islam, even in that field where naive people might have supposed that a religion would have had something to say, namely, the field of humane treatment of workers (2007:168).

In the cultural reductionism of Max Weber, Islam is characterized as instinctively hostile to capitalism. Rodinson looks at the facts, analyzing economic texts with his customary common sense, to show that Muslims never

had any problem making money. In a section, entitled “Islam and Capitalisms in the Muslim Countries Today”, he writes:

There was always a capitalistic sector in the countries of Islam, and that this was even very extensive in certain periods. One cannot, however, speak of a capitalist socio-economic formation existing in the Middle Ages. Such a formation presupposes a capitalist economic system as its basis –that is, a system in which the capitalist sector plays a dominant role, influencing the other sectors without being influenced by them to any important extent. At the present time, however, the question arises in many of the countries of Muslim world this question really does arise. The capitalist sector has at least begun to play predominant role. An American economist estimated, a few years ago, that it accounted for 20 per cent of annual investment in Iraq and Iran, 50 percent in Turkey and 80 percent in Syria and Lebanon. It is possible to foresee the possibility that it may extend to the point where it predominates completely (2007:118).

Charles Tripp is another scholar that investigated the relationship between Islam and capitalism (2006). Tripp states his aim for writing his book as follows: “to understand how Muslims who want to guide other Muslims have tried to meet the challenges of industrial capitalism.” Tripp talks about the Islamic modernist intellectuals’ attempts to find alternative Islamic practices to the universal claims of the economic rationality of capitalism. Islamic modernist intellectuals’ attempt to form an economic system with a morality based on Islamic principles, with reference to the legal and religious traditions of Islam. The Islamic modernists merged the modern vocabulary of society, property and social utility with concepts of the Islamic tradition. For the Islamic modernists, religious spirituality is the key to taming the individualizing force of instrumental rationality. The idea of private property redefined with the idea that all property belongs to God, and

the owners are just trustees. They imagined this Islamic alternative to capitalism as economic transactions tied to Islamic ethics as they can be derived from the Qur'an and the traditions. The role of the state also redefined. The just Islamic order was not any longer envisaged as the result of state policies, but they conceptualized it as the sum of social interactions among Muslim individuals who were guided by Islam (Tripp, 2006:1-9).

For Tripp, the interaction between Islam and capitalism, will not make any change on capitalism but may help the intellectuals of Islamic economics to clarify their own thinking. To study the concept of "homo-Islamicus," Tripp takes Malaysia as his case study as in there Islamic economics developed into a distinctive but not antagonistic relationship to the capitalist system. Taking Malaysia as an example, Tripp shows that this concept of the "homo Islamicus" permitted the full-scale participation in capitalist economics under Islamic rulings. Islamic banking has grown into a firmly established niche within the international financial markets. Islamic banking became a part of advanced capitalism in an Islamic idiom, rather than an alternative to it, Islamic economics have been engaging with capitalism and not confronting it. In Malaysian case, the appropriation of Islam and capitalism is done through the vocabulary of Islamic jurisprudence and ethics. Consequently, Charles Tripp concludes that "Muslims have seized upon the opportunities offered by the restless innovations of capitalist enterprise to assert new ways of being Muslim in the world" (2006:201-205).

Timur Kuran argues that what slowed the economic development of the Middle East was not colonialism or geography, and not incompatibility between Islam and capitalism. Rather, starting around the tenth century, Islamic legal institutions, began to act as a drag on development by slowing and/or blocking the emergence of central features of modern economic life like private capital accumulation, corporations, large-scale production, and impersonal exchange. By the nineteenth century, modern economic institutions began to be transplanted to the Middle East, but its economy has not caught up. In other words, the failure of Middle Eastern economics is not due to Islam itself, but due to the fact that Muslims failed to reinterpret previously successful economic concepts at the onset of the Middle Ages, while the West went on to create the corporation modernization. Rather than blaming the discourse, Kuran argues it is the institutions that created the economic problems. More, in the book, Kuran points out that Muslims have abandoned some Qur'anic economic practices they disagree with, including the ban on interest, and, more progressively, they have updated and refreshed the tax code described in the Qur'an. Kuran argues that Islam, liberated from stagnant interpretation and practice, is very adaptable to modern institutions (2011).

Kuran does not only argue that there is compatibility between Islam and capitalism but also argues that Islamic Economics is inherently illogical and largely inconsistent in implementation. Islamic economics has also failed in reducing poverty and inequality and raising production, innovation, and the

quality of life. For him, the theoretical foundations of Islamic economics undefined and therefore undefended, the practice of Islamic economics is largely inconsistent with Islamic principle. He gives the example of ban on interest. In order to front that they truly ban interest, Islamic banks adopt practices such as *murabaha*. *Murabaha* means that the bank assumes risk for an often infinitesimal period of time of the resources that an entrepreneur, for instance, is seeking a loan to buy. The entrepreneur then buys the resources from the bank at a marked up price to be paid at an agreed upon future date. Thus the process from the point of view of the bank and the entrepreneur is equivalent to an interest bearing loan. He says “unofficially promise potential depositors returns no lower than the prevailing interest rate.” (Kuran, 2004:44).

Vali Nasr, in his new book, *Forces of Fortune*, shows globalization; free trade and market economics are not a threat to Islam per se. What they are a threat to is the totalitarian vision of Islam. Nasr writes that the Middle East will liberalize when it is transformed by a middle-class led commercial revolution. For Nasr, in Turkey the political foresight of the country's moderate Muslim leaders as well as the infusion of capital from Europe are the principal reasons for Turkey's success story. For him, Turkey is a success case of capitalist and democratic development. The reason for this success lies in the Turkey's Islamists abandonment of the call for an Islamic state and mellowed into mainstream Western-style conservatives like Europe's Christian Democrats. Their heartland-based Justice and Development Party champions free- market capitalism, minority



rights and membership in the European Union. Turkey's religiously conservative businessmen yearn not for Islamic law but for a healthy respect for Ottoman and Islamic traditions. Apart from Turkey, the region's middle classes are rather small in number. Yet once freed from dependence on the state for their economic well-being, they tend to make similar political demands as their counterparts in the West (Nasr. 2009:256). The new middle class need stability, access to foreign markets and a modicum of freedom to live their lives and run their businesses without interference from secular or religious authoritarians. Nasr strongly advocates a "capitalist revolution" and the unfettering of private sectors whereby liberalization through capitalism could spur "direct foreign direct investment, trade and the free flow of goods." (Nasr, 2010).

Karen Pfeifer focuses explicitly on Islamic economics to highlight the differences with capitalist economy by pointing out some theoretical and practical problems in Islamic economic thought. She takes a socioeconomic approach, which "sees economic behavior as embedded in social institutions, specific to a social system which evolves over time."(Pfeifer, 1983:154-165). She argues that Islamic economics is a response to the failures of state-capitalism and economic liberalization in Muslim countries.

Mannan presents a comparative study in economics that essentializes capitalism, communism, socialism, fascism, and Islam. He argues although

conventional economics<sup>9</sup> and Islamic economics share the same basic approach to the issue of scarcity, the main difference between these kinds of economics is in the choices that economic actors make. In conventional economics, individuals act on their own interests. While in Islamic economics actors operate according to the dictates and guidance of the Koran and Sunnah. In addition, Islamic economics discusses economics as it should be, unlike conventional economics, which describes economics as it is (Mannan, 1983:58).

Muslim intellectuals have been debating the same issue in last two centuries, as part of Islamic reaction to modernity and colonialism. Many of them perceived capitalism as an embodiment of the modernity and colonialism. For many Muslim intellectual, capitalism is the reason for uneven distribution of wealth as well.

Thinkers such as Cemalettin Afgani, Muhammad Abduh, Hasan Al-Banna, Sayyid Qutb (2010), Ali Shariati (1983:191-214), and Abul Ala al-Mawdudi (2010) expressed their revulsions against capitalism in a strong rejection of what they perceived as the selfish and consumerist culture of the West. The central criticism of Shariati to Western modernity lies on the “materialist” civilization which is in contradiction to the humanism proclaimed since the Renaissance. Shariati writes:

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<sup>9</sup> By conventional or modern economics one can understand that he is referring specifically to the Western study of economics which perpetuates capitalism

Wanting to escape the oppression of the powerful man turns to the great religions and listens to the prophets: But he suffers the combat and the martyrs only to become prey to the khalifs, the Brahmins, and even worse, the dark and mortal chaos of the Medieval church...Generations fought and died to bring about a renaissance, to mobilize humanity to conquer science and liberty in order to be freed from that it had to suffer in the name of religion...Won over by liberalism, humanity chose democracy instead of theocracy as the key to liberty. It was caught in a hard-line capitalism in which democracy turned out to be as disappointing as theocracy. Liberalism is revealed as a regime in which liberty exists only for the titans that fight to outdo each other in plunder (1980:97).

Like other Islamist thinkers, who are very much effected from the decolonization, Shariati also sees capitalism through a very negative lens. For Shariati, capitalism has a force of dehumanization, founded on the logic of exploitation, is inseparable from the historical process in which cultural identity is lost, which explains the importance of marginalizing religion in social life:

Under the pretext of attacking fanaticism, colonial powers fought religion, particularly early on... They launched assaults against tradition in order to produce a people without history, without roots, without culture, without religion, and without any other form of identity (2001:31).

There is therefore in Shariati a direct link between capitalism's tendency toward general exploitation, on the one hand, and the tendency toward the loss of cultural identity and spirituality on the other, for people without history and culture are more easily exploitable.

For Sayyid Qutb, western values like liberal democracy, the protection of individual rights, limited government, and the rule of law are misshapen

philosophical concepts which are outgrowths of *jahiliyyah*.<sup>10</sup> For Qutb, they alienates God from society, and without faith acting as the defining aspect of the social order, society forces itself into a materialist system of life. Qutb views all non-Islamic societies as materialist, whether capitalist or communist. Qutb argues that the West's capitalist ideology has led it to a state of animalism. Western values are not different from the values of animals as they fail to elevate man above the materialist level. West govern itself with material impulses just like animals. Qutb points to Western families, sexuality, capitalism, freedom, and natural law as evidence of its animalist values (1990).

Like Qutb and Shariati, Mawdudi, the most prominent Pakistani thinker, is also scathingly critical of the West, which he saw as morally bankrupt. Mawdudi denounces any type of Western value, ideology including democracy and capitalism. For him, Islam and Western society are “poles apart” in their objectives and social system (Mawdudi, 1999:23). Another incompatibility comes from the role of the state in economics. Mawdudi argues that a group of eminent Islamic scholars agreed to the following item as essential for the constitution of an Islamic state:

It shall be the responsibility of the government to guarantee the basic necessities of life, i.e., food clothing, housing, medical relief and education to all citizens without distinction of race or religion, who might be temporarily or permanently incapable of earning their livelihood due to unemployment, sickness or other reasons (Mawdudui, 1980:331).

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<sup>10</sup> Jahilliya is a term used to define ignorance of divine guidance or the state of ignorance of the guidance from God, referring to the condition Arabs found themselves in pre-Islamic Arabia. For Qutb, Jahilliya refers to the state of anyone not following Islam and the Quran.

Mawdudi argues that capitalism leads to increasing concentration of wealth in the hands of the owners of the means of production, which is harmful to society and against Islamic principles (1947). The fundamental Islamic concepts of property rights have far-ranging ethical and moral consequences. Since the world has been created for the benefit of people, certain types of natural resources cannot be owned privately, because private ownership would deprive the public of the intended benefit. The government must hold such public property in trust and devise mechanisms to allow the entire public to benefit from the property. As an example, water is a public resource which is frequently and increasingly a subject of international disputes. *Water Management in Islam* by Faruqi provides a comparison of Islamic law with international laws and current approaches (2001).

According to Ali Khan, in general, Islam stresses co-operation and harmony, and the spending of wealth and materials to achieve this goal (2004). This contrasts with the neoliberal economic vision of the free market as a sphere of competition where enterprises and people compete to achieve maximum wealth. Nevertheless, although the dominant views have favored individualism, competition and selfishness, many well-known economists have wrestled with the conflict between these views and the value of social interests, community and cooperation. According to Hasannuzzaman (1981) and Zarqa (2005), in Islam social interests take precedence over personal ones. The commons dispute in England was resolved by enclosures, favoring private interests over public, and

the rich over the poor. The same dispute was resolved in the opposite way in the early Islamic era, by banning rich people with large herds from use of the commons for grazing.

Another incompatibility is on the idea of profit making. According to Nyazee (1994:28-39) adopting integrity, supporting charitable causes and engaging in social welfare as a means of enhancing company reputation and hence favorably impacting on that business's bottom line is explicitly condemned in Islamic teachings. Virtue must not be subordinated to making a profit. This is also logical, since if morality is seen as a means of making money, then immoral behavior will be preferred if it leads to more money. This tendency can be illustrated by the actual ethical practices of some Western businesses. For example, after learning that design defects in the Ford Pinto would lead to deaths by burning in rear-end collisions; the Ford company calculated that the costs of a safety recall would be more than the projected monetary value of death and dismemberment. However, in Islam one of the key principles is that transactions must be just, fair and equitable to both parties. One consequence is that transactions with a large amount of uncertainty or ambiguity are prohibited. Al-Dareer gives an extensive discussion of this concept and its applications. For example, the sale of drilling rights for oil in locations where there is large amount of uncertainty about the quantity of oil available is not permissible in Islamic law. Speculation, gambling and lotteries are not permissible for the same reason (Dareer, 1997:42-67).

According to Muslim thinkers, another area that Islam and neo-liberal capitalism are not compatible is the issue of money saving. For Iqbal (1997:224-239) and Chupra (1993), Islamic law encourages spending on the poor and disadvantaged, based on the principle that money that is not required to satisfy immediate needs should be spent on socially useful purposes (and not saved or used to make more money). This is urged in numerous verses of the Qur'an and traditions the Prophet, for example Q 2:219: "They ask thee how much they are to spend; Say: "What is beyond your needs" (<http://Qur'an.com/2/219>). This has implications for lending practices. Thus the Shariah encourages giving loans to the needy, not pressing for repayment, giving extra time or waiving the loan when needed.

Turkish Muslim scholars and intellectuals, such as Sabri Ülgener (1981), Sabahattin Zaim (1979), Mustafa Özel (1994), Ersin Gürdoğan (1991), Ali Bulaç, and Hayrettin Karaman questioned the relationship between Islam and capitalism, and saw the relationship very problematical. For them, the definition of capitalism is capital accumulation without moral values and with no place to religion. The Islamic economic system, with its social, economic and political system is a real alternative to corrupted, immoral and unjust system of capitalism. Meanwhile, there was a new pressing issue of providing an answer to the newly rising Islamic capital and consumption in the 1980s and 90s. It was not easy to come up with an alternative Islamic economic system by which they could satisfy the needs of new

economic class. It was the time when the theory and practice started to shape each other.

Debating Weber's position concerning Islam and capitalism, Ülgener, argued that capitalism could flourish in the Muslim lands (2006). To him, Islam was not an obstacle to industrial capitalism as it was seen in Islamic history. Weber's understanding of Islam is incomplete, essentialist and monolithic. The main problem is not with Islam but with the misinterpretation of Islam and especially heterodox Sufi interpretation (1984: 117-148). Ülgener stresses the necessity of investigating the main concerns of Sufism. To him, the concept of *dünya* (worldliness) is a key notion in Sufi literature. In many Sufi sayings and poems we can see that a negative meaning applied to the concept, in terms of leaving everything in the world. Sufis define the concept of "world" as everything in the world except the love of God. According to Ülgener this is what people misunderstood for long time. He proposes that the meaning of "*dünya*" should be sought within individuals' intention, rather than within the material dimensions of the world (2006). Ülgener makes his argument stronger by citing some sayings of the prophet: "Work for this world as if you will never die; and work for the other world as if you will die tomorrow." (1984:64).

Therefore, it can be said that the crucial thing for Sufism is not the worldly activity itself, but the intention of the individual about the world. Following Ülgener, his student, Ahmet Güner Sayar, also blames some versions of Sufism,



especially the Melami version in the Ottoman Empire as the cause of backwardness in post classical Islamic societies. To him, as historical experience shows, capitalism could flourish in an orthodox Islamic society (Güner, 2011).

Sabahattin Zaim, who was a mentor and inspiring figure for many contemporary Islamist intellectuals, has a negative a negative attitude towards capitalism. Islamic economy is quite different from capitalism especially on the issue of interest (Zaim, 1979:24-28). He writes;

In Islam it is forbidden to earn money from money. For that reason, credit cards and usury are forbidden in Islamic economic system. Qur'an forbids usury in sixteen different verses. It is this capitalist system to blame for the ills of today's world  
([http://www.sabahattinzaim.org/index.php?s=docs\\_ss](http://www.sabahattinzaim.org/index.php?s=docs_ss)).

According to Zaim Islamic economy is not present in the world as there is no real current Islamic state. The last Islamic state was the Ottoman Empire. To create an Islamic economy, individual Muslim values and norms should be integrated into a societal structure. If Islam becomes the backbone of the social structure then one could talk about Islamic economy (1992). More, if a Muslim acts according to the rules of the economic system which Islam denounces than s/he becomes a sinner.

Mustafa Özel, columnist and economist argues that capitalism is a system in which the profits are privatized but costs are socialized. Capitalism requires its

own type of individual state and society with the aim of accumulation of infinite capital. The accumulation of capital can be possible through “rationality”. However, according to Özel, individual himself is irrational. This incompatibility between the aim and means of capitalism creates individuals who are slaves of the money and profit. More, the capitalist state is collaborator of the system. It does not protect the individual but rather work with capitalist entrepreneur for the worse of the society (<http://yenisafak.com.tr/arsiv/2006/ocak/22/mozel.html>). More, capitalism is a “voluntary slavery”. Modern, individual self is a slave of commercials, and not capable of making his own decisions (1994:27). In these aspects a pious Muslim has to fight against capitalist values. However, this does not mean that he should stay away from earning money. Özel gives example of marketing spirits;

You may advertise your drink product as “the most refreshing one”, there is nothing wrong with that. However, instead if you use the slogan “real taste of life” then you create a perception of not having a real life without that drink. That would change especially children’s perception of reality. And it is Muslim’s duty to fight against this aspect of capitalism (<http://www.haberpan.com/haber/insan-kapitalizmin-gonullu-kolesi>).

Another argument on the incompatibly comes from İhsan Eliaçık, who is known as “socialist Muslim”, among the Islamic circles. He argues that one cannot be a pious Muslim and capitalist at the same time. Qur’an does not permit an individual to be wealthy as *kenz* (stockpiling, saving) is forbidden by the Book. A capitalist acquires wealth by seizing the rights of workers. The best example is the Prophet Muhammad; he died without owning any private property (Eliaçıkö

2006). The new rising Islamic bourgeoisie class is no different than the secular one. Islam commands for sharing. It is not enough to have a *masjid* in the factory. A pious Muslim needs to share the profit with his workers.

For Eliaçık, Islam proposes a classless society. The reason for having different classes in today's society is due to the notion of private property. In the first years of Islam all land was considered to be a public property, the concept of private land flourished in Umayyad. A Muslim only needs to have belonging that would prevent him from hunger, thirst, and burning under the sun. Anything beyond that is just waste and pretension. As capitalism is based on usury and consumption there is no way for a Muslim to be a capitalist (<http://www.haber3.com/eliaciktan-tartisma-yaratan-sozler--725589h.htm>).

As seen, many writers on Islamic economics spent much time delineating an Islamic theory of property rights and differentiating it from capitalism. Islam is not against the private property. However, in Islam it is the God who is the sole owner of all things and humans are just keepers. This understanding is of course, quite different from the capitalistic understanding of ownership.

When we come to contemporary times; in the debates on the relationship between capitalism and Islam; rise of Islamic bourgeoisie and the notion of consumption start to gain importance. For example, by studying Turkey's shanty

towns, Jenny White argues that Muslim identity started to be shown of with purchased goods. In the new relationship between capitalism and Islam, market and media are trying to define the ‘new’ Muslim. To support her point, she gives examples from *tesettür* shows, changing media attitudes towards Ramadan (in 2002 major newspapers started give advice on whether or not sushi and lobster are permitted food and how to take care of the skin while fasting). The reason for this shift, according to her, is the end of radical Islamism and formation of a new form of Muslim identity, which I prefer to call neo-Islamism (White, 2002).

Hakan Yavuz examines the social, political and economic processes and consequences of the formation of a new Islamic political identity in Turkey. For Yavuz, the cause of the revival of political and social Islam is due to formation of “opportunity spaces” rather than the failure of Kemalism (2008:22). Throughout the book Yavuz aims to show the transformation of Islamic movements’ transformation from “ulama” directed authority into "textual communities" which allows for a dynamism and reappropriation of religious ideas into modern day. To further support his argument he gives the example of the rise of an Anatolian bourgeoisie. For him this bourgeoisie “has been at the center of the silent revolution”, and “the democratization and liberalization of Islamic actors have been very much achieved by this bourgeoisie.” (Yavuz, 2003:11). As opposed to the older Istanbul-based business class largely represented by TÜSİAD (The Turkish Industrialists’ and Businessmen’s Association), the new Anatolian bourgeoisie, as largely represented by MÜSİAD (The Independent Industrialists’

and Businessmen's Association). They are the first generation university graduates and mostly part of the Anatolian-based petty bourgeoisie who benefited from Özal's neo-liberal economic policies, which increased social mobility and allowed them to establish their own middle and small-size businesses (Yavuz, 2003:52). And what is more important, "this new bourgeoisie....challenges old Orientalist assumptions on Islam and its incompatibility with capitalism." Yavuz compares these Muslim entrepreneurs with Calvinists and argues "not unlike the Christian Protestant Calvinists of the sixteenth century, happiness is defined in terms of profit and the struggle to get ahead." Muslim bourgeoisie experienced the "externalization of Islamic identity" (2003:54). thanks to favorable economic conditions, and particularly the emergence of capitalist market institutions, and voluntary activism. Economic independence of the Islamic-based associations has led to more autonomy and greater cultural independence both from statist Kemalism as well as from any single hegemonic interpretation of Islam. The 'new Anatolian bourgeoisie' that has emerged from these developments and has come to rival the state-centered economic power base.

Nilüfer Göle, another prominent scholar of Islamic identity, examines the notion of identity formation by using Bourdieu's term, *habitus*. In its interaction with capitalism, Islamic individual redefines their *habitus* and also redefined by it. The main pillar of this redefinition is morality. She describes the emergence of Islamist elite, which includes intellectuals, engineers, and technicians. However, she does not include the Islamic bourgeoisie as a part of this elite. Göle avoids the

term social class in favor of status group, which denotes a group with a shared cultural code and life-style. The rise of the new Islamic group is a result of series of events starting with the formation of Turkish Republic. She notes that the urban middle class had access to Western education and symbols which put a distance between the urban middle class and the religious rural population. Having a lasting disposition toward an Islam-based meaning system, migrants moving to the cities used Islam to place their changed environments into perspective. Göle states that:

In a seemingly paradoxical way, the more those peripheral groups have access to urban life, a liberal education, and modern means of expressing themselves politically, the more they appear to seek Islamic sources of reference to redefine their life-world (2000:46-59).

For Göle, secularization has shaped Islamic identity. However, she does not indicate where the boundaries of the symbolic might lie. Furthermore, she cannot explain divergences within the Islamic identity groups or the waxing and waning of Kemalist hegemony.

Özlem Sandıkçı and Güliz Ger in their study on the effect of religion on market activities, investigate how marketers in Turkey construct and represent women wearing head scarf (*tesettürlü*) consumers. This construction and representation is important to understand identity formation, as well as social changes along with the habits of new Islamic class in Turkey. This new

consumers are the representations of “ideal modern and tesettürlü” woman which is achieved through a certain type of consumption (Sandıkçı, Ger, 2007:187-210).

Islamic writer Mustafa Akyol approaches to the relation from a different perspective. He argues that incompatibility is inescapable if capitalism is being defined as a system of exploitation. Capitalism is a system in which the individual is the entrepreneur rather than the state. Being a “boss” does not necessarily means to be grim or flinty. Capitalism is not without morality; in fact Adam Smith has a book called “Moral Sentiments”. If capitalism is supported by philanthropy, it will be the most suitable system for any society (Akyol, 2008).

Furthermore, Akyol argues that Islam is compatible with capitalism even more than Christianity. In the Qur’an wealth is mentioned as a positive concept while the New Testament praises pauperism. In the Qur’an private property is secured through many verses. Qur’an is compatible with capitalism but not socialism. It is true that Koran has a strong emphasis on social justice and this has led some modern Muslim intellectuals to sympathize with socialism and its promise of a "classless society." A careful reading of the Qur’an would work against such "Islam-socialism." (Akyol, 2011:270).

## 2.4. Conclusion

There is not a unified position among the scholars and thinkers with regard to the question of (in) compatibility of Islam and Capitalism. Most of the Muslim scholars advocate that Muslims should be active players in the global market along with fusion of modernity and Islam. Some, like Hayrettin Karaman, even issued *fetvas* on much debated topic like usury, to ease the tension between capitalism and Islam. On rhetoric and action these scholars believe that radicalism and Occidentalism are not beneficiary tools for development of Muslims and Muslim populated countries.

Many contemporary non-Muslim scholars argue against Orientalist and Modernist theories' conceptualization of essentialist and stagnant Islam. By analyzing successful cases like Turkey, and following "no bourgeoisie no democracy" (Moore, 1966) argument, they argue that newly rising bourgeoisie in Muslim countries will moderate political Islam and enable Islam's integration to the world easier.

Some traditionalist and radical Muslims are still arguing against the compatibility of Islam and Capitalism. They basically define capitalism in such a way that it is a wild and evil western product. Following this logic, there is no way for compatibility on any level. These people follow the asceticism of late Medieval Muslim thought, which remains alive today among many ultra-



conservative Muslims, and Islamic radicalism. This way of thinking has an anti-colonialist and reactionary character and has the ultimate goal of creating a socio-political system to challenge and defeat the West. Since the West was built on capitalism, it is argued that its opponents must adopt an alternative political/economic vision.

Finally, there some non-Muslim mostly neo-Orientalist scholars arguing that Islam is not compatible with any of the Western values as it is essentially different from Western system. These scholars base their arguments on the ban of usury, historical lack of capital accumulation on Islamic lands as well as lack of necessary institutions.

As I have shown, in the literature there is no consensus on Islamic economy or even on existence of one. As a result of this, Muslims in Turkey ventured into business without having a full-fledged theoretical framework in which they could justify their activities. Although, *de facto* and individual solutions enabled them to survive in the system for many decades, they always felt a need to have a theory or model to emulate.

Trying to overcome these challenges, Muslim intellectuals in Turkey, and also in other parts of the world, have been debating the compatibility of Islam and capitalism and simultaneously they created an Islamic economic model. Recognizing the challenges of a top-down system change, they revised some of

their own assumptions about Islam and capitalism. Many of them started to think that Islam and capitalism, from the beginning, shared many commonalities, except for the issue of morality. The biggest missing element in capitalism is the lack of morality, considered the “human factor” which was to be grounded in religion. In almost all my interviews, the interviewees stated that the missing part of the “Western type of capitalism” was the human factor. They also stated that it was their aim to place the human being at the center of their endeavors, by which they could inject Islamic morality to the current capitalist system. By reintroducing morality into capitalism, they said, it was possible to Islamicize or tame “wild” capitalism.

## CHAPTER III

### EMERGENCE OF NEO-ISLAMIC ECONOMIC CAPITAL IN TURKEY

The main purpose of this chapter is to contextualize the rise of the green capital against the backdrop of economic developments in Turkey and the globe. Creation of the neo-Islamic identity in Turkey is not only a result of revival of old traditional Islamic values but also a modern formation in relation with the neo-liberal global and capitalist economy. Understandably, the new bourgeoisie and economic organizations, including İGİAD is a natural result of these developments. Similar to the other Islamic economic organizations, İGİAD was developed in the market conditions, but unlike the other Islamic economic organizations, it has been very eager to inoculate the Islamic values to the market.

Starting from the 1980s, Islam became a tool to construct cross class alliance among different groups of Islamist capital. There existed a link between

Islam and the political alliance of these social groups toward their empowerment in the competitive market capitalism. Actors, discourses and scope of the economy were changing starting from the 1980s while its organizational structure extended beyond national territories. In the 1990s the Turkish economy has been exposed to the process of globalization accept the primacy of the international market over the domestic one. Globalization of the market has taught the actors the need to have long term rational strategies and organization capacities to be successful (Keyman 2010). As a result of these factors, Turkish economy experiences increasing importance of the discourse on free market and the multiplication and the dissemination of economic actors.

The rise of Islamic capital enabled the introduction of Islam to the political economy of Turkish capitalist development on both discourse and organizational level. During the 1990s Islamic capital began to operate actively in the global world and created its own economic organizations founded upon the Weberian principle of rational, technical knowledge and expertise (Buğra, 1999:11-12).

Islamists were integrated into the specific context of the 1980's and 1990s as a new group of capitalists who are struggling to have a place in the competitive neo-liberal global system. There are various Islamists groups who are among large, medium and small size fractions of capital. Islamists holding large capital aim to increase their competitiveness in the global economy. They are highly educated businessmen, utilizing new technology and various other means to be

financially successful. The small and medium size groups of capital aim to improve their share of economic opportunities and their ability to have access to state resources. The powerful waves of globalization and market helped consolidation of the power of the globalist classes.

In this chapter, after giving a brief account of historical economic development in Turkey and making occasional references to the world economic developments, I will discuss the rise of Islamic economic capital and its impact on the formation of Islamic bourgeoisie identity in the 21<sup>st</sup> century. The seeds of the Islamic capital or “green capital” have been sown in the 1950s and those seeds grew into a big tree in the 1990s and the early 2000s. I argue that the emergence of this economic capital took place especially in the 1980s and 1990s due to three major reasons: Shift from import substitution industrialization economic policy to export led growth, state’s changing policy on religion, and emergence of Islamic financial institutions.

### 3.1. An Overview of the Turkish Economy in the Twentieth Century

The Turkish nation-state emerged out of the ashes of the Ottoman Empire which came to an end after the First World War. The new republic based its economy almost completely on a ruined infrastructure. Since the early nineteenth century, the Ottoman Empire was integrated into the world capitalist system as

the raw material supplier and it was an open market for Western products. Agriculture was the primary channel of integration to the world economy starting from 1838 “Free Trade Treaty.” Therefore the main economic actors were merchants and landlords. The policies between 1923 and the great depression in 1929 were very much affected from this system and these actors. Most of the policies within this time period aimed at commercialization of agriculture and increasing of industrial productivity. While increasing the agricultural output, the state also attempted to industrialize the country through joint investment with foreign capital as national capital was yet to emerge (Keyder, 1981:22-28).

The Great Depression had a tremendous effect on newly developing Turkish economy. The economy witnessed establishment of large scale state owned enterprises that complemented the private sector. Following the trend in the world, liberal economic policies were set aside and new inward looking development strategies started to be established. Between 1930 and 1939 the young Republic was statist, pursuing import substitution industrialization model (ISI). State had the ultimate guiding role in the economy and this guidance was planned through five-year developmental plans. Through internal borrowing and with little reliance on external sources, the state managed to establish what was going to be the backbone of Turkish industry in the coming decades. The state built infrastructures, main industrial institutions, electrical power stations, railways, iron and steel industry (Aydın, 2005:27).

There were various class interests in the young Republic. The landlords were still powerful group with their alliance with the state and political cadres. Due to exchange of populations with Greece, wars and state's dominant role within the economy, the bourgeoisie was not a powerful force yet. It must also be emphasized that there was no unified interest among the bourgeoisie between 1923-1950. The new Republic eliminated mercantile interest that had flourished among non-Muslims, who had been protected from the whims of the Ottoman state by the Free Trade Treaty of 1838. The state distributed the properties of non-Muslim merchant bourgeoisie. The new bourgeoisie, not only became the supporters of the state but also constituted the basis of nascent bourgeoisie in the new state. Due its dependency and lack of power, it was the state that had the leading role in economy. Statism was also in accord with the interest of the republican elite. In this way the state could form a bourgeoisie class which would have been dependent on it for its survival. The state in the formative years, took a strong and repressive position (Berberoğlu, 1992:97-100).

Given the capital shortage, the state was designed to directly assist private entrepreneurs. The new state banks fulfilled the role of "midwifery" (Evans, 1995:48) as it transferred investment sums into the hands of entrepreneurs (Berberoğlu, 1992:25-26).<sup>11</sup> This transfer is not only decided upon on ethnic and

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<sup>11</sup> Berberoglu gives the example of this transfer from sugar industry: "The first sugar factory was built in Alpullu, Thrace, with such extraordinary concessions as a 25-year monopoly in the five provinces in the vicinity, exemption from the Consumption Tax for 18 years, exemption from the Land Tax for 10 years on the lands on which the beets were grown for the factory, free construction land for the factory up to five hectares, exemption of the factory personnel from the payment of Income Tax for 10 years, etc. The entrepreneurs of the Alpullu sugar enterprise included deputies in the GNA [Grand National Assembly] and Istanbul merchants, who influenced the IB [Business Bank] into

religious identity, but also on personal linkages and patron–client relationship. The political elite was the sole patron in this relationship and control the rent especially after the decline of non-Muslim commercial bourgeoisie. For that reason, capital accumulation was shaped by a very powerful nationalist state bureaucracy who was restructuring both the society and economy. Since the bourgeoisie was being created by the state it lacked organization capacity. As Buğra puts it:

In the Republican period, therefore, the state also contributed to the creation of private wealth through selectively used mechanisms of reward and punishment. Turkish businessmen carrying these birth marks could have little claim to moral and legal arguments to face any challenge from different societal actors or from the state authority itself. There has been little autonomous moral basis or legal framework to be used for the justification of business activity (1994:51).

The state capitalism from the 1930s onward not only represented a shift from the mercantile mode of accumulation to a productive mode of capital accumulation but was also instrumental in the establishment of state enterprises. However, the process of generating a bourgeoisie class which would be the leader in industrialization was very slow. As a result of this slowness, the economy was under full tutelage of the state from the beginning of the Great Depression till the end of the Second World War. The Second World War is an important turning point for Turkish economy. Due to war economy; shortages of the food, and increased prices, there emerged a new mercantile bourgeoisie, thanks to black

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providing 68% of the capital and the ZB [Agricultural Bank] 10%, leave only 22% to be supplied by themselves. Thus, the first and major sugar industry in Turkey was created by state funds for the profit of private interests.”



marketing (Hale, 1980:110-117). Up until this time, Islam and Islamism has been seen as a political rival, and been under close scrutiny by the state power.

### 3.2. Turkish Economy in the 1950s: Sowing of the “Islamic Capital”

Disillusioned with the economic and cultural policies of the Single Party Period of the Republican People’s Party, the Turkish electoral body started to look for new alternatives after the WWII. The Democrat Party (DP) emerged a new alternative and won a landslide victory in the 1950 elections. The first three years of the DP regime is commonly called the “Democratic Party miracle.” (Ergil, 1975:137 161). Large investments in agriculture facilitated a rapid expansion of agricultural output. The demand created by rising agricultural incomes was reflected on the level of domestic industrial production and volume of imports. As a result, internal markets expanded. Expropriated subsistence farmers found jobs in the growing urban industrial and service sectors relatively easily, resulting in growing shanty towns around major cities. The growing reserve army of labor on the fringes of the cities provided ample and cheap labor for the growing industrial sector.

After the Second World War, Turkey had faced a major dilemma. The country was stuck between the nationalistic industrialization necessitated by the Kemalist principle and the pressure coming from the new world order to integrate

into the world economy through liberalization, as represented by the West. Apart from drawing in government support, using all types of legal or illegal sources in order to increase the accumulation of assets, the bourgeoisie developed more rapidly during the Second World War. The creation of a “national bourgeoisie” was facilitated by the state through the Wealth Tax (*Varlik Vergisi*), which was heavily imposed on the non-Muslim bourgeoisie in the 1940s (Aktar, 2001).

The capitalist growth was further enhanced by supporting private enterprises. However one of the direct consequences of this policy was unjust distribution. As a result of this, capital was amassed by certain holders. Multi-Party politics brought the opportunity for political representatives of the bourgeoisie to have a foot in the parliament. In other words, the introduction of effective electoral politics did not shake the formerly established system. Multi party period only ended Republican People’s Party’s (RPP) hegemony over the system but the system had a new hegemonic party, the Democrat Party (DP). Although the DP was liberal and committed to the demands of private business, the rent seeking and state capitalism nature of the system continued. The so-called “liberal interventionism,” did not create a context of high institutional trust and certainty for all economic actors alike (Buğra, 1994:121).

By fully cooperating with the US and the West, the DP accelerated Turkey’s integration into the global capitalism. Although not actively joined Second World War, the US did not hesitate to benefit Turkey from the money

allocated for the reconstruction of Europe, Turkey got military aid through Truman Doctrine and economic aid through Marshall Doctrine. Turkey joined IMF and the World Bank in 1947, and NATO in 1952. Getting aid from the US and joining to the western financial institutions meant gradual shift from the statist economic policies. Following policy recommendations of US and IMF, Turkey heavily invested on agriculture to benefit from its comparative advantage (Özbudun, 1980). Turkey was given the role of food and raw material supplier in the new international division of labor. However, Turkey was unsuccessful in diversification of its economy to increase export rates (Altunışık, 2005:70-74).

Franchising in the agricultural sector in Anatolia started during this period. Increased agricultural productivity in the first years of the 1950s contributed to the process of capital formation. On the supply side there was an increase in agricultural exports and the capacity to import capital goods (Bulut, 1997:71-73). However, 1954 was a turning point for the DP policy makers. The capital formation and equilibrium between supply and demand sides in the economy was severely curtailed by a series of crop failures and the dumping of cheap American and Canadian cereals on the world markets. On the demand side, the rapidly rising consumers' demand stimulated investments in industry (Berkes, 1965:157).

One of the main characteristics of the DP period was its relative toleration to Islam and Islamic values. During the period, religious groups started to get benefitted from bank loans and other state economic facilities. The DP period

came to an end with a military coup in 1960, with a stated aim of reverting Turkey to its original republican principles on cultural, political and economic levels.

The coup signified a shift from relatively free market orientation to a new era of planned economy. The justification behind the planning was “to use scarce sources more rationally.” (State Planning Organization, *First Five-Year Plan, 1963-7*). The development plans enabled the interest of the private sectors to be served by the services and production provided by public enterprises. Especially in the third and fourth Five-Year Development plan periods the private investors were provided with all sorts of state incentives (Kepenek, Yentürk, 1996:113-115). The depth of the ISI policies helped creation of a national bourgeoisie under the protection and control of the state. This bourgeoisie class was dependent on state for the protection, incentives to produce for production of certain goods, and provision of legal, bureaucratic and institutional structures. Measures were taken for the enlargement of the internal market. Turkish bourgeoisie expected resource transfers from public to private sector rather than relying on their own savings and capital formation, and the state occasionally approached outside sources for funds (Öniş, 1993:100-102).

Between 1945 and 1975, state-led industrialization based on import substitution industrialization (ISI) was followed by the developing nations of the world. This development project, which is followed by Turkey starting from the

1930s, had crises in the 1970s. The state-led industrialization model rested on subordination of small town based capital groups to the large industrial interests of the big cities and elimination of the small capital groups in favor of an urban wage earning class. The protection of the small and medium size capital and rural population was the source of the political conflict, and many times populism. The ISI with the help of foreign economic aid managed to contain the conflict until mid-1970s (Atasoy, 2003:133-161).

However, starting from the mid-1970s under the impact of debt crisis and recession coupled with competition among various capital groups seeking to influence government for allocation of resources exacerbated both economic and political crisis. After 1973, OPEC crisis and two very serious devaluations of 1978 and 1979 caused an economic destruction in the country.

According to Barkey, the crises of the ISI could have been overcome if incentives given to private sector had not been extended to a point to ruin the ability of the state to formulate and implement policies that would correct deficiencies. Unlike the successful implementers of the policy, like East Asian Tigers in Turkey protection was done through clientelistic measures. The time period of the protection to protect the infant industry till it gets to maturity exceeded the period that was necessary. In the 1970's with the deepening of the import-substituting industrialization (ISI) model the position of big scale businessmen enhanced. These family business groups thus formed the core of the

Istanbul based bourgeoisie. The key to success of these family holdings was keeping their organic links both to the political elites and the military (Heper, 1985:103).

Some industries were protected by the government for a very long time. As a consequence, rather than getting mature and opening up to the new world, these industries become ineffective and uncompetitive. More, the conflict between the different sectors to get state benefits prevented the state from implementation of long term policies. These conflict pressures coming from the bourgeoisie caused what Barkey calls “ultimate paralysis.” The ultimate paralysis of the state and zero sum game nature of the conflict made it impossible to pursue long term economic goals. (Barkey, 1990:20-22). More, thanks state protection, there were no rivals to compete with. These domestic structural difficulties increase with external factors Two oil crises, American embargo, US decision to increase the interest rate, and declining export rates due to decline in the price of agricultural products paved the way for shortages and political turmoil. In late 1970s Turkey had shortages in almost everything from fuel, electricity to cooking oil. The inflation rate rose from 25 percent in 1977 to 52.6 percent in 1978 (Aydın, 2005:40).

The crises in the late 1970s also had serious impact on income distribution and state and bourgeoisie relations. Until the late 1970s, Turkish industrialists were indifferent to state policies on wages and agricultural crop prices. These

measures were seen necessary for the expansion of the internal market. However, with the crises already noted industrialists started to demand wage cuts, other regulations. In other words, in the late 1970s, Turkish bourgeoisie was very unhappy with state planning. They thought the plans lack sufficient discipline to prevent economic crises and unable to use scarce resources. To force the state to issue the demanded polices, they organized themselves under two umbrella organizations: namely TÜSİAD and TOBB (The Union of Chambers of Industry).<sup>12</sup>

The “established” bourgeoisie also wanted to integrate to the world market especially through joint ventures with Transnational companies (TNC’s). However, they demanded the state to take an active role in this transition and provide sectoral planning and other necessary condition. In other words, unlike the embryonic Anatolian bourgeoisie which does not identify their interest with the nation state, the established bourgeoisie was not in favor of full scale liberalization, they still wanted the state to play an important protection role as well as a helping hand to find the necessary foreign resources.

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<sup>12</sup> For the TÜSİAD, see the next chapter.

### 3.3. Turkish Economy in the 1980s: Özal Years and the Sprouting of the “Islamic Capital”

The end of the Bretton-Woods system and the oil price revolutions in the 1970s set the stage for the translation of neoclassical ideas into the economic policies known as “Reaganomics” and “Thatcherism” in the 1980s. In contrast to the challenges facing the capitalist democracies of the West, the changes that neo liberalism bring exerted much higher adaptation pressures on late developing countries. The high interest- rate policy of the United States further aggravated the foreign debt problems of most developing countries. In the early 1980s, the International Financial Institutions (IFIs) began to enforce structural adjustment programs which were designed not only to overcome the short-term financial crises of those countries, but also to initiate systemic changes towards export-oriented and market-based economic orders. These neo-liberal policies were so called “Washington consensus” (Williamson 1990). The aim was to liberalize inward-oriented economies, with the intended effect that the rules and mechanisms of world market competition would finally erase the efficiency-inhibiting measures of the state.

For Turkey, the 1980s meant the Military Coup and the Özal years. The stated aim of the coup in 1980 was to depoliticize urban marginal groups and the left-right oriented youth who played an important role in the turmoil of the 1970’s. The coup and the civilian rule following it was part of the Turkish



bourgeoisie's attempt to strengthen its power. The army tried to restructure the state and ensure the functioning of the economy in a way which would speed up Turkey's integration to the global system. On September 20, 1980, one week after the coup, *The Economist* published an article about the military coup. The journal defined the coup as "regrettable for the Western alliance (which) draws strength from its democratic institutions and is morally weakened when the democratically elected government of a member country is forcibly overthrown". However, it was "good news" that Turgut Özal, "the architect of the austerity package approved by Turkey's many foreign creditors" would still be there as the generals' key civilian adviser (The Economist, 20-September- 1980:15).

Military intervention had the rhetoric of law and order but the aim was the elimination of class based politics and put an end to the left-right rivalry. For that reason, the virtues of individualism and market economy were praised (Yalman, 2002:42). The integration of the Turkish economy into the global system and the rising influence of the international capital have eroded the power and relative autonomy of the state. The developmental state eroded as the both national and foreign capital rise (Richards, Waterbury, 1996:36-43).

The military regime mostly collaborated with the bourgeoisie on economic and social programs. Especially after 24 January measures, the new regime aim for capital accumulation and integration with world neo-liberal capitalist system. Contrary to the 1961 Constitution, the 1982 Constitution withdrew many of the

rights, even the most basic rights of workers (Tünay, 2002:177-197) as well as banned strikes and lockouts. Military junta and TÜSİAD had a peculiar relationship. Military junta asked for the support of TÜSİAD, while the activities of all other associations were banned (Heper, 1991).

The state's different attitudes for different classes also had another reason. The period starting in the early 1980s marked the shift from state capitalism to liberal capitalism. Until the 1980 coup and shift of the economic system to neo-liberalism, Turkey's capitalism was politically embedded. The system can be defined by Weber's concept of political capitalism, or "politically-oriented mode of profit-making" which Weber uses to describe traditional economies outside Western Europe. In this type of capitalist system, profits are made through predatory action, force and domination and "through unusual deals with political authorities." Entrepreneurs operate in a context of politically-induced uncertainty, the state and political institutions are used as tools of profit-making. At the same time, economic actors take the rules of politicized business making (Swedberg, 1998:75).<sup>13</sup>

The Military junta ended and Turkey returned to parliamentary politics in 1983, After winning 45.2 percent of the votes, Özal immediately started to deepen the policies of foreign trade liberalization along with capital account liberalization program. The model that Özal would like to pursue was the East Asian model.

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<sup>13</sup> Weber relied on this typology merely to underline the uniqueness of the Western European path towards rationalization in the economy and used the example of the "politically oriented mode of profit-making" as a residual category for other world civilizations.

Other policies included fiscal austerity measures, privatization, and the introduction of VAT in 1985 (Öniş, 1994:109-126). The core of this restructuring process was the promotion of industrial exports. Turkey managed to increase its exports from 2.9 billion US dollars (1980) to 12.9 billion US dollars (1989) within a decade is a major indicator of the success of this transition (Karadağ, 2010:14). Thanks to his liberal economic restructuring measures, Turgut Özal is still hailed as the first Turkish politician to introduce market principles that would ultimately reduce the role of the state in the economy.

Post-1980 period cannot be called a real free, neo-liberal market economy as the state continued to be active in creation of rent in many ways. Özal's sour relationship with the traditional bureaucracy downgraded their role on the allocation of resources (Heper, 1989:460). Traditional bureaucracy was replaced by political layer that is loyal to the Motherland Party. To ensure the clientelistic relationship the party appointed all the top level bureaucrats from its own ranks and out casted the traditional bureaucracy (Türkcan, 1994:53). Although Özal's aim was to enable private sector to successfully compete in the international market. To this end, he issued tax rebates, export subsidies, import surcharges, fiscal incentives, subsidized credits; building licenses.

Economic shift from ISI to neo-liberal policies went hand in hand with bureaucratic transformation. The Özal administration combined the fiscal and monetary reforms in the shock therapy transition program with structural reforms

with the disintegration of the traditional patrimonial bureaucracy. Turkey's political bureaucracy evolved simultaneously with the economic liberalization during the Özal years (Acar, 2002).

Some of the established bourgeoisie, especially the ones who grew under the protection of the state, had difficult times with the opening up of the economy. Especially Istanbul-based TÜSİAD members started an opposition campaign to Özal's policies. Towards the end of the decade, the relation between TÜSİAD and Özal turned to sour. TÜSİAD criticized Özal's government on the rise of budget deficit and rising inflation. A conflict of interest emerged, as Özal was heavily supporting exporters. TÜSİAD embodied a significant group of inward oriented industrialists arguing that industrial production is hampered by excessive incentives given to exporters (Öniş, 2002:445-455). In return for this opposition, Özal searched for new alliance. The new ally comes from Anatolia: The medium and small scale enterprises of Anatolia.

Özal's new policies, especially elimination of tariffs and quotas enabled high rates of increase in export rates. Establishment of free market system did not mean leaving the market to the invisible hand. The state continued to support industrialists by tax rebates, export credits to increase the competitiveness of the Turkish products in the international market. The firms that took the advantage of these policies were mainly so called "Anatolian Tigers" rather than Istanbul based established industrialists. One of my interviewees remarks on this as follows;

It was Özal who introduced Muslims the state. He created more space for them by establishing new laws such as the *waqf* law. As these people socialized they realized that there is a whole another world outside. They realized that it was impossible to live with motto of, “bir lokma bir hirka” (one morsel, one vest). They started to produce not only goods but also new values (M,B. December 19, 2010).

As a result of these developments, Turkey started to have two clashing entrepreneur class. On the one hand, there was Istanbul-based, secular, so far state sponsored, big conglomerates wanting the continuation of state protection and did not want to share the market with new comers; on the other hand, a burgeoning, Anatolian-based, competitive, economically liberal, politically and culturally Islamic, entrepreneur class. The latter one legitimizes the claim for small state, lifting state protection through the use of Islamic discourse. These two bourgeoisies do not only compete in economic sphere but also rival forces in effecting Turkey’s cultural and ideological life. These years could also be marked as the time of sprouting of the “Islamic bourgeoisie” on a massive scale.

### 3.4. Turkish Economy in the 1990s: The National Outlook Movement (NOM) and Growth of Islamic Capital

According to Hobsbawn, the 1980s and 1990s produced uncertainty in the world economy and politics. At the end of the Cold War, culturally formed movements emerged out of this uncertainty. Nation states found themselves

pulled apart by the universalizing force of a transnational economy and by localizing social movements (Hobsbawn, 1994). Wallerstein shares similar views. The erosion of the nation state is caused by universalizing forces of the transnational capitalist economy. The end of the Cold War created environment for the rise of ideological tension between the universal pretensions of capitalism and particularistic ideologies. The rise of Islamist politics is seen as the manifestation of these particularistic policies (Wallerstein, 1995).

Globalization through internationalization of production and the spread of flexible specialization have provided economic opportunities for the newly emerging Islamist bourgeoisie in Turkey. The challenges of globalization have prepared the ground for attempts to use Islam as a strategic resource by business circles. The global supremacy of neo-liberalism and the policies imposed by IFI (International Financial Institutions)'s especially on the developing nations resulted in the weakening of the nation state. This opened the way for identity politics replacing the concept of national identity. More, globalization instituted the internationalization of production through which TNC (Transnational companies) becoming an important economic actor which is not under the control of the nation state. The mobility of capital, labor and development in technology and communication contributed to the decreasing power of the nation state vis a vis the TNCs. The decreasing power of the nation state resulted in the inability of the state to answer the demands of its people as well as creating more space for creation of new identities. Decline of the nation state coincides with the decline of

the traditional left both in developed and developing countries. Collapse of communism and Soviet Russia left USA and neo-liberalism as the only viable way that leads to development. Neo-liberalist economic and social polity that dominated Turkey after the 1980s established the predominance of the market in economic sphere and allowed the opposition forces in the political sphere to raise their voices and organize themselves along religious and ethnic community lines. In the relatively free environment market oriented competitive individualism, Islamists started to express their commitment to religious ideology.

Neo-liberalism came with Post-Fordist production system. 1980s witness a new division of labor in which the labor and capital are mobile. International capital reorganized itself with the indirect use of subcontracting agreements with local firms. The fragmented nature of production enabled to produce different parts of the same product at different parts of the world. In other words, post-Fordism needed specialized small firms with flexible organization (Ökten, 2001:271-285).

This global development provided a comparative advantage for the Islamic capital in Turkey. Through sub-contracting agreements in labor intensive industries like textile and shoes and by taking advantage of the post-Fordist production system they integrated into the world capitalist system, became international and benefited from the neo-liberal economic system. More flexible production system enabled capital to overcome the crises. As the big businessmen

of Istanbul were adversely affected from neo-liberal crisis, the Anatolian bourgeoisie escaped from the disastrous effects of neo-liberalism's economic crises through its flexible production system (Buğra, 1994).

Apart from the benefiterers in Özal system, like Nurcu's and Naksi's, there were other Islamists who choose to stay out of Özal's system in the 1980s and early 1990s. As will be discussed in the next chapter, these people were either radical Muslims who choose to stay out of the political system entirely or mostly lower class Muslims who were supporting the National Outlook Movement (NOM).

The NOM was founded by Necmettin Erbakan and his supporters in the early 1970s. The movement promoted a program of cultural renewal, industrialization, social justice, and moral development as a remedy to social problems caused by secularization and Westernization. The cultural renewal was done through attempts to reconstructed Ottoman history to demonstrate the major contribution of the Turks to Islamic civilization and the restoration of Muslim and Turkish national values. Under leadership of Erbakan, the NOM formed a succession of political parties and participated in three coalition governments in the 1970s; it was the senior partner in the coalition government.

Until late 1980s, NOM emphasize heavy industrialization (Ağır Sanayi Hamlesi). NOM was heavily criticizing structural adjustment programs signed



with International Financial Organizations. The heavy industrialization program was left behind in the 1990's but the anti-Western rhetoric continued. NOM came out to promote the interest of the small and medium scale Anatolian businessmen against protected Istanbul based big business. The relationship between the state and the large corporations contributed the marginalization and peripherilization of small to medium sized businessmen in provincial towns. Most of these businessmen were members of religious brotherhoods and been conservative in their world views. NOM and its political parties opened a channel for representation.

The economic program of the NOM tradition, called the Just Order<sup>14</sup> proposes a mixed economy in which the private enterprise constitutes the engine of economic growth, and the state provides necessary conditions for its enrichment. The model of Just Order proposes to have free market agreement with the Middle Eastern Muslim countries as an alternative to EU membership. Turkey should have close relations with the second generation of Newly Industrialized Country's with Islamic population and Turkic states.

NOM represented the business strata that had been politically excluded during implementation of the ISI. They were the legitimate alternative to the central and eastern Anatolian provinces. These regions had been excluded from

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<sup>14</sup> In contrast to Erbakan's "Just Order," a faction in the RP explicitly favored what they did not hesitate to call "Protestant Islam." But in opposition to Weber's individualistic "Protestant ethic," Protestant Islam is "centered on networks of social relations involving trust, solidarity and loyalty embedded in a religious culture.

the gains of state-led industrial development, and their political representation was weakened by the prevailing clientelistic structures of center-right parties (Ayata, 1994: 49-63). Islamist businessmen benefited from an abundant stock of unskilled, cheap labor and from inner-group religion-based norms of trust and cooperation. Furthermore, with the establishment of their own business association (MÜSİAD) and trade union (HAK-İŞ), this movement increasingly capitalized on the unsolved issues of rural and urban poverty in the name of a just and Islamic order.<sup>15</sup>

By the 1990s, the NOM tradition parties became important actors in the Turkish political system, and began winning the municipal elections. The neo-Islamist capitalist class, being involved in the work of municipalities, started to benefit from facilities provided by local governments. They had two basic economic demands during the 1990s: to replace the traditional rent-distributing state with a small but effective bureaucracy and to be a player in the global competition (Sklair, 2002:161-170).

In the 1996 election, one of the NOM parties in line, the Welfare Party (WP) won significant number of seats in the general election. The growing power of the WP carried it to a coalition government with the True Path Party (TPP). The coalition government was called Refahyol. Consequently, this political coalition government prepared a field for Islamist capital to establish a compulsory alliance with the secular capitalist class who were supporting TPP.

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<sup>15</sup>.For MUSIAD, see the next chapter.

Through this coalition government, the neo-Islamist bourgeoisie gained an ample strength, and also demanded a share from privatization (Erdoğan, 2000:22-30). MÜSİAD started to establish its first formal relations with the state after the local election victory of the Welfare Party in metropolitan cities and Anatolian towns. In Yavuz's words: "With the victory of the WP in the municipal election in 1994, the ties between Islamic entrepreneurs and politicians created a new symbiosis with the twin goals transferring public (municipal) funds to the newly emerging bourgeoisie and also of utilizing these established networks to shape the practices and ideas of an Islamic movement (Yavuz, 2008:117).

### 3.5. February 28: Troubling times for "Islamic Capital"

The success of the Welfare Party in the 1990s was mainly due to the ability to appeal to the urban-poor masses with an emphasis on social and economic problems fused with an Islamic discourse. When this traditional Islamic discourse became the ruling power in Turkey, it became alarming for the secular regime.<sup>16</sup>

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<sup>16</sup> There were two important events that pulled the trigger in 1997. A banquet given by Erbakan at his official residence to the leaders of Islamic groups and the dervish orders during the fasting month of Ramadan and a meeting organized by a WP mayor at the Sincan district of Ankara to show solidarity with the people of Palestine. At that meeting Islamic slogans were chanted and the presence of the Iranian ambassador was perceived as an attempt of the Islamists to stage a revolt against the secular Turkish regime. The reaction of the military was to order the march of a tank division.

The army, being the guardian of the secular regime, made an alliance with Istanbul base bourgeoisie, judiciary and the media. The alliance launched a campaign against Islamists and Islamic capital and firms. Secular segment of the society went so far as organizing "one minute darkness for continual brightness" protests against the "sharia law desires" that were encouraged by the Refahyol coalition with the slogans shouted as "Turkey is secular and will remain secular!"

Political divisions in Turkey once more shook the unification within the bourgeoisie class. The "danger of fundamentalism," enabled formation of an ideological alliance among different groups and different sections of the society. This is a good example indicating that relations between social classes and politics in Turkey do not originate only from economic factors.

Within the Navy Headquarters in Ankara, the West Working Group was formed to investigate Islamist activities all over the country. Soon the National Security Council, meeting on February 28, 1997, took a number of recommendations to strengthen and protect secular character of the Turkish state. The Council asked the government to take necessary measures for official dress code in the government offices and universities, to introduce compulsory eight year elementary school education which meant closing down of the middle school sections of the prayer leaders and preachers schools and to impose strict control over Qur'an schools and dormitories run by religious groups and foundations, and

to a pass law enabling to fire those civil servants found engaged in Islamic activities (Larrabee, Rabasa, 2008:42).

Companies described as representing Islamic capital were publicly identified and investigations conducted on their networks, sources of capital and activities. Islamic organizations and groups which become important economic actors in the mid 1990s through their economic enterprises financed by multi-owner partnerships spreading from Germany to various parts of Anatolia, were referred to as Islamic capital represented by the pro-Islamic/Anatolian based business organization, MÜSİAD. The activities of MÜSİAD members came under increased scrutiny of the state agencies. During the process Islamic capital was displayed, boycotted and prosecuted as part of an attempt to eliminate financial sources of Islamic movements.

A list of firms and brands, owned by Muslims, was published in the mainstream media and people were asked not to do transactions with those firms. In one of my interviews, Mehmet E. describes how he felt during the 28 February Process as follows:

In the 28 February period, “pious” businessmen have experienced tremendous pressure. People and firms were blacklisted in order to dry up the resources of the so-called “green capital”. Our suppliers did not want to sell us any merchandise and we were financially under the close control of Ministry of Finance. We were very much afraid to lose all of our wealth. Because of this concern, I transferred some of my wealth to my close friends and relatives. Military junta and its collaborators put

pressure on pious business circles (M,E. December 20, 2010. Interview with the author. Istanbul, Turkey).

Another interviewee shared his frustration with the 28<sup>th</sup> February and the secular establishment as follows:

Istanbul based businessmen did not raise any voice when the prosecutor demanded the closure of the MÜSİAD after the closure of the WP. After the coup, many companies felt the necessity to align themselves with secular establishment. Most of the companies tried to build a secular image and distance themselves from the Islamist image as far as possible in order to prevent a possible reaction Coming from the military. Even some used the image of Atatürk and Kemalism, in order to escape from the military's repression (H,A. June 28, 2010. Interview with the author, Istanbul, Turkey).

Ironically enough, however, 1997 military intervention did have some unintended consequences among the Islamists. As attested by most of my interviewees, the 28<sup>th</sup> February Process was an eye opening experience for the Islamist, so much so that, it became instrumental in changing the rhetoric and perception of Islamic bourgeoisie on both economic and political sphere. For example, military list of 100 Islamic firms that were banned from government contracts caused MÜSİAD members to emphasize the motto of “money has no religion, no faith, and no ideology” on the economic side (Buğra, 1998:523). Islamic entrepreneurs and some Islamic politicians have come to realize that political polarization in society would harm their economic and political interests. The owners of Islamic capital were disturbed deeply, but even after Erbakan left the government, while losing support of the central government, they continued benefiting from local governments. This slowly paved the way to the emergence

of the JDP rule in few years. On the political front, the intervention persuaded pragmatic segment of the former Welfare Party to split, pushing the JDP, moderates and political Islam to the center.

### 3.6. Turkish Economy in the 2000s: The JDP and Harvesting of Islamic Capital

The 1990s were characterized by higher degrees of power dispersion. The fragmentation of power undermined the regulatory capacities of the state. Moreover, in the 2002 parliamentary elections, all political parties that were perceived to be involved in these corrupt practices, failed to reach the ten-percent threshold to return members to parliament, while the newly established Justice and Development Party (Adalet ve Kalkınma Partisi-JDP) emerged victorious. The victory of the JDP represented a clear break in recent politico-economic developments in Turkey. For the first time, the socio-economic Islamists were elected without being prevented from consolidating their position in the political process.

The JDP did not only align itself with small and medium sized Anatolian capital but also Islamic capital based in Istanbul which had entered to the scene of Turkish economy in the post 1980s. As I will discuss it in the next chapter, MÜSİAD made an important contribution to the JDP's success. Islamic economic capital made a strong alliance with political pro-Islamic capital through the

collaboration of MÜSİAD and the JDP. While TÜSİAD's historical connection with state kept it out of the JDP's cross class alliance, MÜSİAD became central to this alliance. Ten members of MÜSİAD were among the founding members of the JDP and twenty were elected parliamentarians from the JDP in the 2002 elections (Tok, 2009:83-86). MÜSİAD became the core actor in economics that the JDP formed an alliance with. The JDP became the instrument that the members could channel their neoliberal demands. As one of the MÜSİAD members put it:

The JDP is an outcome. An outcome of the demands coming from intelligentsia, ordinary people and businessmen. It is a mass party, and has solutions for many different segment of the society (M,K. January 4, 2011. Interview with the author. Istanbul, Turkey).

Different from the NOM parties, the JDP always promoted liberal economy and integration with world markets. Stating with its first term, the strong recovery since the crisis of 2001 has been emphasized. The flourishing of new industrial centers across the Anatolian heartland continued. The JDP furthered export-oriented industrialization and the growing outward orientation of Turkey. Total exports increased from 3 billion dollars in 1980 to 20 billion dollars in 1990 and more than 100 billion dollars in 2007. Export rate in GDP, as an indicator of economy's openness rose from 3 percent in 1980 to more than 25 percent in 2007. With the export goods, manufactures constitute more than 95 percent in 2007. The JDP has friendly relations with most of the business sectors and continued to be supported by large segments of the private sector. The JDP did not conflict with



the more established industrial elites of Istanbul region during its first term. The party was heavily supported by Anatolian industrial elites (Pamuk, 2008: 267-272).

The relation of the JDP and TÜSİAD was not an easy relation. TÜSİAD supported the JDP in 2002 elections. Although it criticized various policies of the government, in general TÜSİAD was content with the launch of negotiations with the EU in 2005 and the macroeconomic outlook. The support continued during the elections in July 2007, until the end of September, that is until the outbreak of the headscarf debate. The uneasy relation got tense after the global financial crisis. This time, the JDP government and TÜSİAD disagreed once again about the effects of the crisis on Turkey. Both parties started to publicly humiliate each other with press statements. The Prime Minister was defending that the crises did not hit Turkey (Kriz bizi teğet geçti) while for TÜSİAD Turkey was hit hard by it. Especially after the “Lighthouse” (Deniz Feneri) corruption scandal of the Islamic capita<sup>17</sup> in Germany was revealed in *Hürriyet* newspaper which is owned by TÜSİAD’s chairwoman, Prime Minister Erdoğan asked his voters to boycott her newspapers (<http://www.milliyet.com.tr/erdogan-in--bu-gazeteleri-almayin--cagrisi-buyuk-tepki->). The government launched investigations against the entire Doğan Group and fined them 2.5 billion dollars for tax evasion (<http://www.economist.com/node/14419403>).

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<sup>17</sup> On September 17th a German court convicted three Turkish men involved in the charity of siphoning off 26 million dollars. The money had been allegedly raised to help needy Muslims. Instead the court found that some funds went to buy real estate in Turkey.

As Hasan Bülent Kahraman, Turkish academician and writer, states “one of the reasons of the uneasy relationship between the JDP and TÜSİAD is the existence of the Anatolian capital. They (Anatolian Capital and thus JDP) did not come to power by accepting rules and conditions of the game, but rather by stating their own preferences and implementing them. Under these circumstances, it is impossible for TÜSİAD, as the representative of metropolitan established capital, not to be disturbed by the recent events and debates on secularism.” (Kahraman, 2007). TÜSİAD wanted to establish good relations with the JDP but the JDP’s preference for alliance was always the Islamic capital.

After all, neo-Islamic bourgeoisie supplied the reformist side of political Islam with the financial, political and human resources. The fact that the Islamic bourgeoisie supported the JDP and effected its establishment is apparent in the JDP program and its policy platform. MÜSİAD’s policy recommendations has equipped the new party with new ideas and formed the basis of its program. The emergence of the neo- Islamic bourgeoisie that fuses Islam and capitalism has been the driving force behind the moderation of political Islam in Turkey. The identity and discursive shifts among Islamist groups led to the acceptance of liberal market ideologies by the new government. The opening up of the economy to private and foreign capital triggered capture of new export markets by Anatolian business groups, along with the pluralization of the media made discursive shifts possible. Under the JDP rule Turkey experienced a successful re-embedding of capitalist social relations into a new moral

framework, centering on principles of Islam. At the same time, pursuing reformist course, the JDP has followed the tight fiscal and monetary policy recommendations of the IMF to put an end to cronyism and the overall rentier mentality of the statist tradition. One of my interviewees described this new power as follows:

The presence of the JDP is an evidence of existence of Muslim power. The JDP is powerful; the power was bestowed taken from the public. It is important to use it (H,Ö. 27 December, 2010. Interview with the author. Istanbul, Turkey).

During the JDP's rule, the Islamic capital grew significantly. However, it would be wrong to attribute their success just to the JDP's government. Starting from mid the 1980s, Islamic bourgeoisie found the right environment to increase economic and political capital. Their level of exports has doubled in 2011. This success integrated them fully into global markets. In a sense, the Islamist has been harvesting the economic results of their long term hard work in the market. Now they indeed became competitors of TÜSİAD. An İGİAD member reflects on this as follow:

Fifteen years ago we were applying to become members of TÜSİAD. They looked down upon us and did not accept us as members. Now the equation has changed. Even Ishak Alaton wants to be a member of MÜSİAD. We don't need TÜSİAD anymore (H,D.June 01, 2011. Interview with the author. Istanbul, Turkey).

After examining the rise of the Islamic capital against the backdrop of the Turkish economic development, we need to dwell upon the role of Islamic banking on the emergence of neo-Islamic bourgeoisie in Turkey, for these institutions helped to institutionalize the Islamic capital.

### 3.7. Islamic Financial Institutions

As stated above, one of the major factors in managing the “Islamic capital” was the emergence of Islamic financial institutions. To analyze it, first we need to understand what is meant by Islamic financial institutions, and then Islamic bourgeoisie’s attitude toward them.

According to neo-liberal economic theory, interest has two functions. The first one is the price of capital, or borrowed funds. It is paid to the depositor to compensate them for the savings s\he is making, as there is a sacrifice in saving in terms of different consumption. The second function is the market equilibrium mechanism. Interest is used as a tool for creating the balance between supply of savings with demand for credit. Therefore, in the Western economic literature, interest is seen to ensure adequate savings and to ensure the efficient working of financial markets.

In the Qur'an the practice of living on interest (*riba*, usury) earnings is explicitly condemned: "Those that live on usury shall rise up before Allah like men whom Satan had demented by his touch; for they claim that usury is like trading. But Allah has permitted trading and forbidden usury." (Dawood, 2008). In other words, the Qur'an discourages usury, and encourages trade and business since interest is regarded as an unproductive tool. The objection to interest is also because of its adverse redistributive effects as it can also result in the poor being indebted to the rich. Where a debtor gets into difficulty with repayments, the Quran urges leniency with debt rescheduling: "If your debtor be in straits, grant him a delay until he can discharge his debt; but if you can waive the sum as alms it will be better for you, if you but knew it." (2:275,2:276, 3:130, 4:161).

Since Islamic principles on usury were interpreted in different ways in the Muslim world, there have been different results of these interpretations. One response has been overseen rise of Islamic banking. Islamic banking, also known as participant banking, i.e. a system of banking activity that is consistent with Islamic Law. Law prohibits the payment or acceptance of interest free loans of money, for specific terms, as well as investing business that provide goods and services considered contrary to its principles. The main idea of Islamic banking is to replace interest by profit- and loss-sharing contracts. In the early 1970s, various international conferences on the issue led to the application of theory to

practice and resulted in the establishment of the first interest-free banks.<sup>18</sup> For instance, the Islamic Development Bank, an inter-governmental bank established in 1975, was born of this process.

Until the 1980s, pious Muslim businessmen mostly preferred not to use conventional banks due to Islamic ban on profit out of interest. As their share in economy increased, they felt a pressure to have financial institutions to manage their economic transactions. If the conventional banks were of no use, then, how should they have resolved their problem? In fact, Muslim intellectuals, businessmen and politicians engaged in a very lively dialogue since the early 1970s on the possibility of interest-free banking in the Islamic world in general.

Islamic banks do not pay their depositors interest, but rather they provide profit sharing. There are two types of accounts; savings accounts and investment accounts. No interest is earned on savings accounts, but depositors qualify for interest-free loans, and many depositors who have not made use of this loan facility nevertheless regard it as worthwhile to maintain funds in such an account as it offers them security. Those who open investment accounts are entitled to share in the profits from the bank's investments, but funds have to be maintained in such accounts for a certain minimum period to qualify, normally a year (El Tiby, 2010:14). Those who receive money from the bank for business purposes have to pay the bank a share of the profits of their businesses. The bank is really

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<sup>18</sup> Some of the conferences were ; the Conference of the Finance Ministers of the Islamic Countries held in Karachi in 1970, the Egyptian study in 1972, the First International Conference on Islamic Economics in Mecca in 1976, and the International Economic Conference in London in 1977.

investing money rather than lending, and the bank is sharing the risks with the client. If there are no profits, the bank will not get a return on its investment.

### 3.8. Islamic Financial Institutions in Turkey

The first Islamic financial institution was established during Özal period. In December 1983, the Özal government allowed the establishment of financial institution based on Islamic principles. This was the first time the concept of “non interest” took place in Turkish legal system. One of the first Islamic banks to establish in Turkey, the Al-Baraka Turkish Finance House (Al Baraka Türk) was owned by the Saudi Sheikh Saleh Kamel, whose partners in Turkey were Eymen Topbaş and Korkut Özal. Both Topbaş and Özal were directly linked to Turgut Özal; the former was the head of the MP’s Istanbul headquarters and the latter was Özal’s younger brother, a former Minister of Agriculture in the 1970s and a deputy of the religiously oriented National Salvation Party (Jang, 2003). Sheikh Salih had met Korkut Özal in 1982, and then introduced him to Turgut Özal. The Topbaş family, which includes Nakşibendis among its members and Al Baraka Türk, has established an important Islamic foundation, Bereket Vakfi. Obviously, the financial interests of Özal family were an important factor in facilitating the Saudi capital investments in Turkey (Özsoy, 1987:43).

In 1984, Nurcu<sup>19</sup>'s established Faisal Finance with Saudi Capital. Later, Kuwait Finance, which was the wealthiest of the Islamic banks, was established a joint venture with Vakıflar Bank in 1988. The investment into Turkey's flourishing Islamic financial sector did not always come from the Gulf. İhlas Finance House and Asya Finance House were founded by Turkish businessmen but without hosting Turkey's ruling elite in their boards or in the higher echelons of their administration (Henry, Wilson, 2004:50-53). Then came three more financial institutions which were established by domestic capital: Türkiye Finance, Family Finance and Anadolu Finance. Forty percent of the Anadolu Finance belongs to two biggest Islamic capital groups, Boydak and Ülker while sixty percent was bought by Saudi's biggest bank The National Commercial Bank (Nebiler, 1994:74). After the sale of Faisal Finance to Sabri Ülker in 2001, the bank's majority shares transferred from the hands of the political elite to Islamic business elite.

Until 2006, they were named as "special finance institutions." The title change to "Participation Banks" in 2006 by regulations of law. The Turkish participation banks did have a fast growth and in 2007 cover roughly 6 percent assets of the total Turkish banking industry (Water, 2008). In an interview with Retail Banking Product Development Manager of Kuveyt Turk, I was told that the Islamic banks were anticipating a 10-14 % share of the national asset in five years (M.D July 10, 2010. Interview with the author, Istanbul, Turkey)

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<sup>19</sup> Nurcus are Turkish Muslims who follow the teachings of Bediuzzaman Said Nursi and/or Fetullah Gülen (there are more than one group of Nurcus in Turkey). When Nursi Said died, Fetullah Gülen, currently exiled in Pennsylvania, USA, continued his teachings



It was not only Islamic banks that created economic capital. Islamic sects and religious communities also have an important role in the formation of Islamic capital. Intra-community solidarity helped to develop an environment of cooperation and mutual support. Religious groups or communities collected money to build Qur'an schools, mosques and dormitories, with the money demanded out of religious duty. In this process mürit, is turned into a customer.

The charity was given by members for the common good of the community and as a religious duty. The charity turned into an economic value over time, as the number of charity givers and the amount of money rose. As a consequence, religious communities were engaged in economic cooperation. Islamic sects turned into formal organizations. This ease the tension between the state and the religious groups as the group escaped from possible pressures from the state. Later by using this economic capital religious groups and sects were organized as publishing or broadcasting institutions, commercial companies as well as political parties, e.g. Bağımsız Türkiye Partisi (Haydar Baş circle), Millet Partisi (Aykut Edibali circle), and Diriliş Partisi (Sezai Karakoc circle) the last two of which have not been very active in recent years.

Interest-free special finance institutions served in two ways in the process of Islamic economic capital accumulation. First, they attracted the savings of religious persons who did not use conventional banks. Through Islamic financial

institutions these previously excluded people were integrated into the system. More, these institutions brought new funds to the system. Secondly, they provided funds to the Islamic business circles not using banks for capital loans, hence contributing to their development. One of my interviewee's response would illustrate my point about their attitude towards Islamic financial institutions.

I have four companies and I do not use conventional banking system. I do not use bank credit or checks. I only work with Islamic financial institutions. This creates a certain amount of difficulty because these banks do not have enough branches at Anatolia. However, I would prefer to experience such difficulties, rather than earning money in un-Islamic way (H,Ö. December 27, 2010. Interview with the author. Istanbul, Turkey).

Other İĞİAD members reflect on the issue as follows:

As a firm we prefer to grow by using our equity rather than acquiring bank credit. It is true that this creates a relative slow growth and affects our profit rate adversely. However, a ban is a ban till the judgment day. One can not change the rules of Islam according to his own needs (E,K. June 20, 2010. Interview with the author. Istanbul, Turkey).

The laws for Islamic Financial institutions are not well established in Turkey. The JDP government could not dwell on the issue as there is a paranoid of "coming of Sharia" if the interest would be abolished. For this reason, Islamic financial institutions are working relatively slow and have the problem of inadequate amount of branches. However, the number of branches are rising and Islamic Financial Institutions started to be integrated into the system (M,Y. January 7, 2011. Interview with the author. Istanbul, Turkey).

Unlike the previous ones, one other interviewee who has organic ties with the JDP and doing business with the state has a flexible attitude towards doing business with conventional banks. This situation also demonstrates that Muslims

change the definitions of some concepts both in Islam and capitalism, as a result of pressing developments in modern life. And creates a diversity among them. As one interviewee puts it:

It is not quite clear what is interest what is not. State incentives are totally *halal*. It is impossible to stay away from conventional banking and interest as your firms grows in a capitalist system. It is important how you use the interest. It is different to use it for more production than making money over money without production (A,G. January 05, 2011. Interview with the author. Istanbul, Turkey).

Yet another interviewee goes even further in changing the definition of interest and halal when it comes to doing business in modern life.

Islamic financial institutions are quite small and inadequate to answer my firms' needs. Sins are for Muslims. It is true that interest is sin. It is a problem when you act as if it is not. If you do not have any other option, you may do business with interest (M,E. June 08, 2011. Interview with the author. Istanbul, Turkey).

These different responses show the ongoing tension between capitalism and Islam, and that there is not one standard attitude towards Islamic and conventional banking even among the İGİAD members. Today, the size, volume and extent of Islamic financial organizations' operations in Turkey are still limited. However, the existence of such organizations is both a source of diversity for the Turkish financial sector and an opportunity for Islamic capital. One can follow the development of Islamic banking simultaneously with political and bureaucratic transformation in Turkey.

### 3.9. Conclusion

It was Ziya Gökalp who stated that “governments in Europe rely on the working or the bourgeois classes. They enjoy a social support which they can draw on difficult moments.” (Erişirgil, 2007:78). Is there such a powerful class in Turkey? The Turkish Republic, after Gökalp, has experienced three major waves of industrialization. The first one was during the 1930’s during which industrialization was led by state enterprises under etatism. The industrial elites then were the managers of state enterprises. The second wave came after World War II. Etatism was abandoned and mixed economy model was adopted by the DP during which the industrialization was led by the private sector, by holding companies or conglomerates located in the Istanbul. And the third one starting in 1980s witnessed the rise of new industrial centers across Anatolia and led to the emergence of a new generation of industrial elites. The emergence of Islamic capital is caused by three reasons: shift from import substitution industrialization economic policy to export led growth, state’s changing policy on religion, and emergence of Islamic financial institutions.

As seen from the historical evolution of the bourgeoisie in Turkey, the Turkish Republican secular bourgeoisie was originally a product of the state. The state protected it from global competition through subsidies and high tariff and quota rates. The bourgeoisie, as it owes its survival to the state but nobody else, did not feel the need to form ties with the other segment of the society. This class

due to its dependence on the state could not be an independent force that could liberalize and democratize the country like its counter parts in Western countries.

In the Turkish context, state capitalism started with the development of a Turkish-Muslim bourgeoisie. This was the first stage of state capitalism. Accumulation was highly politicized, and this characteristic created different boundaries and interactions between state and capital. In other words, economic sphere was dominated by the state. The state used its infrastructural power to regulate and control social relations. One of the main differences between state capitalism and liberal capitalism is the lack of contestation. There are no representative organizations in which different capitalist groups may organize their interest vis-à-vis the rulers to consolidate their position. All the power is rested in the state and the state elite use their infrastructural power to decouple economic development and political liberalization. In this circumstances in which there is repressive state power lack of representative institutions state capitalism emerges and reproduce itself.

It was neo-liberal free market policies of Özal that enabled the emergence of the neo-Islamic bourgeoisie. By using the state power, the MP played a crucial role by import surcharges, export rates and subsidies. It was the 1980s when the Islamist that were excluded from the creation of national bourgeoisie was joined the equation. In the following years, the accumulation of economic capital opened up the way for the formation of cultural capital. The new bourgeoisie, different

from the old one, started to spend their money establishing educational institutions, publishing houses which will promote Islamic values and norms through out the society. The aim was the re-consolidation of historical link with the past, which was halted by the Republic and Kemalism. Formation of Islamic financial institutions opened up new opportunity spaces for Islamic businessmen. Interest-free special finance institutions served in two ways in the process of Islamic economic capital accumulation. First, they attracted the savings of religious persons who did not use conventional banks. Through Islamic financial institutions these “excluded” people were integrated into the system. More, these institutions brought new funds to the system. Secondly, they provided funds to the Islamic business circles not using banks for capital loans, hence contributing to their development

Finally, with the JDP rule, Turkey’s policy-making tradition is changing from predominantly state corporatist where business interest groups are subjected to harsh monitoring and a centralized bargaining mechanisms to a hybrid capitalist system. In this new environment, diverse set of business associations are able to communicate directly with the state., Moreover, Islamic business associations are quite instrumental and willing to deconstruct Kemalist state to further ensure their economic, social and political interests.

## CHAPTER IV

### EMERGENCE OF NEO-ISLAMIC POLITICAL CAPITAL IN TURKEY

The main purpose of this chapter is to contextualize the rise of Islamic political capital by analyzing İGİAD as a case study against the backdrop of Islamic political development in Turkey. The transformation of Islamist and conservative politics in the second half of the 20<sup>th</sup> century paved the way to the emergence of a neo-Islamic political capital and rise of a new Islamic bourgeoisie class, including the İGİAD members in Turkey.

As I partly discussed in the first chapter, several scholars have already examined the development of Islamic politics in Turkey, and asked such questions as “how Islam became a key player in Turkish politics?” “Is the JDP ideologically different from the Milli Görüş<sup>20</sup> (National Outlook Movement-NOM) parties?”

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<sup>20</sup> Although the English translation of Milli is “National,” the word has both religious and national connotations in the party’s terminology. Milli is a direct repercussion of Turkish Islamic synthesis in which “milli” is both national and Islamic.

“How does the Turkish army perceive the JDP politics?” “Can the JDP reconcile Islam and democracy in a new Turkish Model?” “Does the personality of Tayyip Erdoğan matter?” For example, scholars working on the rise of Islamic politics in Turkey offer explanation through forces of globalization. According to Gülalp, rise of Islamism in Turkey since the 1980s is a response to the promises of modernization under the impact of economic globalization (Gülalp, 1997:421-430). On the other hand, for Keyder, the rise of political Islam owes its increased popularity to limited modernization which did not expand political liberalism and citizenship rights in society (Keyder, 1997:40-50). In both explanations the rise of Islam is a resistance resulting from the failures of economic and cultural modernization.

By visiting some of the above mentioned questions and raising new ones, this chapter limits itself to addressing the following major questions: What are the international and domestic factors that contributed to the development and transformation of the Islamist politics in Turkey? What are the continuities and changes between the NOM and the JDP ideology and politics? How do the members of neo-Islamic class see their transformation *vis-à-vis* the development of political Islam over time? How do the members of İĞİAD perceive the transformation of political Islam? And how do Islamist policies gain political power, and how this political and social capital, in Bourdieu’s sense, helped to create a new neo-Islamic bourgeoisie class in the 21<sup>st</sup> century?



Two interconnected arguments are going to be offered. First, neo-Islamic political and economic class emerged as a result of opening up of new opportunity spaces after the 1980 coup d'état. And secondly, the JDP's inclusive discourse and pragmatic policies in the 2000s, served to unite and integrate all of the intra systemic reformist Islamic groups and anti-systemic radical and revolutionary Muslims, including the İGİAD members into the system.

As explained in the introductory chapter in detail, opportunity spaces are complex web of relations, which were deeply rooted in Turkey's recent political, cultural and economic history. Formation of Neo-Islamic bourgeoisie resulted in political transformation and moderation of Islamic politics. This moderation resulted in the inclusion of intra systemic reformist Islamic groups and anti-systemic radical and revolutionary Muslims. "The post-modern coup d'état" in 1997, which came to be known as the "28 February Process," is a critical juncture in the transformation of the Islamic political capital. The neo-bourgeoisie with demands for neo-liberal policies in economy and even more so in democracy shifted its support from the traditionalist NOM Parties to reformist Erdoğan and his ruling cadre. This shift created a strong alliance between the Islamic bourgeoisie and the JDP.

In order to elaborate these arguments, first an overview of the development of pro-Islamic parties and Islamic politics between the 1950 and 2000s will be provided. Secondly, the international and domestic factors

contributing to the transformation of Islamic politics, with a particular attention to the 1980s and 1990s will be analyzed. Thirdly the question of continuity and change between the NOM and the JDP will be examined. Finally, the rise of the JDP and mutual and supportive relationship between the JDP and neo-Islamic bourgeoisie class will be analyzed. To illustrate the argument further, examples of interviews from İGİAD members will be reported.

#### 4.1. Right Wing and Islamist Political Parties between the 1950s and 1990s: An Overview

After the dissolution of the Ottoman Empire and War of Independence (1919-1922); a nationalist, secular and Western-oriented Turkish Republic was established in 1923. While the new Republic rejected the Islamic and Ottoman traditions in the public sphere, the Ottoman legacy of strong centralized state along with strong military presence in politics continued to be an undercurrent theme in Turkish political and social culture.

In this modernity project, religion was not completely suppressed or eliminated. It was simply banished from the public sphere and strictly subordinated to and controlled by the state, through the Directorate of Religious

Affairs (*Diyanet İşleri Başkanlığı*), Constitutional Court and, from the 1980 onwards, by the military

#### 4.2. From Single Party Period to the Multi-Party Period

Although Islam have been suppressed and eliminated from the public sphere in the first decades of secular Turkish Republic, some Islamic elements were pragmatically used by the ruling elite, in order to cement the characteristics of the burgeoning Turkish state and citizen. The period between 1923-1946 was marked by radical reforms and tutelary democracy. Atatürk's attempt to transform Turkey into a modern, Western, and secular state essentially represented a revolution from above. It was a state-instituted, top-down enterprise in social engineering carried out by a military-bureaucratic elite that attempted to imposed its secularist vision on a reluctant traditional society. The religious institutions of the Ottoman past were perceived as obstacles to the structural changes that Kemalists had in mind (Toprak, 1981). To reach the stage of "contemporary civilization (*muasır medeniyet*)" Kemalist elite launched secularization program comprising a series of reforms. However, in carrying out this transformation, the elite made little effort to co-opt the population or the opposition. Most of these reforms were limited to the urban centers and the countryside remained largely untouched. The Republican People's Party

(Cumhuriyet Halk Partisi-RPP) government was not quite successful in cutting primordial social functions of Islam and masses (Salt, 1995:13-27).

Modernization and Westernization by the state did not transform the traditions of the masses. Consequently, it created first a division and then a tension between the limited group of Westernized urban elite and traditional rural masses. Until the 1950s, the bulk of the Turkish population remained isolated and traditional, while the urban centers began to be modern and secular. Indeed, a kind of religious “counterculture” existed outside the cities. In response to their forced exclusion from the political sphere, many Muslims established their own informal networks and educational systems. The religious networks and brotherhoods such as the Nakşibendi and the Nurculuk movement became a kind of “counter-public sphere” and the incubator of a more popular Islamic identity. Islam, as Hakan Yavuz has noted, remained the “hidden identity of the Kemalist state” and provided the vernacular for the marginalized majority excluded from the top-down transformation (Yavuz, 200:21-42).

Introduction of the multi-party system in the 1940s marked the beginning of an active return of religion to political life in modern Turkey. Adnan Menderes’s right wing Democrat Party (Democrat Party-DP) reinstated some of the religious practices into the public life, including switching the *ezan* (call to prayer) from Turkish to original Arabic, and allowing to open up more religious secondary schools, *imam-hatips* (Bölükbaşı, 1995). These and similar gestures

attracted conservative and Islamist votes to the right wing parties starting from the 1950s.

The DP was successful in mobilizing a coalition of small businessmen, landowners and the latter's their peasant dependents, and a new generation of intellectuals who wanted political recognition (Lapidus, 1998). DP adopted more liberal economic policy as well as bending the rigid secularist understanding of Islam (Özbudun, 2000). The control of the state over the market decreased, the party promised to provide market opportunities for the excluded segments of the society. The ten-year DP rule came to an end with the military intervention of May 1960, and the coalition among the secularist elite and the military was thus once more reinforced. Prime Minister Menderes was executed along with two other cabinet ministers, Hasan Polatkan and Fatih Rüştü Zorlu. Under the supervision of National Unity Committee a new constitution was prepared by the Constituent Assembly (Kurucu Meclis).

Although it was ended with a coup, the Menderes era had several important consequences for the integration of Islamic politics into the system. First, it expanded the process of democratization and opened up the political arena to religious and ethnic groups that had previously been marginalized or excluded from politics. Second, it provided political space for religious groups to resurface and begin to organize politically.

The 1961 Constitution created an opportunity space for Islamic groups with its relatively liberalist aspect. The following years witnessed the bifurcation of traditional right wing votes. While Süleyman Demirel's Adalet Partisi (Justice Party-JP) inherited the legacy of the DP and claimed the liberal conservative right wing votes, Alpaslan Türkeş's Milliyetçi Çalışma Partisi (Nationalist Work Party-NWP) attracted the nationalist conservative votes; and Necmettin Erbakan's Milli Nizam Partisi (National Order Party-NOP) and Milli Selamet Partisi (National Salvation Party-MSP) claimed the Islamist conservative votes (Özbudun, 1987:142-156).

#### 4.3. Emergence of Political Islamic Parties in the 1970s

Prior to 1970, the religious right was just a faction within the mainstream center-right parties. By the late 1960s, it emerged as a separate political movement under the leadership of Necmettin Erbakan, who initiated the *Milli Görüş* (NOM) movement.

The first Islamic party, Milli Nizam Partisi (National Order Party-NOP), in Turkey was founded in 1970 by Necmettin Erbakan with the encouragement of Mehmet Zahit Kotku who was a Nakşi Sufi Sheikh. Erbakan and many other founders of the party were frequenting this Sufi community, located in İskender Paşa, Istanbul. Within a year, the party broadened its appeal, reached at other

Islamic communities. The party was a mediator institution which acted like a channel through which Anatolian business funneled their grievances about the alliance between the state protected Istanbul based bourgeoisie and the state. After 12 March 1971 military intervention, the party was closed down by the Constitutional Court for its “anti-secular activities”. That was the beginning of the long tradition of closure of the Islamic parties due the anti-secular activities.

One year later, Erbakan founded the Milli Selamet Partisi (National Salvation Party--NSP) as the successor of the NOP. The NSP called for moral restoration and material progress. The NSP was an alternative to Süleyman Demirel's Adalet Partisi (Justice Party-JP) which was closely associated with big business interest (Salt, 1995:13-20). In the first elections that the NSP participated in 1973, the party got 11.8 percent of the total votes with 48 seats becoming the third party after the RPP and the JP. In the next elections that was held in 1977, the party again became the third party, this time gaining 8.6 percent of the votes with 24 seats and joined the First Nationalist Front coalition government with the JP, the RPP, and the Nationalist Work Party (NWP) in 1975 and in 1977 (Özbudun, Hale, 2009: 87).

Turkish politics witnessed a severe ideological polarization starting from late the 1970s onwards. The secular state establishment's reaction to the rising popularity of Islam is training secular imams and other civil servant religious cadres to urge political support for the state. In other words, the state tried to use

the rising popularity of Islam to its advantage while not changing the strict separation of Islam and public realm (Cizre, 1996: 231-251). Turkey was on the brink of a civil war at the end of the 1970's. The society was polarized among communists and right wing nationalists, and Islamists. The bitter ideological differences and resultant violence among the left wing (solcu), and right wing (sağcı) militants were in full swing at the end of the 1970s. This chaos brought one more military intervention in Turkey in 1980. This time, the military aimed to end the polarizations and to restore political order and to “save” Turkey mainly from the communist threat.

#### 4.4. The 1980 Military Intervention and Reorganization of Rightist and Islamist Politics: Motherland Party and National Salvation Party

After the 1980 military intervention, all the existing political parties were closed down, and their leaders, i.e. Ecevit, Demirel, Türkeş and Erbakan were banned from politics. Military ruled the country for three years, during which it sought to create a common and bounding identity, Turkish- Islamic synthesis, which was expected to erase the ideological differences. The military rule came to an end by the 1983 elections, from which a new party, Anavatan Partisi (Motherland Party-MP) was born. The MP's experience constituted yet another important stage in the development of liberal conservative and Islamic politics in Turkey. At the beginning, the MP was able to unite different political factions,



and came to be known as a party for “Four Tendencies.” These four tendencies were “Democratic Left,” “Liberal Right,” “Nationalist Right” and “Islamist Right.”(Heper: 1988).

In the long run, the MP started to include more Islamic figures and elements into its body politics, in part because of the religiosity of its leader Turgut Özal, who, like Necmettin Erbakan, was a member of a Nakşi Sufi Order. Turgut Özal strengthened religious constituencies to counterbalance the secularist leftists opposing the privatization and structural adjustment program in economics and to continue politics of balance. It was under the MP government that Islamic banking was first introduced to Turkey. Özal was the first President of the Republic who publicly attended Friday prayers in mosques (Heper, 1990:321-333). Since one of the aims of the coup d'état was to eliminate the communist and socialist threat; the coup members supported the Turkish-Islamic synthesis as an antidote to the communist threat. Özal was quite popular among the liberals and practicing Muslims, thanks to his economic neo-liberalism, counter bureaucratic policies and pious conservative image (Meeker, 1994: 157-191). In the aftermath of 1983 the MP adopted a variety of economic policies, either through law or decrees in accordance with the major objectives outlined in the 24 January decisions. The period between December 1983 and January 1984 witnessed a substantial liberalization of the trade regime and the capital account in the level of tariff protection on imports diminished to a significant extend. The reduction was followed by a removal of restrictions on capital flow and foreign exchange

Turkey, under the leadership of the MP started to pursue neoliberal capitalist policies. Özal was supported by the newly emerging businessmen in Anatolia due to the implementation of neo-liberal capitalistic policies and opening up opportunity spaces for the Anatolian business and reducing state support for Istanbul-based business (Öniş, 2009).

Although the MP gained the support of all of the right wing and parliamentary system Islamic votes, it was not able to garner the support of the anti-system Islamic elements, including radical and fundamentalist Muslims. It was the heydays of Islamic movements all over the world, and Turkish radical Muslims deliberately stayed out of the politics throughout the 1980s. Inspired by the Iranian revolution, and other global Islamic movements, these people wanted to change the “system” by a revolution or series of radical reforms.

By the end of the 1980s, the right wing and Islamic votes were once again divided along the traditional political lines. By the lifting of political ban of previous leaders, Demirel’s JP (Justice Party-Adalet Partisi), Türkeş’ NMP (Nationalist Movement Party-Milliyetçi Hareket Partisi) and Erbakan’s NSP (National Salvation Party-Milli Selamet Partisi) were reemerged from their ashes, but under different names: TPP (True Path Party-Doğru Yol Partisi); NWP (Nationalist Working Party-Milliyetçi Çalışma Partisi) (later MHP) and WP (Welfare Party-Refah Party) (later became FP and then SP) respectively. The MP lost its heydays in the 1980s. The party lost the support of small merchants and

lower middle class even further after Özal died in 1993. More secular-oriented Mesut Yılmaz took the leadership, who considerably shifted the party's orientation from Özal's conservative liberalism (Çaha, 2003:23-28). The MP lost its characteristic of catch all party as the Islamists like Korkut Özal, Abdülkadir Aksu, Cemil Çicek, and Ali Coşkun demonstrated their dissents toward Yılmaz during the mid-1990s. Later, Korkut Özal left the party and joined the new Democrat Party (DP), while others joined the Welfare Party (WP). The True Path Party (Doğru Yol Partisi-TPP), heir to the Justice Party accelerated its capitalist-secularist synthesis after Tansu Çiller took its leadership in 1993(Cizre, 1996: 145-160).

In the 1990s, center right parties were trying to preserve the status quo and have harmonious relations with the military and secular establishment. The combination of the policies to protect status quo and huge corruption cases, paved way for the loss of support for the centre right parties in Turkish political and emergence of a new popular political party, starting from 1994.

#### 4.5. The Rise of Welfare Party in the 1990s

The WP was established in 1983 as a continuation of the NSP. Because of the political ban on Erbakan, the new party was founded by Ahmet Tekdal along

the lines of the NOM ideology. The party leadership was handed over to Erbakan when the political ban on him was lifted in 1987.

The 1990's were the WP's victory years as the party's votes increased both in 1989 and 1991 elections. But the major breakthrough came with the 1994 municipal elections as the party increased its share to 19.1 percent of the vote and won mayoralties' of major cities like Istanbul and Ankara (Özbudun, 2009:93). The victory in 1994 municipal elections also marked the changed perception of the WP in the eyes of the voters. The image of the party changed from extreme right to a right winged center party. The WP managed to increase its share of the national vote from 7.2 percent in 1987 to 21.4 percent in the 1995 national elections and it emerged as the leading political party in the country (Öniş, 1997:745-760). Despite the opposition from the secular establishments and some segments of the population, the WP gained enough votes to form a coalition with Çiller's True Path Party after the 1995 general elections. These were also the times, when many anti-system radical Islamists started to change their opinions about democracy. Parallel to the developments in the Islamic world, many radical and revolutionary Muslims in these countries became players in the parliamentary democracies.<sup>21</sup>

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<sup>21</sup> Oliver Roy calls this process a "failure of political Islam" by which he argues, a particular type of Islamist program, which aimed to create an Islamic state, had failed and been replaced, not by a non-Islamic mode of thought, but by a different Islamic approach. See Oliver,Roy. 1998. *The Failure of Political Islam*. Cambridge: Harvard University Press.

There are several reasons that could explain the success of the WP. One was its accomplishment of creating a coalition of winners and losers from the global neo-liberal system with an Islamic discourse. On the winner's side, the WP channeled the growing desire of the Islamic businessmen to consolidate their position in the society after decades of exclusions from the political and socio-cultural life. On the loser's side, the party, with its slogan of "Adil Düzen (Just Order)," appealed to losers with a promise of equal distribution of income (Kamrava, 1998:275-301).

Another important factor was the collapse of socialism and leftist politics in Turkey and in the world. The Islamic discourse heavily borrowed from leftist discourse, as left was smashed by the 1980 intervention and was no longer an alternative in Turkish politics.<sup>22</sup> The leftist discourse borrowed by the Welfare Party caused a shift in the support base of the party from traditional rural conservative provinces to urban poor areas of major cities. High levels of migration and increase in urban poor levels transform the Islamic rhetoric. The emphasis was more put on social justice, and equality.

The supporters of the party were mainly from central and southeastern Anatolia as well as shantytowns of major cities like Ankara and Istanbul. The migrants of these shanty towns, who were in need of infrastructure, social services

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<sup>22</sup> "For example, "Just Economic Order" is against the exploitation of labor, and criticized class inequalities. The following passage is taken from the Just Order pamphlet: "The interest-thirsty capitalist system takes five of the six hammers of the blacksmith who sweats in front of the hot oven day and night; it takes five of the six buckets of stone that a construction worker carries." Erbakan, Necmettin. 1991. *Adil Ekonomik Düzen*,. Ankara: Semih Ofset Matbaacilik.

and sense of community, were attracted by the promises of Just Order. In the 1980s, Just Order envisioned a market that is dominated by morality. With the acceptance of open market and the morality that would prevent the businessmen from exploiting the poor, the Just Order got support from businessmen and from the urban poor at the same time (Tugal, 2005).

The party also had quite considerable support from the Kurdish population as their definition of national identity was more inclusionary than that of Turkish states (Dağı, 2002: 119-134). Along with the urban poor and conservative Anatolian supporters, starting from the mid 1990s, the party also attracted disillusioned center left and center right supporters to its constituency. In this regard, the overall WP constituency since the mid-1990s was a highly complex cross-class coalition. Through different mechanisms, the WP was able to incorporate both the winners and losers of globalization (Öniş, 2001: 281-298). This broad collation including winners and losers of globalization, i.e. different classes had also conflict of interest. To keep this coalition together the party issued contradictory combination of populist policies.

Party's organization also played an important role in carrying it to the Turkish parliament as a party holding majority of the seats. The WP had very active grassroots movement and internal cohesion fused with loyalty and discipline. The grassroots network was divided into cells, which were designed to reach at the basic level of each neighborhood. Also, through several conferences

and panels local party members and officials were trained. The party's women's groups and youth organizations were quite active. Rather than spreading their message through media, the party preferred face to face contact with voters.<sup>23</sup>

The Welfare Party's success is also closely associated with its successful policies of distinguishing itself from the other corrupted center right and center left parties. The party's call for social justice and ending corruption and anti-Western stance provided a hope for the masses.

At this point, we need to mention the role of the leader, Necmettin Erbakan in the success of the party especially in the 1990s. Erbakan was not just the head of the party but also its spiritual father. He enjoyed excessive influence over the party (Ayata, 1996:40-56). Until he died in 2011, he has been cheered as "Mujjahid Erbakan" in the NOM party meetings. Party discipline meant obedience to Erbakan as he was the creator of "Just Order" and "National Outlook" program and he was the head of "the fighters against the infidel." His authority was institutionalized in the party as the party had a very rigid hierarchical organizational system (Akgün,2002: 17-20). Erbakan's heavy Islamic discourse attracted the pious businessmen with Islamic identities.

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<sup>23</sup> For a detailed analysis of the Islamic grassroots organization and its impact on the WP success, see White, Jenny. 2002. *Islamist Mobilization in Turkey*. Seattle: University of Washington Press and Özbudun, Ergun. 2002. "Cultural Globalization in Turkey: Actors, Discourses, Strategies", *Many Globalizations: Cultural Diversity in the Contemporary World*. Peter L. Berger, Samuel P. Huntington, (eds.), Oxford: Oxford University Press:296-319.

In the 1990s, Welfare Party was the best organized of all the political parties, with a legion of devout Muslims, especially women, who did volunteer work for the party and provided a network of social-welfare help to the poor. The party's grassroots network was extremely effective, working in the *gecekondu* and other poor urban areas, helping residents to find jobs, providing hospital beds and health care, distributing free food, and providing other social amenities. These were key elements to the party's success until its closure in the aftermath of the 1997 "post-modern Coup".

#### 4.6. International and Domestic Factors and the Rise of Islamic Politics in Turkey in the 1980s and 1990s

The 1980s and 1990s are essential not only for the formation of a new Islamic politics, but also an emergence of a neo-Islamic economy and culture. Turkey experienced a change in the Islamist politics at the end of the 1970s, accompanied by radicalization of Islam worldwide. None of these developments did happen in a vacuum, of course. Several major international and domestic factors contributed to transformation of Islamic politics and rise of a neo-Islamic bourgeoisie class in this period.



#### 4.6.1. International Factors in Islamic Politics in Turkey

The return of religion as a political force presents one of the most puzzling characteristics of contemporary international politics. Since the 1980s religious parties have become main actors for political power, not only in Turkey, but also in various other Islamic countries, such as Algeria, Egypt, Indonesia, and Pakistan. Resurgence of global Islamic movements, globalization, the EU process and demise of the leftist ideologies were some of the major factors, which provided new opportunity spaces for the political Islamic actors in Turkey.

Islamic actors' aspiration to create an Islamic society is not a new phenomenon. In the twentieth century, as a reaction to the secular repressive regimes at home, and colonialist power abroad, the political Islamic movements and figures developed an alternative agenda that aimed to create an Islamic state and society. They have been indefatigably working toward creating better Islamic societies in their countries. In the first half of the twentieth century, no one had a clear idea how to realize this project, but by the second half of the century, two major tendencies started to emerge among the Muslims: Revolution and Radical Reformism. While some of the Muslim activists thought that a better Islamic society could be established through extra-systemic revolutionary means, the others thought that the Islamic society could be established by intra-systemic series of reforms and democratic methods.

Among others, Hasan al-Banna and Sayyid Qutb's Islamic Brotherhood in Egypt, Mavlana Mavudi's Cemaat-i Islami in Pakistan, and Ali Sheriati and Humeyni's Islamic revolution in Iran contributed to the evolution of reformist and revolutionary tendencies in all over the Islamic world. Especially after the Iranian Revolution in 1979, Islamist activists, whether being Sunni or Shia origin, came to a conclusion that creating an independent Islamic society was not an impossible dream after all.

Turkish Islamists inherited these revolutionary and reformist ideas and discourses mainly through the translation of Arabic, Persian and Urdu books and articles, or through personal encounters with Arabic, Iranian and Pakistani counterparts in Turkey or abroad. As a result of these encounters and translation activities, the 1980s witnessed a big boom in Islamic printing presses and publications in Turkey. Several Islamic publication houses printed hundreds of Islamist books, journals and newspapers. The translations from Qutb, Mavdudi and Sheriati were the best sellers among the radical Islamists.

In this atmosphere, while some of the Turkish Islamists, such as the members of NOM and Fethullah Gülen Movement, preferred to remain within the system, and change it from within, not like Mawdudi's Cemaati Islami in Pakistan. The other Islamists in that country i.e. radical Islamists wanted to change the secular parliamentary democratic system entirely, not unlike of the

Iranian revolution. Expectedly each side perceived the other's method as inappropriate. It should be mentioned in passing that, most of the İGİAD members belonged to the radical group in the 1980s and 1990s.

Globalization was another factor in creating a fertile ground for the Islamist movements. Globalization is quite effective especially in the transmission of ideas and discourses. The increasing pace of globalization led to the spread of ideas like liberal democracy, citizenship, and human rights. The politics no longer revolved around the dichotomous left and right ideologies but mainly around identities. The demand for diversity and pluralism provided an extended public space for several groups and communities including Islamic groups. This demand together with the power vacuum left by the social democrat/left wing parties created another opportunity space for the Islamic groups to act on.

Like other Islamic entrepreneurs, the İGİAD members were also slowly affected by globalization. Globalization provided them "a space in which they could act freely. It did not only open gates for financial capital accumulation but also showed them the "real life" (H.A. August 10, 2009. Interview with the author. Istanbul, Turkey). Dissemination of the neo-liberal policies in the world pushed Turkey towards more liberal direction. Together with those tendencies, the EU process helped to liberalize the Turkish political culture, consequently the Islamists gained more freedom of expression in the public sphere.

Lastly, the end of the Cold War and socialist political systems left Islamism the only viable ideology, criticizing the capitalistic system across the globe. In Turkey, with the 1980 military intervention, power of the left politics in particular was curbed down, this development opened another opportunity space for the Islamists.

#### 4.6.2. Domestic Factors on Islamic Politics in Turkey

Turkey's domestic history in the 1980s and 1990s also shaped the trajectory of the Islamic politics. "Turkish-Islam Synthesis," "proliferation of Islamic groups and activities," "Turgut Özal's neo-liberal policies," "transformation of the NOM parties," "The WP's success in the local and national elections," and "the 1997 Post-Modern Coup" were some of the important factors that helped to transform the Islamic politics and political actors.

##### 4.6.2.1. Turkish-Islam Synthesis

The post-1983 politics was distinguished from earlier periods in terms of changes in the state's policy toward Islam. Not to experience the violence and turmoil of the 1970s, the military leaders used Islam as a cement to hold the nation together and to erase the ideological differences. In an effort to combat

communism and leftist ideologies, the military attempted to strengthen the role of Islam. In generals' minds, Islam was less of a threat when compared to communism. By uniting the military, mosque and family, their aim was to create a homogeneous Muslim-nationalist-secular, yet a depoliticized society.

Ideological framework for this project was provided by a theory called "Turkish-Islam synthesis." The synthesis, which infused Islam and nationalism in a secular framework, was drawn from the works of a group of conservative intellectuals based at so-called The Hearth of the Enlightened (*Aydınlar Ocağı*).<sup>24</sup> The military also hoped the new synthesis would act as a counter to Islamic radicalism from Iran.

The education system and media were used to disseminate the new synthesis to the public. Qur'anic classes were opened, and state-controlled moral and religious education was promoted. The number of religious Prayer Leaders and Preachers, (Imam-Hatip schools), for example, increased from around 100 in the late 1970s to more than 350 in the early 1980s (Weiker, 1981). In the long run, these military measures curbed down the communist threat in Turkey, but provided a fertile ground for the political Islam in Turkey.

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<sup>24</sup> For the conceptualization of this ideology, see the book of one of its presidents, Kafesoğlu, İbrahim. 1985. *Türk-İslâm sentezi*. İstanbul : Aydınlar Ocağı.

#### 4.6.2.2. Turgut Özal and Neo-Liberal Policies

The economic and political reforms carried out under Prime Minister Turgut Özal in the mid-1980s contributed to strengthening the role of Islamic groups as well. The reforms weakened the state's control over the economy and created a new class of entrepreneurs and capitalists in the provincial towns of Anatolia. New developments created a new bourgeois class with strong roots in Islamic culture. This group favors liberal economic policies and a reduction of the role of the state in the economic and social spheres.

Being a Sufi and practicing Muslim himself, Özal's tolerant approach to religion and also his preference to market economy, provided Muslim groups and brotherhoods greater freedoms in political and economic spheres. Islamic groups were allowed to finance the founding of private schools and universities. As examined in the Chapter Four, they gained access to important media outlets and newspaper chains, which allowed them to reach a much broader political audience, and create a common vocabulary and culture.

#### 4.6.2.3. Proliferation of Islamic Groups and Activities

Changing state policy towards Islam and Özal's tolerant approach to religion gave rise to the proliferation of Islamic activities in the 1980s. Although

most of these activities were competing with each other, in the long run, they all served to organize most of the Turkish society from the most rural parts to the big cities on Islamic principles. Except the circles of hardcore Kemalist and secular establishment, no corner of Turkish society did go untouched by the activities of different Islamic groups and brotherhoods.

Different Islamic groups and organizations, such as NOM (e.g. Milli Gençlik Vakfı, Kadın Kolları), Sufi Orders (e.g. Nakşi and Kadiri); religious communities (*Cemaatler*) (e.g. different branches of Nurcu, Süleymancı, İhlas-Işık (Türkiye newspaper), İskenderpaşa, Çarşamba, Haydar Baş, Adnan Hoca); charity Foundations (e.g. Aydınlar Ocağı, İlim Yayma Cemiyeti, Ensar Vakfı, Bilim ve Sanat); publishing houses (e.g. Risale, Bir, Nehir, Yöneliş, Pınar, Seha, İnsan, Diriliş); journal circles (e.g. Girişim, İktibas, Taraf-Öfke,); business organizations (e.g. MÜSİAD, TUSCON), trade unions (e.g. HAK-İŞ) tirelessly worked to increase the religious, intellectual and political consciousness of the Muslims in Turkey. As mentioned before, not all members of these groups and organizations did believe in parliamentary democracy, but their activities helped to the emergence of new educated, politically conscious Islamic actors, most of whom served in politics starting from the 1990s.

The new Islamic media power emerged against conventional, secularist media sources. The establishment of these media channels broke the monopoly on broadcasting that was held by the Kemalist secularist elite and started to construct

a new Islamic identity. The pious Muslims do not need to attend to mosque sermons on a regular basis, to develop his spirituality but can do that through reading books, periodicals, or watching and listening TV and radio programs. The new media played also a critical role in recreation and re-conceptualization of the relationship between the state and the society. These Islamist periodicals did not just create opportunity spaces for spreading of Islamic knowledge but also enabled formulation of Islamic problems (Yavuz, 2005:145).

Thanks to these activities, society was organized at the grassroots level by Islamic media, groups, circles, parties, which eventually feed into the JDP cadre and electorate pool in the long run.

#### 4.6.2.4. National Outlook Movement as a Founding Ideology for the Islamist Parties

The birth and rise of Milli Görüş (National Outlook Movement-NOM) ideology was one of the most important undercurrent elements in the development of intra-systemic political Islam in Turkey. As I briefly discussed in the chapter two, from the start, NOM always supported the idea of changing the system from within; it never resorted to extra-systemic methods to change the secular identity of the state. By aiming at creating a “Greater New Turkey,” NOM proposed a



whole package of alternative policy recommendations, principles and practices on religion, economy, domestic politics, and foreign policy (Yıldız, 2003:190-192).

In the NOM ideology, the national identity is primarily defined by Islamic values, primarily with specific reference to Islamic past of the Turks. Religion is the primary determinant in politics, economic and foreign policy (Öniş, 1997:750). This approach to religion and nationalism corresponded to main elements of Turkish-Islamic Synthesis in the 1980s. In Israel and Turkey, instead of challenging secular values altogether, religious parties reconcile positions attributed to the religious and secular through two parallel approaches: *sacralization* (that is, assigning religious meanings to secular ideas, thereby treating them as sacred) and internalization of secularization (redefining religious terms to accommodate secular ideas) (Tepe, 2005:290-291). This was the case for the NOM too.

On domestic politics, the priority of NOM was on the understanding of secularism itself in Turkish Republic. It emphasized freedom to practice religion and proposed to build a system of legal orders in which different communities would have autonomy and coexist in a peaceful environment like the Ottoman times.

The NOM's reading of the recent past is different from the secular establishment. To the NOM ideology, secularism and modernity was imposed

from above and Islam was eliminated from the public sphere since the beginning of the Republic. That created a gap between the state and society. The secular elite believed to have the modernizing duty concerning the “backward Muslim” population. As Islam was expelled from the public space, Islamic groups were organized outside state control, mainly through traditional ties. The small merchants, craftsmen, farmers who did not have access to state benefits were attracted by the promise of “moral development” as a prerequisite for material development. To them, the morality was lost due to blind folded version of Westernization and adoption of Western values. The cure was in the Islam.

The economic program of NOM was represented by the motto “Just Order”. In the program, the emphasis was on solving current economic and social problems rather than formation of an Islamic system. In this regard, Islam was not used as a religion but as a metaphysical basis of justice. The program promises for Islamic social justice in respect to income redistribution, welfare policies and social protection. It called for government protection over the poor through government subsidized housings, schools, hospitals and the like. This meant strong involvement of the state onto the market to foster economic growth and income equality and also brings about a moral community based on Islamic values.<sup>25</sup>

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<sup>25</sup> In 1990, since the ISI period was over, Welfare Party dropped mottos such as “heavy industry” and focused more on equal distribution of consumer opportunities.

The NOM harshly criticized capitalistic economic system and regarded it as an imperialist tool for exploitation. The proposed alternative was an Islamic economy in which interest (*faiz*), would be totally abolished, exports would be minimized, and structural adjustment programs would not be adopted. Following the similar logic, capitalist institutions like the IMF was seen as an imperialist institution harming Turkish economy rather than helping it to prosper. Policy recommendations of structural adjustment programs, like Özal's economic liberalization reforms were criticized (Sayari, 1996). The Just Economic Order would be achieved by Islamic free market, but this free market would not have capitalistic characteristics.<sup>26</sup>

Foreign policy program of NOM was totally anti-Western and “anti Zionist”. Anti-Westernism especially manifested itself through opposing Turkey's membership to the EU, as the union is regarded as a “Christian club.” The ideology also criticized Turkey's membership to NATO as “it wanted to help the formation of “Greater Israel” through the help of Western powers”.

#### 4.6.2.5. The WP's Success in Local Elections

One of the major reasons why the Radical Islamists did not support the NOM parties was their disbelief in the secular establishment that it would not

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<sup>26</sup> The free market in here has its roots from Medina market, which will be discussed in detail in Chapter Five. For example, instead of becoming an EU member, the program proposes a Muslim common market.

allow the Islamist to be in power, neither on local nor on a national level. Because of that, some of the Islamists, including some Sufi Orders and Radical Muslims, deliberately stayed out of politics until the 1990s, claiming that the democracy and parliamentary regime was inherently against Islamic values.

By the 1990s, because of the failure of the RPP and SDP (Social Democratic Populist Party- Sosyaldemokrat Halkçı Parti) municipalities, the WP started to gain power in municipalities, and soon they won the Ankara and Istanbul municipalities. Since then, these two major cities were successfully run by the mayors of pro-Islamic governments. Political success at the local level challenged the assumptions of the anti-system Muslims, and they slowly became part of the legal political process.

Due to the success in the local elections, and then in the national elections, almost all of the Islamic groups developed a new interest in politics. Except some marginal radical groups, several members and intellectuals of Islamic movements became leading figures in the Islamic politics in the 1990s. In the 2000s, the JDP became an unprecedented umbrella organization which brought together all of the former revolutionary and reformist groups.

The “Post-Modern” Coup of 1997

The growing success of Islamist municipality mayors on the local level, and Welfare Party in the national level enabled the party to be the senior coalition

partner following the 1995 general elections, but could only hold onto office for a year and forced to resign after “February 28<sup>th</sup> Post-modern coup d’état.” In the 1995 elections, Erbakan’s Welfare Party had formed a coalition with Çiller’s True Path Party. Erbakan served as a Prime Minister for 11 months. During his tenure, Turkey signed several agreements with Israel and Western powers. At the same time, however, Erbakan wanted to develop new relations with Arab countries such as Libya and Iran. On February 28, 1997, the National Security Council—which was dominated by the military—presented Erbakan with a list of recommendations to curb down his government’s “anti-secular activities”. Since some of his policies were seen as deviation from the secular Turkish politics, Erbakan’s coalition government was obliged to resign and he was banned from active politics for five years. The new source of tension between Islamist voters and the secular establishment was sown during this coup.

The military had support from the secularly oriented media, judiciary and secular bourgeoisie. The military, secular establishment and established Istanbul capital (TÜSİAD) together, waged war against the so-called “green” capital, on the charge that it was the main supporter of the Sharia forces/irtica in Turkey. The names of the Islamic brands, factories, companies were blacklisted, and discouraged (Demiralp, 2009). To sustain secular identity of the Republic, the NSC’s recommendation included making education mandatory for eight years, and prohibiting of wearing of turban in public places, including the universities. The secular establishment made sure that they will be fighting back against

religiously oriented parties that would try to change the existing order. For that reason Islamic parties were banned four times between the 1970's and 2001. The pressure coming from the secular state, mainly from the military, eventually forced the Islamists to accept the procedural rules of democracy (Çarkoğlu, 2002:35-40). All these clashes and closures created a learning process for the Islamic parties, they were forced to rethink and transform their ideology. Islamic political actors realized that, they needed to be in conformity with domestic and international powers, in order to stay in power.

Again, paradoxically the 28 February process led Islamists to reflect about their identities and their attitudes towards the secular, capitalist and democratic system. As mentioned in the previous chapter, many members of İĞİAD stated, for example, that the 28 February process was a learning experience by which Muslims have changed their attitude towards the system. And rather than alienated from the system, they were further integrated to it. Obviously this development did not go without criticism, coming from the more radical segments of the Islamic circles. For example, Rıdvan Kaya, president of the Özgür-Der and an author of the radical Islamist journal, *Haksöz*, critically voiced his opinion about the Muslims who gave up the Islamic cause, and became part of the system:

February 28 should be analyzed as an instrument which enabled to shed light on vulnerabilities of Turkish Islamism. The process surfaced the problems within Islamism and caused us to lose many important cadres. The process exerted physical as well as psychological pressure on Muslims. 28<sup>th</sup> of February was disastrous especially for the Islamists who could not stand for their ideals and identity. In general, however, the

process matured us and gave us new perspectives on how to fight against this system (Kaya, May 23, 2010, interview with Gerçek Hayat).

#### 4.7. From the NOM to the JDP: Traditionalists vs. Reformists

After a few years of hiatus following “The 28 February Process,” the reformist and formerly radical members of Islamic politics started to reappear from their hidings and formed new civil and political organizations. While the WP had faced the threat of closure during the 28 February Process, some of the Welfare Party members had already come together and formed Fazilet Partisi (Virtue Party-VP). When the WP was closed in January 1998, almost all of the 150 Welfare Party MPs had become members of the VP.

The VP was very cautious in distancing itself from the Welfare Party legacy to prevent another closure by the Constitutional Court. Some of the policy changes were signaling shifts from the traditional NOM policies. Different from the WP, for the first time the party recruited upper class educated women who ran for the parliament (Narlı, 1999:42). However, all these disassociation attempts and change in attitudes did not bring the wanted consequences. The party got 15.4 percent of the votes and can only become the third largest party in the 1999 election (Yavuz, 2002:210-220). The “Merve Kavakçı Incidence” triggered another closure case against the party. The new female MP, Merve Kavakçı, had attempted to take oath in Parliament with her headscarf in the Parliament, and this

event led the increase of the suspicion of the secular establishment about the party's lingering anti-secularist activities, which eventually led to the closure of the party in July 2001.

New developments, together with the pressure of the secular establishment deepened the already existing schism and tension within the NOM tradition. The escalation of tension gave birth to a new group in the NOM, who came to be known as “innovators,” “reformists,” “moderates,” and even “modernists.” The reformist wing was asking for scaling down the Islamic values and adopting a more liberal economic program. The party leader, Erbakan, was on the side of traditionalists and claimed that the reformists were tools of the media that was used to divide the newly established the VP and NOM ideology.

#### 4.8. Birth of the JDP and neo-Islamic Political Capital

The reformist wing acquired more power within the party after the February 28 process. Starting from the early 1990s, they were the ones demanding to leave behind the radical and traditional NOM policies vis-à-vis the existing political and capitalist system. February 28 proved them right on their demand to leave Islam as a political ideology (Çakır, 2001:56). What is more, the alliance between the Islamic business circles and reformists grew stronger after the February 28 process. The owners of “green capital” realized that they needed to



have a new political party, which would act in conformity with the existing system. They pulled out their support from the traditionalists as the latter was insisting on an ideological stance, state interventionism and anti-Westernism; they started to support the reformists who were on the side of neo-liberal economic measures, and new conservatism blended with Islamic values (Yarar, Erol. June 23, 2009. Interview with the author Istanbul, Turkey). The anti-Western discourse of the NOM had increased the risk for the Islamic businessmen as they had close business ties, especially with the EU countries. NOM was not answering to demands of the businessmen who were already integrated into the global neo-liberal capitalism with their Islamic identity. The tense relation between the secular establishment and the VP contributed the dissolution of the alliance.

The growing tension between the hardliners and the moderates within the party was unavoidable in the VP congress in 2000. Reformists had the Islamic media and financial support through the newspaper (*Yeni Şafak* and MÜSİAD). For the party leadership, the candidate of the reformist wing was Abdullah Gül, and that of the traditionalists was Recai Kutan. Meanwhile, both Erbakan and Recep Tayyip Erdoğan were banned from active politics (Heper, 2003:160-170). As a counterbalance to MÜSİAD, Erbakan ordered establishment of an alternative business association, Association of Anatolian Tigers Businessmen (ASKON). However, ASKON was not as successful and popular as MÜSİAD. In any case,

the winner of the competition was traditionalist Recai Kutan but with a very small margin.

The defeat of the reformists in the congress was a critical juncture in the NOM politics. The reformists left the party when the VP was closed down one more time by the Constitutional Court. While the moderates founded the JDP (Adalet ve Kalkınma Partisi-Justice and Development Party), the traditionalist formed yet another NOM party, FP (Felicity Party-Saadet Partisi).

As the JDP was distancing itself from the traditional NOM parties in the early 2000, as will be noted in following chapters, the founding members of İGİAD were distancing themselves from the right-wing Islamist MÜSİAD, and creating their own economic associations.

#### 4.9. The JDP in Power

In the early 2000s, Turkey has been going through one of its worst economic crisis under a coalition government. Voters in Turkey were desperately looking for serious alternatives and fresh voices to address the economic and political challenges Turkey was facing. The JDP was an answer to their calls. To the surprise of many, the newly established JDP received 34.2 percent of the vote, winning 363 of the 550 seats in the Parliament in the elections on November 3,

2002 of the eighteen parties running in the elections, the Republican People's Party (RPP) was the only other party to win parliamentary representation. The RPP got 19.4 percent of the vote and 178 seats. The remaining nine seats went to independents

(<http://sandik.superonline.com/index.php?xyz=secimsonuclari&yil=2002>). The JDP, thanks to its big victory, was able to form the government within few months.

The Turkish political landscape dramatically changed after the elections. The JDP's victory was by hailed many journalists and academicians as the beginning of the new era, in terms of a new democratic trajectories in Turkey (Çağaptay, 2004). Since then, most of the students of the JDP have agreed that there was a fundamental change in politics, and hence in Turkish democracy. The changes have been beyond the imagination of the earlier Islamist political actors.

The JDP, somewhat similar to the Motherland Party in the 1980s, was joined by people, from different political backgrounds. In an unprecedented way, its victory also meant gathering of almost all of the reformist and revolutionary Islamic and conservative votes under an umbrella in an unprecedented way.<sup>27</sup>

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<sup>27</sup> Only some small radical Islamist groups remained critical of the JDP. See for example, Ridvan Kaya, who, in one of his interviews, claims that the JDP and Islamism is contrary to each other; The JDP is a result of weakness surfaced in the 28 February process. Islamists had a transformation with the JDP. Islamism values three things: Resistance against global powers; prioritization of ummah; Islam being dominant not just on individual level but also on societal level. The JDP is totally on the opposite end in regard of these three principles. Their understanding of Islam is integrated into the global system. They treat Islam as an individual choice rather than a system for the society and more

Until the emergence of the JDP, parliamentary-oriented Islamist politics were mainly represented by the NOM parties. Other Islamic groups and figures either stayed out of the politics or supported other pro system political parties, such as the NAP, TPP, and even in some cases the left wing parties (Jenkins, 2001). Traditional and radical Islamists in Turkey have spent decades in opposition. Most of the JDP members were part of this tradition and especially many of the JDP cadres were socialized into this Islamist opposition. They were devout and practicing Muslims in their private lives, to the extent that most of women members of the JDP, including the wives of the President and some Cabinet members were wearing headscarves.

The programs of the JDP have no explicit reference to Islam. The party emphasizes individual freedom, democracy and secularism (JDP, Development and Democratization Program, 2002). Learning from the experiences of the previous Islamic parties, one of the major breaks of the JDP from the NOM traditions was its secular claim that religion provides a meaning to believers' lives, but should not play a role in politics. The issue of headscarf is taken as a matter of human rights violation and suppression of personal liberties rather than a religious matter. The party was rejecting any confrontation with the state and moving towards a synthesis of Islam and liberalism, forming a new political identity first called "Muslim democrat." (Öniş, 2001:283-294). Furthermore, the party supported minority rights, free speech, civil liberties, and expanding role of

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they put nationalism above ummet understanding. "Interview with Kaya, *Gerçek Hayat*, (13-May-2010). Upon Hayrunnisa Gül's comment on the headscarf issue, Kaya accused the JDP cadre as the "Blacks who are trying to whiten themselves by beauty powder."

the private sector and civil organizations. For many the party has been seen as a reconciliation of Islam and democracy (Esposito, 2005:21-28).

Although its main ideological core and identity was heavily influenced by the revised NOM ideology, the JDP portrayed itself as a conservative democratic party that advocates a liberal market economy and Turkish membership in the European Union (Tekin, 2006). As Dağı argues the JDP represents coexistence between Islam and democracy (2005:21-37). The consequence of these shifts in Islamic politics has been interpreted in several different ways. To some people the JDP and Erdoğan mark the end of Islamism in Turkey. For example, Jenny White argues that the JDP created a new model, which replaced the idea of *Islamic community* with Muslim individual (2005:54). The shift in conceptualization of themselves as “Muslim democrat” or “conservative democrat” has denoted that the actors have democratic worldviews. As Turam argues, this change was a consequence of decades of encounter between Islam and the state (2007:85).

The JDP’s economic program had the neo-liberal capitalist premises: The limited role of the state, emphasis on privatization, market competition, attracting foreign direct investment and integration to global markets. To achieve these ends, it was party’s top priority make Turkey a member of the European Union. To achieve this aim the party pledged reforms in line with the Maastricht criteria for the economy and the Copenhagen criteria for political and human rights. The

state's role in economic development was to be transparent, accountable and thus immune from corruption (JDP, Party and Democratization Program, 2002).

The JDP's foreign policy emphasized cooperative relations with the West, as a continuation of traditional Turkish foreign policy; but also made strong reference to the development of harmonious relations with Muslim countries especially Muslim neighbors of the country (Adalet ve Kalkınma Partisi. AK Parti Program:2002). Thus, another difference was on the foreign policy measures of the two parties. The WP had a very strong anti-Western, anti-Israel discourse and policy measure. That party had emphasized the close relations with Muslim world rather than the EU. Ideologically, it pursued strong nationalism with reference to Islamic past and did not make reference to human rights and democratization. In contrast, the JDP supports Turkey's membership to the EU and did not hesitate to cooperate with USA. The JDP was the most successful party in Turkish political history in terms of the policy measures adopted for Turkey's joining to EU. The party pursued a liberal economic model and pushed for more democratization. Again one of the reasons for this shift from the NOM tradition is new Islamist classes' interest was in European markets (Yavuz, 2006:1-21). The JDP eagerly put the party's ambition to democratize the country by making specific references to the EU norms.

The JDP's relation to military has evolved over time as well. While the previous NOM parties were quite intimidated by the military establishment, the

JDP refused to continue to hold politics under military control. With the help of civil society organizations, European Union, United States and business circles and changes in the Constitution, the party has diminished the role of the military in Turkish politics (Heper, 2011:241-252). In this process, the JDP and secular establishment, including the military, appropriated a “double discourse”, which went through a heavy learning process thanks to the check and balance mechanism of the Turkish political milieu, forcing the JDP to internalize laicism, and the secular establishment to accommodate Islamists in politics through it has been a slow process.

#### 4.10. Why the JDP was Successful?

The success of the JDP lies in the culmination of experience of Islamic politics in Turkey. With the non-existence of powerful opposition, charismatic leadership, and pragmatic policies, the JDP has been in power since 2002. The JDP’s success in the first term brought even a bigger success in the second term. In 22 July 2007 elections, the JDP garnered 46.69 percent of the votes and on June 2011 elections got 49.83 percent of the votes. This was a surprise to many people, perhaps including the JDP cadre itself. Over the last decade, the JDP has also climbed up the social ladder, achieving peer-level speaking terms across all echelons of society (Tezcür, 2010:162). The party’s leadership was even able to recruit people who are far from their own core electorate, among them many from

long-established liberal and social democratic elite groups. What brought such success to the JDP?

The JDP's moderate, non-confrontational rhetoric over the last years has made it attractive to diverse voters ranging from Islamists, to rural nationalists and moderate urban voters. Since the very beginning, the JDP has been aggressively advertising itself as a moderate political party that would not challenge laicism (Özbudun, 2006). This was what helped broaden the JDP's appeal beyond Islamists. This new party was describing its identity very succinctly in one of its election flyers as follows:

We seek for change within stability, protect difference with unity. We trust in the dynamism of our society. The JDP is a democrat, modernist, conservative party which is open to change and innovation (Seçim Bildirgesi: "Her Şey Türkiye İçin", 2002. <<http://www.belgenet.com/secim/bildirge/2002-1.html>>).

The JDP have highly-motivated and hard-working cadres, including highly-effective women's branches throughout the country. Many of them can have had more than a decade of valuable party work within the JDP and its predecessor parties like Welfare and Virtue. Most of them are ordinary people living in modest quarters of the major cities and in medium-sized towns. They are thus ideally placed to handle the social dynamics and informal networks within their respective environments. This strong base is underpinned by the JDP-dominated local administrations. JDP's core historic strength is its reputation for



efficient local government and delivery on its promises in less favored quarters. Hence the JDP's rank and file has been always visible where the votes are.

Another major reason is the nonexistence of a viable and strong opposition parties in Turkey since the 2000. All the existing parties were the old ones associated with high levels of corruption and unsuccessful economic policies. They were thus worn out parties in the previous coalition governments. To have a consolidated democracy, one crucial component is to have a "real" opposition. JDP was "lucky" that neither in 2002 nor in 2007 elections, did it have a real opposition party which could criticize it on the bases of policies rather than high politics. The RPP, seen as the party of "secular minority" or established elite, only pumped fear rather than hope. The weakness of the opposition was explicitly stated even by Erdoğan himself on 5<sup>th</sup> of November 2010 (<http://www.timeturk.com/tr/2010/11/06/allah-herkese-boyle-muhalefet-versin.html>). The RPP is not powerful enough to challenge the JDP or to come up with alternative policy measures to appeal to masses. The RPP was perceived as a non-democratic secularist party in collaboration with the military and judiciary elite. The RPP based its election campaigns on the fear of "losing secular character of the Republic to Islamists" rather than policy measures or real solutions. In the eyes of the majority of voters the RPP has been the party that criticizes but never suggests a solution.

Recep Tayyip Erdoğan's charismatic leadership and personality are also one of the other major factors which determine voters' behavior, in a country where the charisma is still important. It is true that, the November 2002 election was also very much about the personality of the JDP leader Recep Tayyip Erdoğan. A lot of people indirectly voted for him, regardless of his controversial pedigree or the legal obstacles he faced. Prior to the 2002 elections, a September 20 1999 court decision barred Erdoğan from taking political office due to his conviction in 1998, and sent him to jail briefly for inciting religious hatred after he publicly read a poem interpreted as advocating an Islamist revolution (Çağaptay, 2002:43-58). Erdoğan became the idol of "periphery (varoş)," "excluded" and even "marginal" people. Many voters regard Erdoğan as one of them, coming from Kasımpaşa, from very low class neighborhood of Istanbul, played football when young and talks and walks as they do. In one of the interviews after the election, when a young man was asked why he voted for the JDP, he replied: "Yürüyüşü yeter! (Even the way he walks is appealing!)" This image was buttressed by Erdoğan's populist discourse, reflected in his speeches, interviews and writings. Erdoğan once said:

My Story is the story of this people. Either this people will win and come to power or the minority who is repressive, arrogant, alien to the realities of Anatolia will continue to rule. The decision belongs to people. Sovereignty belongs to people (*Yeni Safak* 25/10/2002).

Erdoğan has been one of the most popular politicians in Turkish politics, starting his political career as the charismatic mayor of Istanbul. Erdoğan first

gained popularity during his mayorship in Istanbul. Idiosyncratic values of Erdoğan are very important source to ensure voter loyalty to the party. Many people think that the personality of Recep Tayyip Erdoğan is one of the important factors in determining the course of changes in Islamic politics. As Heper and Toktaş indicate there are four major influences on his early life: his father, Kasımpaşa, primary school teacher and Sufism. The Sufi character of Erdoğan is also a determining factor Sufis were careful not to mix religion and politics (Heper, 2003:157-185).

In addition to these unique domestic factors, several international factors helped to sustain the success of the JDP. First of all, in the global politics, the JDP is no longer seen as an Islamic party posing a threat to the stability of the region or the country. Just the contrary the party is supported by the US and by several EU member countries and regarded as a model for some other Middle Eastern countries to emulate. In earlier times, most of the Islamists in Turkey were anti-Western, and anti-system, but later on, the members of the JDP developed a new perspective about the West, in general, and some specific issues in particular. İhsan Dağı, for example argues that, Turkish Islamists have departed, in recent years, from their conventional position of anti-Westernism and engaged in a process of “rethinking” about the West, Westernization and modern/ Western political values. The changing language of Turkish Islamists in general presents an important move not only for a spread of modern political values among the Islamic groups in Turkey, but also for the possibility of a rapprochement between

Islam and the West in the post-September 11 context. As opposition to the West and Westernization used to be the basis of Islamic political identity in modern Turkey, the recent effort of the Islamists at rethinking this historical positioning, it is argued, has paved the way for the emergence of a new form of Islamic political identity as reflected in the program and practice of the ruling JDP (Dağı, 2005:21-37).

The party's success is also linked to global economic parameters. In the first term of the JDP government the global economy grew nearly five percent annually without being adversely affected by a major economic crisis. In the second term, while the world was hit by a major economic crisis in 2008, Turkey did a relatively good job of warding off the crises.

Another important factor was the JDP's devotion to the works of Turkish accession to the EU. The JDP ruling cadre wholeheartedly subscribed to the cause of the EU membership, since they saw the membership as a guarantee for the continuation of their political rule in Turkey. Although even the Minister of Foreign Affairs himself confessed that lately there was a slowdown in the reforms necessary towards the EU accession, unlike the other two parties' nationalist discourse against the EU, right from the start the JDP remained pro-EU and sought policies that would enable the country to be a full member. This factor attracted many social democrat votes to party.

As for the Cyprus issue, which was one of the deterring issues in the EU talks, Turkey gave more concessions than Greece. Willingness to settle the Cyprus issue was linked to the JDP's desire to make Turkey a full EU member, which in return is rooted in three factors. First, hopes that the EU membership would bolster Turkey's democracy, which also meant its own chance to gain and hold onto office. Secondly, joining the EU would provide Turkey with the means to ensure economic growth and political stability. Last but not least, being a full member of the EU would have provided its conservative voter base increased religious and individual freedoms.

With its success in politics, the JDP created a new opportunity space, just like Özal did, for the Islamic bourgeoisie to redefine itself within the capitalist world order. The new Islamic bourgeoisie wanted to protect its power and enlarge its power base, supported by the JDP's policies on democratization, and liberalization. In the process, this new class became economically more powerful, and it consolidated its socially conservative, economically liberal, politically democratic identity which was a fusion of capitalism and Islam.

Turkish democracy itself will be consolidated if the party continues on its moderate path, and promoted democracy and secularism. The JDP's success would not only be a positive test for Turkish democracy, it would also inspire optimists in the global debate about the compatibility of Islam and democracy.

#### 4.11. İĞİAD'S Perception of Islamic Political Transformation in Turkey

İĞİAD members have been part and parcel of the above mentioned political transformation in Turkey, either as main actors or side products. Coming mostly from the radical Islamist, and anti-system background, they slowly integrated to the political and economic system of Turkey. In the 1980s and 1990s, most of them, like other radical Muslims, were very critical of the secular establishment and the system, so much so that they did not even vote for the Islamic parties, in order not to “legitimize the system”. Believing in the political parties or parliamentary regime, was a sort of engagement with *küfr* (infidelity).

As one of the İĞİAD member stated, “Over time the Muslims learned how to play by the rules in the political and economic world.” (S,A. June10, 2010. Interview with the author Istanbul, Turkey) While the traditionalist intra-system Muslims became less anti-Western and more pro-democratic, the revolutionary anti-system Muslims followed this trend more slowly, in the mean time surviving in the system by accepting the rules of the game. Like many other Muslims, including the new wealthy class, İĞİAD members slowly changed their attitudes toward the secular establishment, the capitalist system, and parliamentary democracy.

What were the reasons of this transformation? It seems that all the mentioned factors, and learning experience which forced to change the traditional Islamic politics in the 1980s and 1990s were also true in the case of the radical Muslims, including the İGİAD members. Radical Muslims did have other reasons for change as well. As one of the İGİAD member has stated, “It was impossible to sustain the idealism that we hold it dear in our university years. We were young and energetic. Then we got older, got married, and have children. We did have other things to worry about.” (M,C. July 20, 2010. Interview with the author Istanbul, Turkey). Another İGİAD member has claimed that, political success of the NOM parties was an important element to change the anti-systemic culture of the radical Muslims. They started to think that it was possible to change things while staying within the system. Another İGİAD member also pointed out that the “The 28 February Process was the watershed event” [in changing their perception about the system]. The only way to survive in the system was to comply with the system.” (Z,B. June 13,2010. Interview with the author Istanbul, Turkey). Another İGİAD member reflected on radicalism as follows:

Our radicalism was sort of a chauvinist one. We used to think that Islam was a whole different universe. Now we realize that it has so much overlapping with other systems. We were being one-dimensional and literalists. If you examine the holy books literally, you cannot find every answer in the Book. One must use one’s reason to interpret those texts (M,P. December 15,2009. Interview with the author. Istanbul,Turkey).

Based on the in-depth interviews, it is possible to conclude that most of the members of İĞİAD were supporters of the JDP and its policies. In the words of one of the members “The JDP is a proof for Muslims existence. We do not support any party which clashes with the state apparatus.” (M,P. December 15, 2009. Interview with the author Istanbul, Turkey) (M,B. December 28,2010. Interview with the author. Istanbul, Turkey). The members’ main reason for the support of the JDP policies can be summarized in one of the other member’s opinion on the JDP:

Until the JDP came to power Turkey had a feeling of defeat. With the formation of the Republic, this nation was forced to deny its past. Nation is the essential element of a country. Things have been done against people’s will. Now this nation is reclaiming its past. People are the real owner of this country. It is obvious that there are cultural, and financial differences between the old establishment and real owners of the country. The positive change started with Menderes. The JDP was the last stage of this positive development (M,K. January 03, 2011. Interview with the author. Istanbul, Turkey).

However there are also some İĞİAD members who prefer “not to do business with the state although JDP is in power” H. D. states:

Doing business is a kind of mission for us. Nevertheless, we should not pass red lines while doing business. For that reason, although we are in construction business and have organic relation with the JDP, we do not prefer to make business with the state or the government” (H,D. December 30, 2010. Interview with the author. Istanbul, Turkey).

Another member stated the same concern with a more bold reasoning:



Although the JDP is in power the system is still an interest-based system. We do not want to pollute our earnings with the interest-ridden business (M,Y. January 07, 2011. Interview with the author. Istanbul, Turkey).

And yet another member complained that:

The state posts are being distributed not according to merit but loyalty to the JDP. Nobody can deny the positive developments under the JDP regime; however there is still a long way to go for the Muslims (A,G. January 05, 2011. Interview with the author. Istanbul, Turkey).

Today, even if some of the members are critical of the JDP, they support JDP's cultural and economic policies in general. As reflected in Şükrü Alkan's statement, they think that:

The JDP is a conglomeration of different political tendencies, and eventually those tendencies will be divided into different political parties. Even if the JDP is going to lose its power one day, it will be difficult to reverse the changes that it made. Any party, who wants to be in power in Turkey from this moment on, should take Islam and people's need into consideration." (S,A. June 1 2010. Interview with the author. Istanbul, Turkey ).

#### 4.12. Conclusion

Turkey has sixty years of democratic elections, eighty years of secularism, and more than two centuries of modernization. During the time of the JDP government, one could see both the elements of continuity and change in Islamic

politics in Turkey, but it seems that the pendulum is swinging more towards the side of further change. Religious parties are evolving towards democratic parties and adjusting themselves more and more to the norms and democracy and secularization in Turkey. So far the JDP seems to be the most successful one. The more these parties see elections as a legitimate way to compete for power, the more they think of elections as the “only game in town”. In return, the secular establishment is becoming more accommodating to the Islam in public sphere.

Turkish Republic started its journey in 1923 with radical reforms from above and as a tutelary democracy. It was a state-instituted, top-down enterprise in social engineering carried out by a small military-bureaucratic cadre that imposed its secularist vision on a reluctant traditional society. Islam was put under the control of the state.

After twenty seven years of single party rule, the country was introduced to multi party politics by Ismet İnönü. In 1950, Democrat Party came to power. Although it was ended with a military intervention, the Menderes era had several important consequences for the integration of Islamic politics into the system. First, it expanded the process of democratization and opened up the political arena to religious and ethnic groups that had previously been marginalized or excluded from politics. Second, it provided political space for religious groups to resurface and begin to organize politically.

The 1961 Constitution created an opportunity space for Islamic groups with its relatively liberalist character. For the first time in Turkish history, political Islamists found a political instrument to channel their demand in Erbakan and NOM. The party was a mediator institution which acted like a channel through which Anatolian business funneled their grievances about the alliance between the state protected Istanbul bourgeoisie and the state. Turkey was on the brink of a civil war at the end of 1970's. The society was polarized between communist and right wing nationalists, and Islamists. This chaos brought one more military intervention in 1980. The military rule came to an end by the 1983 elections, with the MP victory. The MP started to include more Islamic figures and elements into its body politics, in part because of the religious character of its leader Turgut Özal. Özal in the mid-1980s contributed to strengthening the role of Islamic groups as well. The reforms weakened the state's control over the economy and created a new class of entrepreneurs and capitalists in the provincial towns of Anatolia. Özal formed a close alliance with Anatolian businessmen.

The 1980s and 1990s were essential not only for the formation of a new Islamic politics, but also the emergence of a neo-Islamic economy and culture. "Turkish-Islamic Synthesis," proliferation of Islamic groups and activities, Turgut Özal's neo-liberal policies, transformation of the NOM parties, the WP's success in the local and national elections, and the 1997 "Post-Modern Coup" were some of the important factors that helped to transform the Islamic politics and political actors.

After the Coup in 1997, the increased tension gave birth to a new group in the NOM, who came to be known as “innovators,” “reformists,” “moderates,” and even “modernists.” The reformist wing was asking for scaling down the Islamic values and adopting more liberal economic program. It also criticized the Just Order by claiming that it was a short sighted and populist propaganda. The modernists formed an alliance with Islamic capital as the capital demanded for neo-liberal economic measures, and new conservatism blended with Islamic values. The innovators founded JDP.

Establishment of the JDP was the manifestation of achievement of political capital for Islamic capitalists. Their demand for more democracy, less state protection, opening of more opportunity space for the integration of Islamic values became viable in the ten years rule of the JDP.

The JDP remained on the side of gradual reform rather than a shock therapy. In the early 2008 neo-liberal capitalism created another global economic crisis. Turkey worked through it quite smoothly with successful measures of the JDP and the help of domestic neo-Islamic capital and international Islamic capital.

Tired from unsuccessful confrontation with secular establishment, the JDP’s program with no explicit reference to Islam and its emphasis on individual freedom, democracy and secularism reinforced the alliance between neo-Islamic

capital and the party. The party avoiding any confrontation with the state and moved towards a synthesis of Islam and liberalism, forming a new political identity first called Muslim democracy and later conservative democracy. For the neo-Islamic bourgeoisie what was important is not just to come to power but to stay there sustainably. For Islamic businessmen, the JDP is embodiment of convergence of Islam and democracy on political and social realm and convergence of Islam and capitalism in the economic realm.

The JDP is ruled the country from 2002 to the present (2013) due to non-existence of effective opposition, charismatic leadership of Erdogan, pragmatic policies like health reform, infrastructure building. More, the party is supported by the US and by several EU member countries and regarded as a model for other Muslim countries. The JDP's discourse and policies, together with the 1997 Coup, united system oriented and anti-system oriented Islamists for the first time, and brought together almost all of the Islamists, from the very moderate to traditional masses and radical Muslims. In the process, the new economic class became consolidated its socially conservative, economically liberal, and politically democratic identity. For the Islamic bourgeoisie, the JDP constitutes the opportunity of enlarging the public space and closing the huge distance between the masses and the state.

## CHAPTER V

### EMERGENCE OF NEO-ISLAMIC CULTURAL CAPITAL IN TURKEY

This chapter aims to examine development of the cultural capital in Turkey, among the Muslims and its impact on the formation of the neo-Islamic bourgeoisie. The cultural capital is very important because it is a necessary constituency for the neo-Islamic bourgeoisie class; and it allows its actors to bring back the benefit of globalization to the local ground and influence their peers' thinking through their new instruments such as marketing and advertisement, publishing and education. Accumulation of economic and political capital accelerated the formation of social and cultural capital for the Muslims. Newly acquired wealth and power were transmitted into scholarship, education, media and publishing houses with Islamic agenda. Urbanization, rising enrollments in

higher education and having links to the global world contributed to the rise of a new class whose substantial human capital is their distinctive asset.

To understand formation of neo-Islamic cultural capital, this chapter further analyzes creation of reading Islamic public, institutionalization of Islamic education, and formation of Islamic media. These factors are crucial in understanding the motivation behind the rise of a new class, since without cultural and human capital, it would hard to imagine the emergence of a new class.

Max Weber coined the term social class that includes economic resources as well as, styles of life and cultural values. Societies not only divided into different classes based on economic position, but also on non-economic criteria such morals, culture, and lifestyle that are sustained because people tend to interact with their social peers. Unlike Weber's assumptions which predict that the capital accumulation came after the formation of protestant spirit, in the case of the Turkish Muslim bourgeoisie, we see first the accumulation of the wealth and then development of the spirit. After the capital accumulation, the Muslims began to inject moral values into it.

For Bourdieu, cultural capital is forms of knowledge, skills, education, and advantages that a person has, which give them a higher status in society. Parents provide their children with cultural capital by transmitting the attitudes and knowledge needed to succeed in the current educational system. Cultural capital

consists of a set of socially rare and- distinctive tastes, skills, knowledge, and practices.” (Harker, 1990).

Distinct from economic capital (financial resources) and social capital relationships, organizational affiliations, networks), cultural capital entails what Gouldner has called a “culture of critical discourse.” In his words culture of critical discourse is “a set of decontextualized understandings, developed through a reflexive, problematizing, expansionist orientation to meaning in the world, that are readily recontextualized across new settings.” (Gouldner, 1979:63).

The individuals or groups that desire to change their positioning in society may attempt to do so by manipulating cultural capital. Cultural symbols, such as veil and new spaces, are used as a marker of difference and social distinction (Amman, Göle, 2006). “The bourgeoisie Muslim woman wears the veil or the headscarf not because her mother did so,” says Martin Jones, “but precisely because she did not.” (Jones, 2003:5). As a result, new value system is created. This neo-Islamism is the breeding ground for a “modern” Islamic ideology that reconstructs Islam not only as a religion but also as a “culture.” As a result, the neo-Islamic bourgeoisie is less traditional but more observant and devout than their parents.



### 5.1. Formation of the Islamic Cultural Capital and New Opportunity Spaces

Since the early days of the Turkish Republic, culture was tried to be created, manipulated and put under control by the nation-state. The Turkish modernity project aimed at creating modern, Western individuals with a Turkish nationalist culture. Kemalist project required homogenization of culture. Three military coups always aimed to protect Turkish cultural and secular values and fought against the so called divisive and destructive ideologies, originating from the leftist or Islamist tendencies.

In the formation of Islamic cultural capital, the 1980 military intervention is a crucial point in Turkey. After the coup, national culture was seen as a sum of tradition and belief culminating in religion. As discussed in the third chapter, through formulation of the “Turkish-Islam synthesis,” Military injected Islamic cultural values to the new national culture, on the one hand, and continue to keep Islam under the regulation of the state, on the other. The “Turkish-Islamic synthesis” stressed the importance of Islamic values in Turkish national identity. The main aim was to create a tamed version of Islam which would contribute to creation of national unity and harmony (Akın, Karasapan, 1988:12-15). This change opened up opportunity spaces for expression of Islamic identity and

enlargement of Islamic habitus. The Islamization of Turkish culture accelerated after the military intervention through: the expansion of state-run religious services, the introduction of religious education as a compulsory school subject, and the use of Office of Religious Affairs for the “promotion of national solidarity and integration”. All of this, not only led to a nationalization of Islam, but also to an Islamization of the nation. This has also allowed flourishing of competing ideologies, particularly Islamism that redefined and displaced certain concepts like modernity, democracy and development.

Unlike its previous counterparts, the new generation of Islamists has developed strong global attachments thanks to their technological literacy, language skills and institutional involvement. The second generation of the urban poor began to flourish in business, intellectual life, and politics. The social mobility was not only taking place in Ankara and Istanbul but also in some conservative cities of Anatolia such as Kayseri and Konya. These places began to write their own success stories via their local entrepreneurial bourgeoisie. Starting from the Özal years, some empowered and marginalized elements of society, which included conservative Muslims and even the Kurds started to be included in the society (Yavuz, 2008). This new upward social mobility was not only a transfer from rural to urban but also transfer the illiterate folk Islam of the countryside to the “high” literate Islam of the city.

## 5.2. Institutionalization of Islamic Education

Education has always been an integral part of the creation of the national culture. The spread of mass education and private Islamic educational institutions were the major factors that brought about the upward mobility. Starting from the mid-1980s factors such as the flourishing of the market made various sections of the private sector more visible. In this newly created opportunity space, religious groups found opportunities to establish their own educational institutions, such as pious foundations (Vakfs), (e.g. Ilim Yayma Vakfi, Bilim Sanat Vakfi), private institutions of education (Dershanes), (e.g. FEM, Faith, Birey, and Pi Analitik), Primary Schools and High schools (Coşkun, Doğa, Derya Öncü, and İrfan, Asfa, Akasya, Biltek, Öncü, Gökyüzü and Ensar) and then the Universities. Especially schools and private institutions of education operated by the Muslim groups were set up one after another in the 1990s and 2000s. Although these schools have to abide the principles of Turkish secular curriculum, they did have affiliations with Islamic groups and *cemaats*, and through their extracurricular activities they aim to raise a new generation in accordance with their own values. Religious leanings of these schools can be best seen in their end-of-the-year ceremonies where, for example, they perform Sufi whirling dances, chant “ilahis” or stage Islamic plays.

A cursory look at the names of children who are attending these schools since the 1990s could be another good indication of the Islamic character of these schools. We see that common names such as Ayşe, Fatma and Zeynep were replaced by more islamically charged names such as Rûveyda, Büşra, Kübra, Aleyna and Şevval. By this naming practice, it seems that, neo-Islamic bourgeoisie wanted to create yet another area of distinctiveness, both from their own parents and also from the “secular elite”.

Among these schools, Çamlıca Coşkun Koleji is perhaps the most known and established one. The main building is situated in Çamlıca, on the Anatolian side of Istanbul. It is a very successful school that has primary, secondary and high school sections. It is ranked among the twenty best schools in the top thousand of Turkey’s quality schools. Parents register their children on a reserve list and pay around 10.000 Euro registration fee annually. The English slogan of “We have three objectives: education, education and education” is written on the stairways of the School, to illustrate that the students are not here to waste their time. The school is composed of complex of buildings, including a cinema, polyvalent room, sport facilities and a swimming pool (<http://www.coskun.k12.tr/?id=130>).

In describing the mission and the vision of the school, Mehmet B. principle of Coşkun Koleji and a member of İĞİAD states that:

Our school emanates quality, prestige, modernity and creativity. The ratio is one teacher for ten students while in the public schools it is one for 55 children. The school aims to assist students as much as possible with their class performances and to educate them to become world citizens. The education also offers cultur, and sportive activities. We have scholarships for successful students who cannot afford the school. Moral values are at the center of our education system. That is why along with academic education through our “etüt system” we also provide education on morals and values. Modern world caused individuals to distance themselves from moral values. Individual is put at the center, following daily pleasures. In this school we aim to bring beneficence and goodness and educate young generation respectful to Islamic values (M,B. June 11, 2010. Interview with the author. Istanbul, Turkey).

In fact, the Coşkun Koleji was established by the Vakf of “Sema Educational Foundation (Sema Eğitim Hizmetleri),” an institution which belongs to the Gülen movement. There are no pictures of Gülen but lots of Atatürk’s on the walls of the schools. The web site has a section called “Atatürk Corner.” Sharing with the universalistic vision of the Gülen movement, the school has also a section called “European Union Vision:”

Under a program called Project Comenius, Çamlıca Coşkun Primary School has forged cultural bridges between its students and teachers and those from four European schools since 2007. That year 11 students and seven teachers from the school, which operates under the motto “To understand and to be understood, to love and to be loved, to admire and to be admired, to explore new ways of living, to establish spiritual bridges among people,” headed for Paris. The warm bonds that emerged between students and teachers from the countries involved in the program inspired Çamlıca Coşkun Primary School to forge ahead with cultural exchange activities

([http://www.sundayszaman.com/sunday/newsDetail\\_getNewsById.action?newsId=184285](http://www.sundayszaman.com/sunday/newsDetail_getNewsById.action?newsId=184285)).

In a short digression, we need to mention the importance of the Gülen movement somewhat in detail, since this is a major actor in producing political,

financial and cultural capitals in Turkey. Also some of the İGİAD members are the members of the Movement. The movement (Hizmet in Turkish) represents the most powerful element of the rising neo-bourgeoisie class in Turkey as it is in favor of democracy, and capitalism. The movement is very successful in business, and creates financial support for the movement's cultural and educational institutions. They have been very successful in education both in Turkey and abroad. All the schools and educational institutions are being established with financial donations of businesses (Kuru, 2003:69-84). The movement builds its first educational institutions (dershane) in Turkey in the 1980s. Starting from 1990's, the movement opened schools abroad, including Central Asia, former Soviet Republics and many African countries. Today, the movement has at least one high school in almost each major city in Turkey. These schools offer high quality education and aim to raise the next generation elites by emphasizing science and technology and Islamic moral values, both in Turkey and abroad (Ortaylı, Ateş, Karakaş, 2005:55).

Apart from education, the movement also has enterprises in media sector like Zaman newspaper and Samanyolu television (STV), Cihan News Agency, Ebru TV and Burc radio. Sızıntı, the monthly magazine of popular science and culture has been published since 1979. The Fountains published in English on scientific and spiritual thought. There are more than twenty publishing houses in Turkey inspired by Gülen's thought, publishing in Turkey and abroad (<http://gulenschools.org/>). Zaman and STV are very crucial in creation of cultural

capital as they are the source for spreading the message, creation of role model, promotion of Islamic moral values. They also supported the movement's peaceful rhetoric with the state and different social segments.

The Gülen movement creates cultural capital through its economic and social capital. The social capital enables them to aggregate actual or potential resources and creation of economic capital. Then with economic capital, the movement establishes schools, media outlets, publishing houses, which opened the way of formation of cultural capital. With acquired cultural capital the members of the movement and it's all sympathizers get necessary knowledge, skills, education to carry them into a higher status in society.

Çınar Koleji, established by another Islamic *cemaat*, is another example where the neo-Islamic bourgeoisie send their children. The school gives education from kindergarden to high school level. Situated in a very large land, the school has three basketball, three volleyball, one tennis and one football courts. A student who is willing to pay between 10.000 15.000 Turkish lira per year can also enjoy from many different student clubs, including Taekwondo club. The facility also has a convention center. The school housed many Imam-Hatip students after the closure of those secondary schools after the 1997 Coup. It is always ranked at top three in university entrance exams. It accepts female students to attend with head scarf

(<http://www.kenthaber.com/marmara/istanbul/esenler/Haber/Genel/Normal/cinar-kolejinde-turban-israri-suruyor-/ea53da7b-51d0-499f-91c3-8530b3efdcc4>).

In my in-depth interviews, I asked interviewees to which school are they sending their children and why? There was not one single person sending his children to public schools or so called “foreign colleges.” All interviewees send their children to what they call “schools which are respectful to Islamic values and sentiments.” One of the interviewees responded:

As I am worried about him, I send my son to a private school which is respectful to Islamic and moral values. He was born into a world in which he never experienced any material inadequacy. I would like to keep him with children whose parents and I share the same values and same concerns. Apart from a good education and excellent extracurricular activities, my child also receives Islamic knowledge (N,S. July 17, 2010. Interview with the author. Istanbul, Turkey).

Emphasizing the issue of morality once again, another interviewee reflected on the matter as follows:

Morality! Morality is the most important virtue and should be at the center of a good person’s life. I want my children to have an education which place morality at the center. By morality, I mean the Turkish Islamic morality. Not the one that is promoted at French or American schools (A,Y. December 16, 2010. Interview with the author. Istanbul, Turkey).



The İGİAD members are especially keen on the value of the education, and that is why they played important roles in during the formation of several of these schools. One İGİAD member said:

As İGİAD members, we established “Öncü School” as we thought that there was a need for this type of schools; schools in which in addition to curriculum, one can receive moral education. Most of our founding members’ children are attending this school (S,G. January 06, 2011. Interview with the author. Istanbul, Turkey).

When we examine the website of the school, it is obvious that the school administration is keen on teaching “values” to the children through extracurricular activities. Despite the fact that there is no clear reference to the nature of those “values,” we do get a sense about them from the statements of my interviewees. For example, one of the other İGİAD members told why he sends his children to the schools established by the conservative Muslims.

I want my child to grow up being familiar to terms like, *bereket*, *infak*, *tövbe* (blessing, charity, and repentance).” I want them to learn *Esmau’-Hüsna* (beautiful names of God) and be sensitive to the plight of Gaza and Palestine. This school shares the same values and sentiments that I have hold dear. If parents want an extracurricular activity, students should be able to study hadith, Islamic poetry and other Islamic knowledge (A,K. January 7, 2011. Interview with the author. Istanbul, Turkey).

Over the last three decades graduates of these schools began to attend at universities in Turkey and abroad in overwhelming numbers. As a result of these developments, most of the Islamists whose fathers learned reading and writing during their military, have been graduating from prominent universities and

finding jobs in bureaucracy, private sectors, academia and other institutions where traditionally were filled with the members of the secular elite. In other words, Turkish bureaucracy, business and academia faced a “new” and somehow “different” generation (Göle, 2000).

With this educated mass in hand, most of the Islamic circles and groups started to think of establishing their own universities. For example, Fatih University, which belongs to the Gülen Movement, and newly established Istanbul Şehir University, which was an extension of the Bilim Sanat Vakfi are the most institutionalized ones. They rival their peer schools worldwide on almost every subject.

The transfer of financial and political capital to education, media, and publications was not only beneficial for “Islamization’ of culture” but also worked as a tool for decreasing the discursive tension between capitalism and Islam. By donating money to educational facilities, supplying scholarships, publishing Islamic periodicals, the wealthy Muslims satisfies the idea of working for Islam, and justify their involvement in capitalism and consumerism.

### 5.3. Islamic Print and Media

One of the most important activities of the neo-Islamists since the 1980s was their interest into the print and media. Over last three decades, they have established tens of printing houses, periodicals, magazines, newspapers, radio channels, and TV stations, aiming to create an alternative and parallel universe for Islamic knowledge. By some Muslims, investing in the media has been seen as a way of 'jihad' through which politically conscious Muslims would be created (Yavuz:2008). Doubtless, creation of alternative Islamic media and a reading public became major sources of Islamic acculturation. The reading public also caused objectification of religious knowledge, which has been supported by the emergence of large markets for Islamic books and newspapers. As Hefner writes the reading public acquires a "cognitive mobilization" which results in construction of alternative political projects along with formation of organizations (Hefner, 1998: 44).

The development of alternative Islamic media began flourishing during the Özal years. The Özal government added another concept into the social structure of Turkey: First *de facto*, and then *de jure*, the monopoly of TRT (Turkish Radio Television) has been eradicated. This eradication gave decisive power to the holding companies that owned at least one or more national Television channels and at least one or more national newspapers, together with a range of magazines and radio stations, and thus they obtained tremendous power in shaping public opinion in Turkey. Through advertising agencies like Ski, Öncü and with the TV channels like STV, Kanal 7 and Mehtap, a new urban, young,

and islamized generation were created. As Saktanber states, this new generation was “in search of consumer goods compatible with Islam.” (Saktanber, 2002).

The creation of an alternative media is crucial in the spread of new forms of state society relation. Through modern media sources like TVs, newspapers and radios time and space were condensed. This condensation is instrumental in formation of the self and the other. As Hakan Yavuz puts it, the new “self”, with the force of the media feels the need to become “modern,” which was tried to be shaped by media sources. Easy access to information shook the authority of traditional *ulema* and the secular state, and it also enabled dissemination of political discourse. The authority to produce knowledge shifted from traditional *ulema* to urban intellectuals (Yavuz, 2008).

In the meantime, the Islamic knowledge is commodified through new media outlets and publishing houses such as Resale, Nether, Birr, Yodels, Pınar, Shea, İnsan, Is, Dorgan and Times. The first aim of the most of publishing houses was the elevation of Islamic culture and consciousness. After the 1980 military intervention, Islamic knowledge was on the market, competing with other forms of knowledge. The competition was twofold. One was among the different versions of Islamic knowledge. And the other was between the non-Islamic and Islamic knowledge. The religious communities had a voice in Islamist press either through forming their own newspapers and journals or through supplying newspapers with columnists.

Islamists participated in collective reading groups in coffee houses, dormitories, enabling circulation of ideas beyond the printed pages. Moreover, these reading circles created an intellectual space for the popular negotiation of the meaning generated in Islamist print. As a result new Islamic intellectual circles emerged and created an alternative power pockets against the dominant ideology. Another effect of the establishment of publishing houses is the formation of an Islamists as an independent intellectual stratum. As Şerif Mardin stated in his several talks, Muslim students and intellectuals were in a “reading frenzy” in the 1980s and 1990s that, among others, they were keenest in following intellectual discussions on Post-modernity, post-structuralism and post-colonialism in the West and Islamic world, and bringing them to Turkey (Şerif Mardin. July 2009. Personal communication with the author. Istanbul, Turkey). These students and intellectuals were not only the customers of thousands of new books of Islamic print houses or Islamic book fairs, which were held during the month of Ramadan in major cities, but also left-wing or mainstream publishing houses and TÜYAP book fair.

One way of investing in cultural capital for İGİAD is to publish books and reports. The association has a publishing house called “İGİAD Yayınları”. So far they had published 14 books and their peer edited journal had reached to eight volumes. Complementing the association mission, the books are mostly on Islamic morality, entrepreneurship, business ethics and well-being of the future generations (<http://www.igiad.com/tr/yayinlarimiz/igiad-yayinlari>).

İĞİAD also has regular seminars and education programs for members and non-members. The topic of these seminars range from business to Islam to discussion of Qur'anic themes. The stated aim is to raise a generation with Islamic knowledge, having high morality and success in business life.

Since, most of İĞİAD members are members of the AKABE Kültür ve Eğitim Vakfı (AKABE Culture and Education Foundation,) whose share in Islamic cultural capital needs to be mentioned. The Foundation was established and led by Mustafa İslamoğlu in 1990. İslamoğlu, who is the most important inspiring Muslim scholar for the İĞİAD members, is a famous Turkish theologian, poet, and writer. He is best known for his Qu'ranic Commentary (Tefsir) classes, continuing since 1992. The motto of the Foundation is “People at the Center, Balance in Attitude, and Need in Saving (Merkezde İnsan, Tavırda Denge, Tasarrufta İhtiyaç).” The main aim of the Foundation is learning and living in accordance with Qur'an. To reach this aim the Foundation uses media outlets as well as private Qur'an classes, held at the Foundation buildings. The Foundation has two major projects called “Qur'an Library” and “Qur'an Academy” by which they aim to teach Qur'an and Islamic jurisprudence to younger generations. The Foundation has also subunits for children, called “Cıvıltı (Chirping)”, and for youth called “Umut (Hope).” (<http://kuranihayat.com/content/akabe-vakfi-y%C3%B6neticileriyle-infak-yard%C4%B1mla%C5%9Fma-ve-vak%C4%B1f-hizmetleri-%C3%BCzerine->

mbaykul-mayd%C4%B1n). İslamoğlu has his own website where he continues to educate his followers through his writings and *fatwas* (<http://www.mustafaislamoglu.com/index.php>), and often appears on Hilal TV where he gives lectures on Qur'an and other Islamic subjects. Hilal TV is very popular among the İGİAD members. Most of the members provide financial support thorough broadcasting their advertisements on this TV channel.

Most of the İGİAD members' children and wives attend at the activities of the AKABE Foundation over weekends in order to socilize and also have proper islamic education. The Foundation has special subunits, designed to create activies for children and women exculesively. These subunits organize intellectual activies such as panels, seminars and conferences; as well as camps, picnics, and short trips. Parents prefer it as on one hand, it gives opportunity to socialize in an Islamic environment with like minded people and on the other hand, their children get free classes with volunteer teachers on Islam and school circulum ([http://www.akabe.com/kategori\\_120\\_Umut-Gencligi.html](http://www.akabe.com/kategori_120_Umut-Gencligi.html)).

#### 5.4. Commodification of Islamic Culture

Demands and expectations of this new generation have given rise to new and different patterns of consumption, and hence different production areas. Differences can be observed in religious books, religious music, and religious outfits – eventually took the form of 'religious style,' 'religious fashion shows.'

The new consumer goods should be suitable with their religious identity and should have satisfied their need to distinguish themselves from the prevalent secular culture and culture of Islamic lower classes. Islamic media companies created an alternative culture going beyond the Western style media and opened Islamic minds to the capitalist culture (Saktenber, 1997).

Mass media such as newspapers, magazines, and radio and television channels created a suitable environment in which social groups can be informed more easily and cheaply. Media groups enabled Islamic groups to promulgate a visible identity and make a public name for them. Having access to media attributed a legitimate identity and solidarity, as well as creation of a class consciousness.

According to Sandıkçı and Ömeraki, there were three main areas where cultural symbols and values have increasingly been reflected in capitalist practices. First, local cultural symbols were used in marketing strategies. Commodities were no longer just commodities but a cultural symbol signifying entire lifestyles and social distinctions; as well as markers of identity and symbols of difference. Chanel or Burberry brand head scarfs, Rolex watches and the like. Second, the economic capital was translated into “social and cultural capital”; shared values and norms were mobilized for building networks and solidarity, just like the case in of İĞİAD, educational institutions, and civil society organizations. Third, at the state level in which the state subjected the population to powers of



the market forces, it attempts to neutralize the resistance against it. Ramadan festivals were good examples for this. These festivals involved wide selections of food and shopping venues. Municipalities became that of revitalizing the spirit of the “old” *Ramadans* along with constructing a space that brought together people from all social classes and thus creates a sense of community. Municipalities charged no entrance fee to attract people with limited incomes. However, in order to enjoy the festival one had to spend money in the festival area. While creating an Islamic public space with the intersection of religion and history and shopping and leisure, the municipalities sacralized commercial activity and profits from the rents of the dealers (Sandıkçı, Ger, 2007: 610-615).

As Navarro has put it, commodification is a context and activity historically shared by Islamists and secularists alike, rather than being domain that divided them (Yashin, 2002:225). Muslim identities, like the secular ones are expressed through commodities. Islamic knowledge and Islamic selves are mediated through commodified cultural forms and spaces (Gökarısel, 2009:6-18). This commodification includes newspapers, TV channels, educational institutions, halal markets, restaurants, holiday resorts and gated communities. Cultural capital enabled reconfiguration of space and class through a reinterpretation of spiritual and intellectual values. New spaces of five-star hotels and fancy restaurants were tailored for neo-Islamic bourgeoisie. The reconfiguration of space is visible in residential projects in the suburbs of Istanbul like Florya, Kısıklı, and Çamlıca. The neo-Islamic identity is constructed through this culture of commodification

and consumption. The new identity forms a class by connecting with each other through Islamic product and spaces. These networks, emulating capitalist consumption practices create a class consciousness and deconstruct the earlier *ummah* understanding.

## 5.5. Conclusion

Islamist struggle is not just on ideas and interests but also about everyday life, space and use of body. Cultural capital is an instrument for expansion against the established cultural capital. Islamists are quite successful in their struggle as Islamically informed cultural capital is more valid like attending Friday prayers is more valid than celebrating national holidays. They are also successful in articulating the “conflicting” cultural capitals of the West and Islam.

The Islamic bourgeoisie is conservative in values but avant-garde in consumption practices. Islamic Television and radio channels play an important role in communicating religious lifestyles. There exists a rich and prolific Islamic media ranging from Islamic pop music to romance novels, women’s magazines, best sellers, and movies, transmit popular Islamic culture.

Since the 1980s, a new style of “Islamist” consumption emerged in many domains such as decoration, leisure, and fashion. The accumulation of political

and economic capital fostered a demand for religiously appropriate but fashionable clothing items. Dark colored large scarf with the loose-fitting long overcoat in the 1980s, transformed into fashionable, different dressing styles in the 1990s. Well educated, upper class urban women came to have a new identity that is modern distinctive and fashionable. Head scarf, as a signifier changed its meaning from just signifying moderation and religiosity to class consciousness. One of my interviewees who were in the textile business, told me that Muslims needed to have their own styles, and that is why he was recommending his daughter to get into that business after graduating from her school (H,A. July 2010. Interview with the author. Istanbul, Turkey).

Islamic bourgeoisie's cultural capital symbols can also be seen in their "historical consumption" (Sandikçi, Ger, 2001). Starting from the last decade, very much effected by the political atmosphere, Islamic bourgeoisie demands objects and customs constructed to represent "Their own traditions" which belong imagined pasts. Those parts are a combination of Anatolian, Turkish, and Ottoman. To satisfy this demand major retail stores, such as Paşabahçe Glass Factory, started to produce "Ottoman Collections". The long forgotten "henna night" is back. However, this time the ceremony is held at five star hotels at great expenses. Furthermore, new Ottoman restaurants are opened, and cookbooks of traditional Turkish cuisine are published. Coffee shops that sell *nargile* (water pipe) became quite fashionable especially during the Ramadan nights.

The Neo-Islamic bourgeoisie expresses itself in the nostalgic interest in the constructed Ottoman culture, traditions and life style. Many are also interested in decorating their homes in line with Ottoman design principles and artifacts. Islamic bourgeoisie's offices and homes are full of Ottoman antiques ranging from Islamic calligraphies to paintings, miniatures, vases and furniture. As Sandıkçı and Ger put it, "The cultural identity and the past of the Ottomans provide a new source to draw from in nostalgic consumption. Returning back to a past that is largely unknown in the contemporary republic and trying to rebuild it through a contemporary reading indicates the search for constructing an identity that is simultaneously traditional and modern." (Sandıkçı, Ger 2001: 148).

The neo-Islamic bourgeoisie differentiates its identity by creating particular "modern" cultural capital through the use of cultural symbols. For the neo-Islamic bourgeoisie becoming "modern" is the utmost concern. The modern identity is conceptualized as being part of the global world. Sandıkçı and Ger argue that they consume to communicate to themselves and to others their modern identity (Sandıkçı, Ger, 2007:189-210).

In sum, accumulation of economic and political capital provided opportunity spaces for accumulation of cultural capital. The symbols of culture were reconfigured through Islamic media, educational institutions and commodification of religion. Cultural capital was an important aspect of neo-Islamic bourgeoisie that differentiate them from other lower Islamic classes and secular bourgeoisie. Now equipped with political, economic capital and

embedded in capitalist culture, the neo-Islamic bourgeoisie attaches more value to the means that facilitates this new bourgeois life style. As a result of accumulation of cultural capital, this class became more visible. For example, the dress code for women differentiated them from their counterparts in different *cemaats* as well as from the secular women. Although they wanted to differentiate themselves from the others, they became the subject of the consumption culture, a product of capitalism. As I discuss in the Chapter 6, although the İGİAD members are critical of this excessive consumerism, their second generation has a tendency to be part of the Islamicized capitalist life style and culture.

## CHAPTER VI

### FROM ISLAMIC RADICALISM TO ISLAMIC CAPITALISM: THE PROMISES AND PREDICAMENTS OF ISLAMIZ ENTREPRENEURSHIP AND ISLAMIC CONSUMPTION IN A CAPITALISTIC SYSTEM (THE CASE OF İGİAD)

“In the 1980s, we were trying to salvage our country; in the 1990s we were trying to salvage our economy, and now we are trying to salvage our children.” This was the proclamation of Şükrü Alkan, the president of İGİAD. His statement succinctly captures our imagination about the predicaments, promises and transformations of a newly emerging Islamic bourgeoisie class as well as members of İGİAD. As suggested in a Qur’anic verse<sup>28</sup>, the Muslims were supposed to involve in business without forgetting the “remembrance of God.”

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<sup>28</sup> O you, who have believed, when [the adman] is called for the prayer on Friday, then proceed to the remembrance of Allah and leave trade. That is better for you, if you only knew. And when the prayer has been concluded, disperse within the land and seek from the bounty of Allah, and remember Allah often that you may succeed. (Quran 62:9-10)

Identifying Islam as their identity, this new class formulates life and cognitive maps based on their ideas to Islamitize market forces and engage in neo-liberal practices in modern Turkey. The purpose of this chapter is to tie my hitherto discussions on Islam and capitalism and the developments of neo-Islamic financial, political and cultural capital to the emergence of İGİAD, and the transformation of its members, against the backdrop of how Islam and capitalism conflict and cooperate in contemporary Middle East.

As discussed earlier, the formation of the neo-Islamic bourgeoisie is important as scholars have generally depicted Islam as incompatible with the West and with capitalism. (Barber,1995; Lerner, 1958). The neo-liberal capitalism produced new Islamic actors and that these actors in turn shaped Islamic discourse and practices. This new Islamic bourgeoisie class shows prospects for the compatibility of Islam with both capitalism and democracy, by challenging both the hard core Turkish secularist state and traditional Islamic ideologies.

As members of the new rising neo-Islamic bourgeoisie, the İGİAD people have the same challenge: How should a Muslim engage in a modern capitalistic world? Capitalism provides Muslims with opportunities for economic growth and wealth while simultaneously it offers ways of consuming newly acquired wealth. As the material gain for the capitalist world increases, new Muslim consumers find themselves, stuck between capitalistic consumerism and Islamic moral values. The ideas of piety and modesty do not go hand in hand with conspicuous

consumption, and “good and devout” Muslims have difficulties in justifying their “capitalist” behavior. In other words, on the hand, the Islamic riches should have social responsibility, other worldly orientations and high morality; on the other hand, they should adhere to competitiveness, global integration, profit maximizing and the concerns of this world. Not unexpectedly, living and acting in these two competing discourses causes a considerable tension, which may be called “discursive tension,” in the minds of Muslims. Muslims however, have come up with solutions to overcome the tension by redefining Islamic and capitalist discourses.

The burning questions for the neo-Islamists were “how to earn” and “how to consume” within a capitalist system, while not transgressing Islamic boundaries. For many years, Muslim intellectuals and scholars and Islamic organizations have been overtly or covertly attempting to answer these questions. Rather than creating an “alternative Islamic economic system,” this chapter argues that the Islamic actors eliminated the discursive and ideological tension between Islam and capitalism over time by: a) inducing Islamic morality into capitalism, and b) changing the definitions of Islam and capitalism.

MÜSIAD was the first organizational attempt to reconcile Islam and capital; however İGİAD has become the most ambitious and systematic organizational attempt in addressing the challenge in question. By bringing the scholarly and business world together, that Association have attempted to create a



theoretical framework and new “opportunity spaces” (Yavuz, 2010:272) in which wealthy Muslims could earn and spend islamically within a capitalist system. Indeed, the case of İGİAD is an example that demonstrates the dynamic relationship and tension between Islam and capitalism. What is especially interesting about this self-consciously Islamic Association is that many of its members were former radical Islamists who did not consider Turkey to be an Islamic country and wanted to change it by force or by revolution in the 1980s and 1990s. Ironically, on the one hand these people created an association which was a practical answer to the discursive tension between Islam and capitalism, and on the other hand, they have become the forerunners of ‘Islamic capitalism’ in Turkey.

In this chapter, I will first examine economic and institutional developments which led to the birth of İGİAD. And then, based on mostly in-depth interviews with the İGİAD members, I will examine specific examples of symbioses between Islam and capitalism.

### 6.1. Birth of “Homo-Islamicus”: MÜSİAD and Opportunities of Muslim Entrepreneurship

The post 1980s economic liberalization created “opportunity spaces” for the long neglected and excluded Islamic groups. These spaces enabled Muslim

actors, including businessmen, intellectuals, and feminists to have their own voice heard in a constantly drawn and redrawn public sphere. In the newly constructed public space, Islamic groups shaped and reshaped Muslim identity with the help of their rising sociopolitical consciousness.

It was mostly Anatolian-based Islamic businessmen that started to gain financial capital beginning from the mid 1980s onwards. This was due to the neo-liberal policies pursued after the 1980 military intervention. By the 1990s, Muslim entrepreneurs felt a need to have their own economic organizations. Before intellectual discussions about an ‘Islamic economy’ matured sufficiently, the forces of real life started to affect the pious and Islamic bourgeoisie especially in the 1990s. In 1990, rather than becoming members of TÜSİAD (Türk Sanayi ve İşadamları Derneği/Turkish Industry and Business Association), which was the largest Turkish economic union, and controlled almost 80 percent of the Turkish capital, these pious Muslims chose to establish their alternative and “independent” economic association, MÜSİAD (Mustakil İşadamları Derneği/Independent Industrialists and Businessmen Association) (Özdemir, 2006). By “independent,” they meant both independent from traditional “secular” Turkish capital, and from any specific Islamic group or *cemaat*. Shortly after its establishment, MÜSİAD turned out to be one of the most important civil society organizations in Turkey.<sup>29</sup>

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<sup>29</sup> 1990s witnessed the emergence of other ‘Islamic’ economic associations, such as İŞHAD (İş Hayatı Dayanışma Derneği), HÜRSİAD (Hür Sanayici ve İşadamları Derneği), and TUSCON (Türkiye İşadamları ve Sanayicileri Konfederasyonu ) which were mostly connected to the Fethullah Gülen Movement. On the other Islamic economic organizations in the 1990s, see Sönmez, Mustafa. 2010. *Türkiye’de İş Dünyasının Örgütleri ve Yönelimleri*. Istanbul: Friedrich Ebert Vakfı Yayını.

MÜSİAD was the first and foremost Islamic business organization in Turkey. As Yankaya states, MÜSİAD is a group which must be studied within the context of both the business associations that constitute an essential element of civil society and the Islamic movements in Turkey (Yankaya, 2009). The aim of MÜSİAD was to represent small and medium enterprises, which were mainly based in Anatolia, and to form a rival body against the Istanbul-based firms' organization, TÜSİAD. MÜSİAD is different from TÜSİAD in terms of ideology, size, and location. In terms of size, TÜSİAD has more members than MÜSİAD, but MÜSİAD's members are scattered all over the country. Comparing their mission and vision statements, we can see the difference between the two even better. In the foundational protocol, originally penned in 1971, TÜSİAD stated its primary agenda as follows:

TÜSİAD is a voluntary based civil society organization founded by Turkish industrialists and businessmen in 1971 with the objective of representing the business world. TÜSİAD aims to contribute to the formation and development of a social order wherein the institutions and rules of the universal principles of human rights, freedom of thought, belief and enterprise, a secular state of law, understanding of participatory democracy, liberal economy, competitive market economy as well as a sustainable environmental balance are adopted. TÜSİAD holds activities; in line with the targets and principles foreseen by Atatürk, in the understanding of Turkey catching and surpassing the modern civilization level and according to the belief that the business people taking into consideration the equality between women and men in terms of politics, economy and education are the pioneer and entrepreneur group of the society, with the aim of fulfilling the main objective stated above (<http://www.tusiad.org.tr>).

In the eyes of Turkish people, TÜSİAD is the representative of “old/established bourgeoisie” or (commonly yet in vulgar fashion, known as

‘Beyaz Türkler/White Turks’) and also of rigid radical secularism of the Turkish Republic. Many people think that the old bourgeoisie was supported and created by the state, through elimination of non-Muslim businessmen in the 1940s and 1950s. In time this class distanced itself from the rest of the population. TÜSİAD has an emphasis on its loyalty to Kemalist ideology, and makes no reference to the culture or religion of Turkey. On the other hand, MÜSİAD aiming clearly and yet very carefully to differentiate itself from TÜSİAD carries an emphasis on its loyalty to the history, culture and identity of the Turkish people as reflected in its mission statement. One could read this emphasis as a reference to religion as well:

MÜSİAD, by primarily abiding the universal values and respecting tradition, culture, and identity of our people, aims to develop by holding onto our ‘independent’ identity on national and international arenas. It facilitates various activities in order to strengthen economic stability and democratic structure of our country, and catch up with the developed countries on economic and democratic levels; and sustain the economic structure in a free and competitive market(<http://www.musiad.org.tr>).

Unlike TÜSİAD, MÜSİAD represents the “new bourgeoisie,” and “pious Muslim” entrepreneurs and businessmen in Turkey. Sharing some of the feelings of the masses, and desiring to move more freely in the “opportunity spaces” they have found, the new Muslim bourgeoisie felt a need to differentiate itself from the ‘old bourgeoisie’, and it initiated its own business association.

MÜSİAD’s collective organization of Islamic entrepreneurs constituted an important step for the development and spread of an Islamic economic discourse

in Turkey. Their ambition was not only to create an economic organization, but also a new economic man, “homo-Islamicus.” “Homo-islamicus” is the idea of an Islamic entrepreneur that is both capitalist but is also equipped with Islamic morals and ethics. This is particularly significant as MÜSİAD convinced Islamic entrepreneurs of the viability of an “Islamic capitalism” within the global capitalist world system under a secular state (<http://www.musiad.org.tr/detayArYay.aspx?id=157>). “Homo-Islamicus” is the main actor in Islamic capitalism, but different from and alternative to the TÜSİAD’s “homo-economicus,” as the former is equipped with Islamic moral values. Homo-Islamicus is also different from the traditional pious Muslim businessmen as homo-Islamicus is the “capitalist” profit maximizing businessman. These new capitalists are loyal to religious values but open to change; they are progressive rather than traditional and most significantly they are pragmatic. The “homo-Islamicus” is in favor of institutional changes but loyal to the traditional values of virtue. They are very rational, making cost-benefit assessments to choose profitable areas for investment; they believe in competition but only within Islamic circles; and they stay away from *haram*<sup>30</sup> Thanks to the effects of the “Turkish-Islam synthesis”<sup>31</sup>, which was formulated by conservative intellectuals and bureaucrats in the early 1980s, they legitimize earning money through religion and nationalism. On the religion front, making money is

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<sup>30</sup> In a survey conducted to determine entrepreneurial characteristics and religious-cultural values of Anatolian businessmen, 4.4 out of 5 respondents valued the statement “the road to earning the Hereafter passes through this world.” See Kapu, Hüsnü. 2011. “Orta ve Güneydoğu Anadolu da Yasayan Girişimci/Yöneticilerin Yaşam ve Girişimcilik Değerleri, Ph.D. thesis, Marmara University Institute of Social Sciences, p. 238.

<sup>31</sup> After the 1980 *coup d’état*, the generals favored strengthening of religious sensitivities to struggle against communism and socialism. The idea was to have cement that would hold the society together. It is state led promotion of Islam blended with nationalist values.

legitimized with a discourse centered on statements such as the “Prophet himself was a merchant,” and “a wealthy Muslim could work for the good of the whole society.” On the nationalism front, the legitimization discourse revolved around the idea of “development” and “Turkey becoming a major world power.” To help the development of the country, it was their duty to establish business, trade and earn money. Rather than the individual gains, what is important is the benefit to the nation and providing more jobs and “bread” for people (Acar, Demir, Toprak, 2004:166-188).

Another main characteristic is the priority of education for MÜSİAD members. The first generations of members from Anatolia, in particular, were not educated in high quality educational institutions. With the opening of opportunity spaces in the cultural arena, these people had a chance to send their children to private schools operated by other Islamist entrepreneurs or Islamic communities.<sup>32</sup> The children of this generation of people tend to get their education either in high quality Turkish private schools, or in educational institutions in Europe or US.

In the 1980s and 1990s, MÜSİAD proponents did not have access to state benefits, since they were far from politics and state bureaucracy. This is why they were always in favor of less state intervention in the free market system. The interaction between Islamic entrepreneurs and the state started when the Welfare

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<sup>32</sup> Private schools such as Samanyolu, Fatih and Yamanlar offer foreign language education in addition to promotion of scientific projects. Their students won honorary degrees in international high school being the most successful and highest-ranking award winner in Turkey. The same institutions also hold a record with 111 medals won in national science Olympics organized by TUBITAK. See <http://tr.fgulen.com/content/view/14650/11/>

and Virtue parties were controlling the municipalities. However, this interaction greatly increased when the JDP came to power in 2002. The following statement, made by a member of İGİAD, provides a good illustration of this transition: “We learned how to govern, we learned how to do business with the State, we earned money, and we have liked money.” (O,A. August 24, 2010. Interview with the author. Istanbul, Turkey).

On the institutional level, MÜSİAD served as a “catalyzer” for the international integration of small sector Anatolian entrepreneurs into the global capitalist system by showing the benefits of trade with the outside world. It organized international fairs in Turkey and sent entrepreneurs to the international fairs abroad, enabling these people to establish connections. With the help of Islamist intellectuals, MÜSİAD published reports, articles and journals to inform its members about micro and macro economic developments. With these activities, MÜSİAD has made the “life of a Muslim entrepreneur easier” (Gümüşçü, 2010:835-861).

The embodiment of Islamic norms into capitalist life has also enabled Islamic intellectuals and entrepreneurs to break the stereotyped view of Islam as a religion that impedes capitalist development. The blame, once again, was put on the Westernized elite of Turkey, who “either do not know or misunderstand Islamic principles”. For the Islamic entrepreneurs, it was the Turkish modernization project that failed to achieve Western levels of development, led to

huge income gaps, and created an alienated mass by imposing alien cultural values on Turkish society (Adaş, 2006:125). The solution to all these problems was the integration of Islamic values into economics, social and cultural life.

## 6.2. From MÜSİAD to İĞİAD: Limits of Muslim Entrepreneurship

In the long run, the activities of an Islamically-oriented MÜSİAD did not satisfy some of its more pious members. To them, MÜSİAD grew uncontrollably and changed over time to the extent that it did not keep its original promises. Although most of the İĞİAD members are not openly critical of MÜSİAD, it is possible to detect--if only between the lines--that they are not happy with the behaviors, morals and entrepreneurship styles of some MÜSİAD members. Moreover, İĞİAD members believe that some MÜSİAD members transgress Islamic boundaries and take part in the capitalistic life style to too great an extent. Therefore, although MÜSİAD started with good intentions, it has had its own limits. This growing dissatisfaction made the birth of İĞİAD possible. İĞİAD's aim was to have a more tightly controlled and standardized organization.

The integration of Islamic values into a capitalist economy is not an easy task. As one of the members of İĞİAD observed:

You have to have an economic power which is also supported by intellectual paradigms. We have some difficulties in the capitalist secular world both in economic and cultural social life. We need intellectual



leaders to show the ways to the Muslim entrepreneurs and give advice “fatwa” in the matters about what we need help (D,S. August 12, 2010. Interview with the author. Istanbul, Turkey).

In other words, the Islamization of capitalism is a twofold task: on the one hand, you need to have an entrepreneurial class that will supply and sustain economic capital; on the other hand there is a need for intellectual capital which will check against the possibility of “losing the way” in the capitalist world. Most of the İĞİAD members who were interviewed by the author, mentioned that some of the pious Muslims are losing the ‘battle’ against materialization. All pointed to the need to have an inner check mechanism, which, they believe, İĞİAD will provide and thus help them remain in the “Islamic” circle.

One of the interviewers states that although there are similarities between MÜSİAD and İĞİAD, MÜSİAD is an organization based on material collaboration, whereas İĞİAD is based on a deeper philosophy. For example, the AGU (Asgari Ücret Uygulaması- minimum wage policy), which obliges each member employer to pay a prescribed amount of salary to their employees (nearly three times more than the regular minimum wage), is an important marker that differentiates İĞİAD from MÜSİAD (S,A. June 16, 2010. Interview with the author. Istanbul, Turkey). One of the founders of İĞİAD, thinks that one of the most important differences between MÜSİAD and İĞİAD is that while MÜSİAD is engaged in so many different national and international activities, İĞİAD is specifically concerned with raising a new Muslim entrepreneurial class that is engaged in personal and moral development. One of the ways of realizing this aim

is to bring the businessmen and academics/Muslim scholars together to produce a solution (O,S. August 24, 2010. Interview with the author. Istanbul, Turkey).

### 6.3. İĞİAD: From a Radical Muslim to an Entrepreneur Muslim

İĞİAD was born as a result of growing dissatisfaction with MÜSİAD, aiming to create a more coherent, systematic and self-conscious Islamic organization. The Association shared almost all of the stated religious and moral sensitivities of MÜSİAD, and added more requirements especially in regards to the implementation of these sensitivities.

In its own words, İĞİAD is a “civil society institution, which operates in the field of business ethics and entrepreneurship.” The aim of the Association is to combine solidarity, social responsibility, otherworldly orientation, and the high morality of Islamic ethics with economic competitiveness, global integration and profit making and this-worldly concerns. Its purpose is not only to set an example for the business world, but also for family life, and by extension, for society at large. As stated in its own literature, it aspires the “encouragement of entrepreneurship and creation of an ethical ‘sensitivity’ especially within the business world through dissemination of ethics through acknowledgements, education and publications.”

([http://www.igiad.com/index.php?option=com\\_content&task=view&id=15&Itemid=35](http://www.igiad.com/index.php?option=com_content&task=view&id=15&Itemid=35)).

By examining the İĞİAD's mission and vision statements, it is not difficult to see its difference from TÜSİAD, and for that matter, even from MÜSİAD, since İĞİAD, without shying away, places 'Hak' at the center of its activities. Etymologically speaking, we can translate the word "Hak" as either "just/ice" or "God". Writing the "just" in bold letters in its charter and mission statements is a deliberate attempt on their part to show their keenness on the centrality of "God" in their life and activities. In order to qualify the concepts of "hak" and "ethic", one of the interviewers notes that the foundation of the ethic for İĞİAD is Islamic morality. To him, although there is no modern and systematic Islamic economic theory, Islam gave us some parameters in which the terms such as "hayır/good deed", "bereket/blessing," "rizik/livelihood," "sevap/good deed," "israf/waste," "tassarruf/heftyness," "infak/charity," "tasadduk/charity," "iman/faith," "cenneti satin alma/buying the paradise", "helal-haram/religiously permissible-impermissible," "itidal/modesty" "orta yol/middle way," "riya/ hypocrisy," "kibir/arrogance," "gosteris/conspicuous consumption" could help us to construct "Do's" and "DON'Ts" of our lives and daily activities (S,A. June 16, 2010. Interview with the author. Istanbul, Turkey). One of the founders of İĞİAD, qualifies the term "ethic" even further and says that the ultimate criteria for the Muslims are the Qur'an, Sunnah, and practices of the Prophet's companions (H,B. August 20, 2010. Interview with the author. Istanbul,

Turkey). In its own vocabulary, “İĞİAD does not accept non-ethical market conditions; works towards the establishment of a ‘Hak-centered’ business life; and encourages a ‘*halal*’ portion of profit. At the same time, it is incumbent upon İĞİAD to support entrepreneurs who will work toward the recreation of business practices modeled on solidarity”. Etymologically speaking, we can translate the word “Hak” as either “just/ice” or “God”. Writing the “just” in bold letters in their charter and mission statements is a deliberate attempt on their part to show their keenness on the centrality of “God” in their life and activities. In order to qualify the concepts of “hak” and “ethic”, Sükrü Alkan, notes that the foundation of the ethic for İĞİAD is Islamic morality.

### 6.3.1. İĞİAD’s History and Membership

İĞİAD was established by eight businessmen in 2003 after “long and in-depth discussions” in the words of Şükrü Alkan. The founding members were Hilmi Poyraz, born in Malatya in 1960, (textile manufacturer); Salih Kahraman, born in İkizdere, 1958 (IT and computer technician); Davut Şanver, born in Erzincan, 1960 (textile manufacturer); Halim Özdemir born in Çankırı, 1961 (tradesman); İbrahim Özkan, born in Erzincan, 1972 (tradesman); Orhan Sağlam, born in Sivas, 1966 (Accountant); Recep Özkan, born in Erzincan, 1970 (tradesman); Şükrü Alkan, born in Erzincan, 1971 (textile manufacturer).

The average age of the founders was 40-45, and they were mostly of Erzincan origin. They were children of the first generation migrant families, who mostly lived in Istanbul (Table 1). All of the members were originally from Anatolia and all received their higher education in the prestigious schools of the metropolitan cities such as Ankara and Istanbul. Like the early founders of MÜSİAD, many of the İGİAD founders were graduates of Boğaziçi University.

Table 1: Birth Places of the İGİAD members in percentages

Birth places of members	Istanbul	Erzincan	Malatya	Trabzon	Konya	Sivas	Afyon	Other
Number of Members	33	19	12	7	4	5	4	67
Percentage	23%	13%	8%	5%	2%	3%	2%	44%

As can be seen from the table majority of the members were born in various regional cities. Only 23 percent of the members were born in Istanbul; many of whom were under 40 years old. Several of them migrated to Istanbul for getting a higher education. Almost all of the parents of these people were of a humble background, and engaged in small businesses only.

Table 2: İGİAD members divided by sectors in 2010

SECTOR	Construction/machinery	food	textile	education	media	Finance/law	Chemistry	Other
Number of members	53	10	27	10	11	19	5	16
Percentage to overall	35%	6.7%	17.9%	6.7%	7.3%	12.6%	3.3%	10.5%

The Table 2 shows that most members are in the construction sector. It is not surprising to have majority in construction as it has been rapidly growing sector in Turkey. The second largest group is in the textile sector. Again the sectoral division of İGİAD can be said to be a small prototype of Turkish economy.

One of the most interesting characteristics of the members is that most of them were, in their own words, “ex-radical Muslims.” About two or three decades earlier, they have been refusing to vote for any party, even for Islamist National Outlook parties, thinking that voting could help to perpetuate an un-Islamic system. They also did not attend Friday prayers, thinking that they were living in a state of “dare harp/abode of war.”<sup>33</sup> They refrained from membership of any Sufi *tricot* or Islamic *cemaat*, thinking that those hierarchic communities had been

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<sup>33</sup> In the classical Islamic thought, if a country is considered “daru’l-harp (abode of war),” a Muslim is not supposed to go the Friday prayers, until the country become “daru’l-Islam (abode of Islam)”.

killing the “individualism” and “rationality” and put the individual in a state of inactivity. They also shied away from business with banks. They aspired to change the system and the state by a revolution, as in the case of Iran. Their political background is one of the strongest determinants for the pious and strict structure of the Association.

As of today, the organization had 170 Istanbul-based members, as opposed to MÜSİAD which has almost 3000 members all over Turkey. The İĞİAD chair Şükrü Alkan stated that there is a growing demand coming from Anatolia (mainly from cities closer to Istanbul like Bursa or Izmit and Kayseri) to open new branches of İĞİAD.

According to the testimony of the people I interviewed, all of the members are practicing Muslims. One of the aims of the association is to bring people from different sectors of life together, and find a solution to problems together. Thus, membership is not limited to only employers but also employees, managers and academics as well. The low membership numbers are due to the organization’s tightly knit membership procedure. Deterred by the uncontrolled growth of MÜSİAD, the founders of İĞİAD are very keen in the membership selection process.

Somewhat akin to the Masonic membership process, İĞİAD members are not necessarily a self-selective group, but people who were recommended by at

least two existing members. Although the İĞİAD Charter states that everyone, who meet the general criteria of Turkish Law on Associations, could apply for the membership, in practice this is not the common membership process.

According to the İĞİAD Charter, after a background check, the result of the application is declared to the applicant in a written form in 30 days time. Membership can be denied, if the applicant transgressed the İĞİAD'S principles in the past. For example, fraudulent checks, lies, immoral and un-Islamic behaviors, or criminal investigations could be a reason for rejection. Mr. Alcan told me that there were few cases of denial in the past. In case of acceptance, the new member agrees that s/he abides the İĞİAD charter. All members hold the right to resignation and no member can be forced for his\ her continuation of the membership. If any member acts contrary to association's charter principles, the association has the right for the removal of the membership. Anybody removed from the membership has the right to appeal to the general assembly. All members have equal rights. Each member has one vote ([http://www.igiad.com/index.php?option=com\\_content&task=blogcategory&id=22&Itemid=75](http://www.igiad.com/index.php?option=com_content&task=blogcategory&id=22&Itemid=75)).

Alcan contends that the Association does not represent exclusively itself and not any *cemaat*, *tarikât* or any other organization. The Association is a mosaic structure, which comprises members from various different *cemaats*, including the Gülen movement. These first-generation migrant people are, in most



of the cases, very educated, young, successful and very well-connected both in Turkey and abroad. As one of the members suggests, the moral education of these talented people was already provided by the *cemaats* (Y, A. June 24, 2010. Interview with the author. Istanbul, Turkey).

In one of its advertisement brochures, the duties and responsibilities of an İGİAD member are defined. The first and foremost requirement is to have “respect” for business ethics in commercial relations: “The principles which determine his approach to world, materials and possessions come from this rooted tradition and moral understanding” (İGİAD Advertisement Brochure). Although the word Islam is never explicitly stated in the brochure, it is implicit in “rooted traditions and moral understanding”.

As stated earlier, an İGİAD member is to be the role model for the Islamization of capitalism. In this regard, “An İGİAD member tries to be a good role model. It is not acceptable to find right examples from the understanding which separates moral and business.” The new version of capitalism is inseparable from the moral rules and norms. The İGİAD member does not only make business for market requirements but also conformity to business moral principles. “The business which is made according to business moral principles is the best way of making business. An İGİAD member avoids to being a market man” (B,H. December 12, 2010. Interview with the author. Istanbul, Turkey).

Emphasizing the indispensability of morality, it is stated that an ĠĠAD member should be “aware that all possessions and reputations are temporary”. In other words, an ĠĠAD member should not “loosen his (religious) ways in worldly affairs”:

An ĠĠAD member is careful in his relation and behavior with colleagues and employers. He respects health, cleaning and security rules in the work for himself and employees. An ĠĠAD member is responsible, organized and cares his appearance also tries to represent the Association to the best of his ability. He knows where and what to talk. An ĠĠAD member is loyal to his appointments, keep his promises and is also respectful to the public and personal goods ([http://www.igiad.com/index.php?option=com\\_content&task=blogcategory&id=22&Itemid=75](http://www.igiad.com/index.php?option=com_content&task=blogcategory&id=22&Itemid=75)).

As seen from these definitions, being a member does not only involve paying the annual fee and going to the meetings, it also means acting in accordance with the moral and attitudinal codes determined strictly. Although the ĠĠAD member is a “capitalist businessman” he is not individualistic. The notion of solidarity is emphasized over and over again in the ĠĠAD Bulletin and in the interviews that have conducted.

### 6.3.2. ĠĠAD’s Mission

In its mission statement, ĠĠAD repeatedly reminds its members that the *hak*, right/justice/God is at the center of its existence. It is worth presenting some of its mission statements in full, so as to show its emphasis on *hak*, *halal* profit,

just distribution of profit, ethics, morality, good behavior, and solidarity among its members:

İĞİAD questions the legitimacy of the current market practices and reshapes the business and financial culture by adopting the principle of transforming those illegitimate provisions. İĞİAD puts the greatest emphasis on rights and executes decisions on the principle of upholding rights above else ([http://www.igiad.com/index.php?option=com\\_content&task=blogcategory&id=22&Itemid=75](http://www.igiad.com/index.php?option=com_content&task=blogcategory&id=22&Itemid=75)).

The association's main ambition is to improve not just the market practices but also the 'culture' of its members. The central value in cultural sphere is put on the *hak*. *Hak* can be sustained through ethical behaviour in all aspects of life. To sustain a capitalist mode of life in the Islamic sphere, moral values should reign supreme. The moral values are grounded in religion, and thus distinct from Western enlightenment thinkers. For this reason in its Mission statement İĞİAD states that:

İĞİAD works for moral entrepreneurs to increase and dominate business world. İĞİAD, supports moral people's entrepreneurship for a moral business life and generates/transfers knowledge and experience for this purpose. İĞİAD develops financial and social projects. (<http://www.igiad.com/en/igiad/mission>).

Although there is no direct reference to Islam in the official mission statement, when asked, every member identified Islam as the source for morality. In one of my interviews with an İĞİAD member, the interviewee claimed that İĞİAD is different from all other business associations, including MÜSİAD. It is

the only association which puts emphasis on morality rather than establishing strong business relations among the members. For this reason İGİAD only accepts individual members rather than companies as its members.

On the other hand, like other Islamic business associations, İGİAD does not see a contradiction between acquisition of wealth and Islam. However, the association is quite keen on “fair share of lawful (halal) earnings”. The question is not how much a Muslim earns but *how* he earns the money. To maintain the fair share of lawful earning the Association created ‘Minimum wage system (AGU)’. In this system the Association determines a minimum wage for the members to pay their employees. The wage is determined by reference to a family of four with residency in Istanbul. The minimum wage is higher than the state determined minimum wage. The members are strongly encouraged to pay the minimum wage determined by the Association; however, if they do not they do not face a sanction.

The dominance of morality is sustained through the establishment of solidarity. The solidarity is exclusive as “İGİAD supports persons and institutions with similar ideals to come together in solidarity. İGİAD forms a consciousness of unity and system to raise solidarity especially among members. It organizes various funds and systems in this context. The solidarity is maintained and

sustained through different mechanisms. The first mechanism is the “business place visits.” The visit is followed by a report that includes the firm’s financial status as well as the member’s relations with his employees and colleagues. In one of the interviews the reason for this was stated as:

What we say and what we do should be the same. Earning money is a kind of test for the good Muslim. The other Muslims should create a check mechanism to ensure the solidarity. The solidarity will prevent the member from taking wrong turns and engage in unethical behavior and attitude (M,P. July 13, 2010. Interview with the author. Istanbul,Turkey).

The check mechanism does not cover only the member’s relation with employees. The Association also puts a strong emphasis on members’ relations with their families. To ensure solidarity, the Association organizes weekend events that enable family members to spend time with each other and with other members.

### 6.3.3. İGİAD’s Vision

İGİAD’s vision statement reiterates the mission statement by placing ethics and morality at the center of its activities:

İGİAD, affecting the current discourse and opinions on business ethics raises awareness on moral business ideas and financial discourse. İGİAD aims to be a leading association with academic and practical publications and thus being a strong voice in the field

([http://www.igiad.com/index.php?option=com\\_content&task=view&id=15&Itemid=35](http://www.igiad.com/index.php?option=com_content&task=view&id=15&Itemid=35)).

As it is stated clearly, İĞİAD does not only want to be a business association in which solidarity is achieved among the members, it would also like to set the discourse on business ethics and would like to be the model institution with its ideal members for Islamic capitalism.

To achieve this end the Association has some ambitious targets to realize. Again, their targets are open and placed on their website and booklets. On the side of creating business ethics, the Association gave itself the pioneering duty of creating a business environment in which morality plays the most important role. The goal is the “creation of a positive environment by formation of an honest community.”

([http://www.igiad.com/index.php?option=com\\_content&task=view&id=43&Itemid=72](http://www.igiad.com/index.php?option=com_content&task=view&id=43&Itemid=72)).

Another of İĞİAD’s goals is to encourage entrepreneurship within the context of Islamic capitalism. To achieve this task, İĞİAD places its emphasis on guiding small and medium-sized enterprises (SME’s):

İĞİAD targets for encouraging entrepreneurship by increasing social solidarity, by multiplying number of small entrepreneurship to reduce unemployment, encouraging multiple-partner institutions’

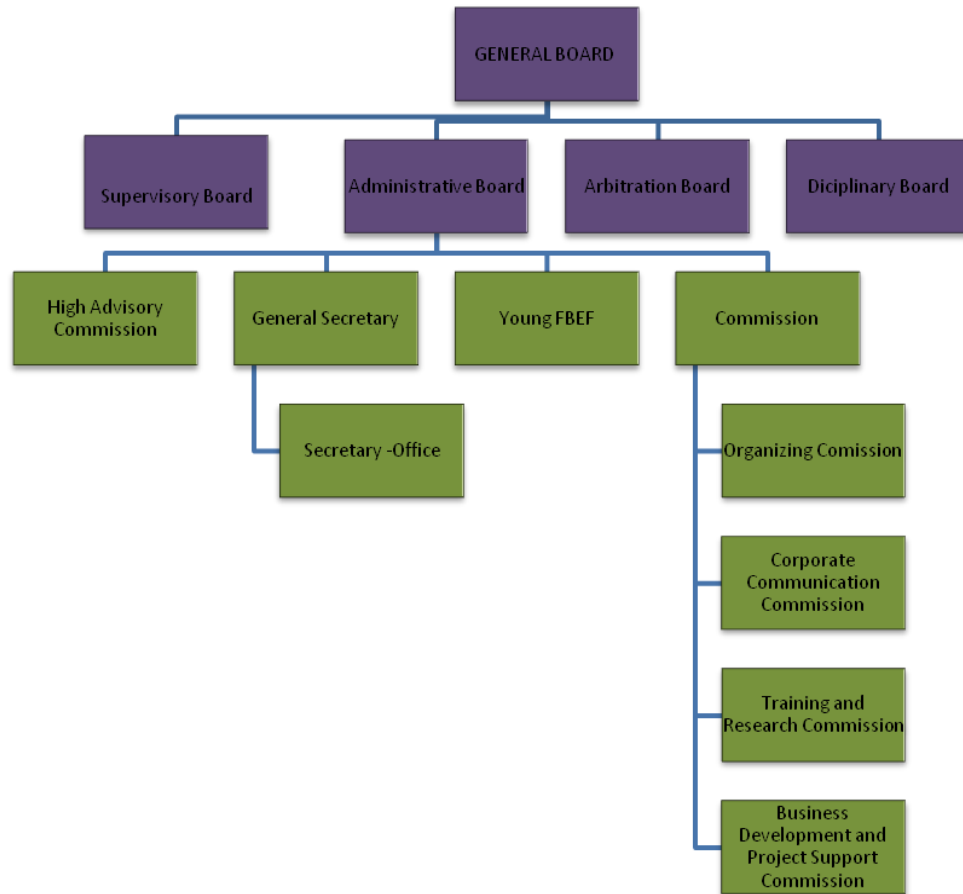
entrepreneurship by bringing together small savings and by supporting the existing SMEs and generating projects that provide information support ([http://www.igiad.com/index.php?option=com\\_content&task=view&id=15&Itemid=35](http://www.igiad.com/index.php?option=com_content&task=view&id=15&Itemid=35)).

#### 6.3.4. IGIAD'S Organization

IGIAD has a complex, hierarchical organization schema having a general board at the top, followed by a Supervisory Board, Administrative board, Arbitration Board and Disciplinary Board. The Administrative Board has the following sub-branches: High Advisory Commission, Secretary General, Young IGIAD, and Commission. The Commission has sub-branches consisting of the Organizing Commission, whose main task is to register new members and maintain strong ties with current members. The Corporate Commission is in charge of developing corporate partnerships and expanding the areas of association. The Training and Research Commission is charged with the mission of providing educational trainings, preparing publications, and carry out research. The Business Development and Project Support Commission have the task of producing new ideas and feasible projects to raise the spirit of entrepreneurship.

### 6.3.5. İGİAD's Organizational Chart

The organization has a General Board, which is composed of fifteen people. The following chart gives us the way the Organization works ([http://www.igiad.com/index.php?option=com\\_content&task=view&id=33&Itemid=80](http://www.igiad.com/index.php?option=com_content&task=view&id=33&Itemid=80)).



The High Consultative Committee is composed of 25 people. Of these, 13 are academics in various universities in Turkey: Abdulaziz Bayındır (Professor) , Ahmet Tabakoğlu (Professor), Cengiz Kallek (Associate Professor), Ersin Nazif Gürdoğan (Professor), Hüner Şencan (Professor), Ibrahim Öztürk (Associate



Professor), Kemal Sayar (Associate Professor), Melikşah Utku, Mustafa Çağrııcı, Mustafa Özel, Nihat Erdoğan (Professor), Nurullah Genç (Professor), Ömer Torlak (Professor), and Sedat Murat (Professor) (January 2013). As it can be understood from the professions of the board members, İGİAD is very serious about coming up with a theory of “Islamic capitalism” with the help of intellectuals and academic publications.

#### 6.3.6. İGİAD’s Activities

As Ahmet Yaşar, who is in charge of the Committee of Education, points out, İGİAD carries out a wide range of activities, including holding conferences, seminars and panels on business ethics and entrepreneurship, publishing periodic bulletins and books, and making occasional visits to member and non-member institutions (A,Y. August 03, 2010. Interview with the author. Istanbul, Turkey). In line with its mission, İGİAD engages in media activities including multivision and cinevisions in all kinds of media channels. They also organize domestic and international trips, fairs and exhibitions.

([http://www.igiad.com/index.php?option=com\\_content&task=blogcategory&id=22&Itemid=75](http://www.igiad.com/index.php?option=com_content&task=blogcategory&id=22&Itemid=75)).

Additionally, İGİAD gives an “Entrepreneurship Award” that is given annually to entrepreneurs who achieved important developments in business. In

2006, The Entrepreneurship Award was given to Recep Durgun (Katre Isı) and his employee for their efforts in developing a company with a moral culture. The award was given to Mustafa Kara from Çağrı Hipermarket in 2007 due to his prioritizing local over international products, and for building a culture of confidence and team spirit in his employees.

Like other business associations, İGİAD publishes a monthly bulletin where it advertises its activities and communicates with its members. It also publishes an entrepreneurship report and a business ethics report. The entrepreneurship report focuses on the developments of Turkish entrepreneurship over time, as well as the conditions in different sectors of the market. The report has addressed the following questions: whether specific examples of entrepreneurship are modernist or adventurist, and whether entrepreneurship is the dynamo of the economy.

The business ethics report addresses the current situation of business. It aims to contribute to business ethical values, and it came up with ideas related to the determination of the problems and the plans that could be implemented in the future.

Perhaps one of the most important İGİAD activities is the biannual publication of the *Turkish Journal of Business Ethics*, which dwells upon the organization's ambition to combine academic and business knowledge for

creating a model of an “Islamic economy.” The *Journal of Business Ethics* publishes academic research on business ethics, and it provides assistance and leadership to the theoretical and practical studies, contributing new intellectual studies related business ethics. It is published in order to share “good businessmen practices” with businessmen.

#### 6.4. Overcoming the Challenges of Capitalism: Moralizing Capitalism

The new bourgeoisie’s transformation has three important dimensions in Turkey. The first is the post-1980 neo-liberal policies and shift to an export-led growth model, which enabled embourgeoisement of conservative small businesses by integrating them into global markets. However, contrary to “Muslim Lutheran” or “Muslim Protestant” arguments, rather than choosing an ascetic life in the Weberian sense, Muslims internalized the global capitalist culture. This was quite visible in their consumption patterns and in newly created ‘Islamic’ public spaces. The second dimension was the merger of “Islamic” financial, social and political capitals. And the third dimension was the reconciliation of Islam with capitalism. Contrary to modernization theory, which assumes that industrialization and modernization would weaken piety, wealthy Muslims went through both industrialization and modernization processes without becoming more pious. Rather, they successfully integrated Islamic values and practices into their new

capitalist life style and vice versa. How did they overcome the challenges of the discursive tension between Islam and Capitalism?

The challenges of capitalism are easier to handle when you earn money. As explained before, Muslim intellectuals and businessmen in Turkey found ways to ease the tension between Islam and capitalism, and to a certain degree, reconcile them. However, the discursive tension becomes more problematical when people start spending. This tension is relatively new and more serious. On one hand, a good Muslim does not have the freedom for unlimited spending and on the other hand, the increased economic capital and social upward mobility compels a luxurious life style.

The new bourgeoisie, due to its accumulation of financial capital, adopted with new life styles that were quite different from the common traditional Islamic life styles. This transformation was a net result of economic and political transformation. This new class did not acquire its power exclusively by owning the means of production in Marxist sense, by acquiring political and cultural capital in Bourdieu sense. A new identity was formed around new consumption patterns, forming new relations to means of production and new interpretation of religion. The new bourgeoisie also attained a Weberian type of social status with its new fashion of veiling, five star vacationing and the like. The social division between this new class and other Islamists was a result of the encounter of Islam with global forces of consumerism and neo-liberal capitalist market forces. The

process involved changing definitions of capitalism and consumption in the rhetoric of Muslim riches.

#### 6.4.1. Capitalism Redefined

The Merriam-Webster dictionary defines capitalism as follows: “an economic system characterized by private or corporate ownership of capital goods, by investments that are determined by private decision, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market.” Religious or ethical values as determinants are absent in this capitalist system. The term capitalism had always a negative connotation for the Turkish Muslims and Leftists for different reasons. For the Left, borrowing heavily from Marxist terminology, capitalism denoted the existence of the bourgeoisie as the owners of production that exploits the lower classes. The term was also associated with the United States and neo-colonialism. For the Right and especially for the Islamists, the term is associated with the West, the value system that contaminated Islamic world through the projection of hard and soft power. Especially for radical Islamic actors, who were heavily influenced by the writings of Sayyid Qutb of Egypt, Ali Shariati of Iran and Mawlana Mawdudi of Pakistan, capitalism and the capitalist system were denounced in the 1980s. As clearly reflected in the words of one of the Turkish radical Muslims, they were after changing the capitalist system entirely:

In my university years I was not voting for the Welfare Party as if it was another system party. We were quite encouraged by the 1979 Iranian Revolution and would like to capture the secular state and replace it with an Islamic one. Later we realized that it was impossible to capture the state mechanism.<sup>34</sup>

For the Islamists of the 1970s and 1980s, ‘jihad’ was a reality and a part of ‘dawa/cause’ that should have been fought for the establishment of Islamic principles and even for an Islamic state. However, I time the idealism of the 1970s and 1980s faded away, and as a new group emerged as the winners of the system. Consequently, the idea of jihad moved from the political arena to socio-cultural arena. In the process, the conceptualization of jihad changed. Jihad was no longer for establishing an Islamic state based on principles of the Qur’an and denouncing all Western values. Jihad was now focused on spreading Islamic values in social and economic life, not through hard power, but through gaining more cultural and economic capital. And to attain cultural and economic power, these people realize that they should act within the system rather than against it.

At First, coming from similar backgrounds, those new Islamic businessmen, at first, were hesitant to define themselves as businessmen, in order

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<sup>34</sup>Cihan Tugal cites the story of Yasin as an example to show the transformation from ‘Milli Görüş’ ideas of anti westernism and anti capitalism to new politics. Yasin says: ‘We formerly cursed the state a lot. That was a fatal mistake. Islamic organizations like Muslim Brotherhood cannot run a state, as the JDP “captured” the state. We understood that it is us, the Turks who are the leaders of the Islamic world. Now Muslim Brothers and other imitate us.’ in the international arena, with the rising popularity of the JDP government, especially in the Arab world, the role model shifted from Muslim Brotherhood to JDP type in system democratic parties.’ See Tugal, Cihan. 2009. *Passive Revolution: Absorbing the Islamic Challenge to Capitalism*. Stanford: Stanford University Press:72.

not be associated with the capitalist system.<sup>35</sup> However, beginning in the 1990s, the term capitalism freed itself from negative connotation as Turkey witnessed the emergence of an Islamic bourgeoisie class that was forming a new identity through new public spaces and life styles.

Another reason for the shift in the discourse was the change in the methods Islamization. Again in the 1970s and 1980s, the Islamists were very much affected by the Iranian Revolution; the writings of Qutb, Shariati and Mawdudi were aiming to change the system through Islamic revolution. In other words, the ideal was to destroy the system that was unIslamic. However, starting from the 1990s, as radicalism lost popularity, these people changed their “tactics”. Now they are “playing the game with the tools of the enemy” (D,S. August 12, 2010. Interview with the author. Istanbul, Turkey). As they became the winners of the system, they preferred to transform it by incorporating their values into it.

The emergence of this new class was independent from the state but its continuation of articulation of power and material wealth was based on good relations with the state. The demand of the new bourgeoisie for neoliberal policies and democratization weakened the support for radical Islamists brought Islam the moderate side of the spectrum. The new articulation of capitalism and weakening of radical Islam can be obviously seen through the İĞİAD example. From the early 90s onward, the former radical Islamist members of İĞİAD changed their

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<sup>35</sup> Özdemir, Şennur. 2006. *MÜSİAD*. Ankara: Vadi Yayinlari: 76. In her work on MÜSİAD, Özdemir states that through out her research the members of MÜSİAD were quite hesitant to identify themselves as the businessmen as it denotes a capitalist characteristic.

conceptualization and perception of capitalism. In one of the interviews, interviewee said:

It is now impossible to ignore capitalism. We have also realized that we can not destroy this system. Rather than destroying it, we would like to control it; tame it through injection of Islamic norms and principles. The reaction to capitalism has two main causes. The “a cloak and a mansel” understanding that denies the probability of a rich Muslim and the second one is coming from the people who do not know how to cope with it. But we do: a capitalism that is controlled by Islam (H,A. December 21, 2010. Interview with the author. Istanbul, Turkey).<sup>36</sup>

In this context, the former economic elites, especially member of TÜSIAD, are accused of imposing their ideology and life style to the masses. However, it is this new Islamic bourgeoisie’s turn to do the same to others through developing and adopting of a new identity and life style. Another member of the Association put the blame on the old business elite.

Due to the lack of morality in Istanbul based wealthier segment of the society, people associated capitalism with lack of morality and all other negative connotations. But now everybody sees we can successfully incorporate our cultural and religious values to capitalism and still earn money (D,S. August 12, 2010. Interview with the author).

As demonstrated in the statements of the neo-Islamic bourgeoisie, the conceptualization of capitalism changed over time, even within the minds of ex-radicals. The reason for this change is the integration of Islamic businessmen into the global capitalist world with their own values. In Turkey capitalism was spiced

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<sup>36</sup> In this regard, neo-Islamic bourgeoisie share the same sentiments with bureaucratic elite in Turkey. As Heper asserts, the bureaucratic elite in Turkey perceived entrepreneurs as “profiteers” and “swindlers”. For more, see Heper, Metin. 1985. *The State Tradition in Turkey*. North Humberstone: Eothen Press.



up with a 'human touch', they no longer hesitated to define themselves as capitalists.

In this regard Islamic capitalism is different from the capitalism that Turkey has had for decades, in which economic and political order was based on an oligarchy of bureaucrats and a few capitalist businessmen. Now the Islamist capitalism is more liberal; the state has a reduced role over the market and Islamic businessmen act in solidarity under the ethical rules of Islam. Under this new system, businessmen have more roles and duties to rectify problems created by capitalism.

One other factor that helped the change in the conceptualization of capitalism was loss of belief in creating a full-fledged "Islamic economic system."

Islamic economics do not exist. Islamic economics does not have its own peculiar ideology. You cannot find any systematic work that is solely written on Islamic economics. Islamic economics is too vague; its rules are not determined so it can not replace capitalism as a new system (N.O. December 02, 2010. Interview with the author. Istanbul, Turkey).

One other factor that legitimized the process was the continuous boom-bust cycles of capitalism that leads to global economic crises. The new Islamic bourgeoisie class feels the need to add Islamic ethical values to the Weberian "Rational capitalism" to fulfill the needs of the pious businessmen. It is felt that, there is a great chance of this new "Islamic capitalism" to be taken as a model in the international arena. Many of the interviewees blamed wild capitalism, which

was solely working on the interest-generating mechanisms, for the global economic crises in recent years. To them, an “Islamic capitalism” could save the world from global economic crises. If Weber is right in claiming that the salvation from the Iron cage was dependent on emergence of a new charisma or emergence of new ideals, then filling materialist capitalism with Islamic principles that emphasize the priority of human could be an exit from the iron cage. In one of my interviews one of the members stated:

Competition is the key. However, it should be ‘just’ and prioritize ‘dignity of the human being’. As businessmen, we need a free market without the intervention of the state. The previous economic crises were closely linked to the state policies and the state’s protection over certain segments of businessmen. Today we have more just and free market system (A,G. January 05, 2011. Interview with the author. Istanbul, Turkey).

However, the transformation is a double-edged sword. For the transformation of economic/material areas, a mutual and simultaneous transformation of the spiritual/religious sphere is needed. In this transformation, Islam and capitalism transform, and perhaps invigorate each other. However the more you change the definition of the term capitalism, the more, you need to have a check and balance mechanism to save you from transgressing Islamic values. One of the respondents thinks that the best way to avoid this danger is to have a “Fatwa Board,” consisting of Muslim academics and scholars. This board would be like an advisory board that would help businessmen in matters in which he can not decide on his own about doubtful (şüpheli) conditions. The board would ensure that the action, agreement or transaction is done according to the Islamic

rules. In this way, doing business would be easier and faster (M,C. June 01, 2010. Interview with the author. Istanbul, Turkey).

#### 6.4.2. Consumption and Luxury Redefined: Need versus Waste

Starting from the late 1990s consumerism has become a grave challenge to Islamic bourgeoisie. The increased economic capital, combined with rising social capital, led to opening up new opportunity spaces for the Islamic bourgeoisie class. New Islamic media outlets, such as TVs, newspapers, and journals became the primary means of advertising for Islamic commodities. Products like Islamic dolls, Islamic soft drinks, and Islamic garments helped the neo-Islamist to define themselves with a distinct identity. As a result, Muslims did start to experience a tension between their rising economic capital, combined with an “urge” for consumerism on the one hand, and Islamic principles of modesty and frugality on the other hand.

In the traditional Islamic discourse, Muslims, even if they are rich, are supposed to consume only what they need (*ihhtiyac*) only. Anything beyond the need is a waste, *israf*. As clearly stated in the Qur’an and the Prophetic tradition, *israf* is *haram*.<sup>37</sup> What are the boundaries of need? And what are the boundaries of waste? In order to reconcile their old values with new demands, Islamists

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<sup>37</sup> Quran: “O Children of Adam! wear your beautiful apparel at every time and place of prayer: eat and drink: But waste not by excess, for Allah loveth not the wasters.” 7:31.

needed to change the definition of *israf* and luxury. However, there are not widely shared definitions of these concepts, they are quite subjective and change from person to person. Expectedly, (mis)interpretations of these terms by different people have created huge commotion and disagreements among the Muslims, since some Muslims were quite lenient in defining the term ‘luxury.’

As the Islamic bourgeoisie became more integrated into the capitalist system, they attempted to obscure the line between need and waste. The new value system shifted from traditional concept of modesty and thrift to a different set of values and norms that encourage spending. Different from the traditional Islamists, the new class does not condemn earning money but it does condemn earning money through a violation of Islamic rules. In the new mind set, there was nothing wrong with being wealthy as long as it was earned from *halal* ways.

Sabahattin Zaim, one of the prominent Islamic intellectuals, offers a final note by saying “A Muslim should consume as much as he needs depending on the living standards of his social community.” (Zaim, 1994:106). When I raised the question of the definition of *israf* with one of the founding members of İGİAD, he responded as follows:

Property is God’s trust (emanet) to us. We have to use it carefully. Waste *israf* is not using the property in accordance with its function. The limit of waste is not determined by the holy book, but by societal norms and values. You can not find any source to condemn driving luxury cars. In order to produce more, you need to spend more (O.O. May 21, 2010. Interview with the author. Istanbul, Turkey).

As stated earlier, the neo-Islamic bourgeoisie is more successful in resolving the issue on the earning side of the equation. On the spending side, the problem is more difficult to resolve. None of the members of the neo-Islamist bourgeoisie class admit that they may be spending more than their needs. In my interviews with MÜSİAD members, many of them found legitimization points for their super luxurious houses, cars, expensive watches, and ski resort holidays. However, İGİAD members were more careful about conspicuous consumption. Unlike many other wealthy Muslims, İGİAD members were very puritanical and modest. During my interviews, I have not seen any business office, for example, which was decorated with luxurious and stylish furniture, paintings or carpets. In the words of the chairman:

As İGİAD, we should set example to other Muslims by observing the *halals* and *harams*. As Muslims, we should always remember that our faith differentiates us from other people. We should develop an inner monitor mechanism by which every Muslim should check each other and warn the ones who engage in this-worldly affairs more than necessary. Even the Caliph Omar was asking the Companion Huzeyfe everyday whether he has seen any signs of hypocrisy on him or not (S.A. June 16,2010. Interview with the author. Istanbul, Turkey).

Through the forces of capitalism, the identity of Islamic bourgeoisie is shaped and reshaped. New consumption habits of this bourgeois class lead a different acquisition of status and identity formation. The new identity is different from the traditional Islamic identity of the 1970s and 1980s as it is also different from the identity of the secular bourgeoisie. This differentiation creates a class

consciousness among its members and it is criticized by many as an opposing factor to the ‘ummah’ understanding of Islam. In one of my interviews, an İGİAD member stated:

There is a growing class consciousness among the wealthier Muslims in Turkey. This is a natural consequence of earning money. Now Muslims are living in gated-communities, having ‘iftars’ at five star hotels, and go to very expensive vacations. I am not quite worried about myself as I both know what it is like to be poor and wealthy. But my children are born into the wealth. They do not know what it is like to live in a poor neighborhood, not to have a car, and to have nothing for holidays. I am very much worried that Muslims may lose the consciousness of ‘ummah’, if they do not do something about the next generation (M,C. January 04, 2010. Interview with the author. Istanbul, Turkey.).

Veiling and fashion are other interesting areas for demonstrating the changing definition of consumption for Muslims. The appropriation of commodities manifested itself most at “Islamic fashion.” At the end of the 1990s there were very few companies producing for the “Muslim clients”. Starting from the 2000s, one could observe a more stylistic understanding of fashion in Islamic women’s garments. Even Tekbir Giyim, which is the most well known Islamic garment store in Turkey hired a German Christian designer, and the styles of the fashion shows changed according to the demands and the needs of the new rising class.<sup>38</sup> The new fashion shows include performances of religious music, whirling dervishes, and the Ottoman marching band. One can easily see an

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<sup>38</sup> Tekbir Giyim company has been holding annual fashion shows for the last 16 years. The company is the inventor of the idea of Islamic swimming suit, called “haşema”. The changing style of Islamic women’s’ garments can be followed through Tekbir’s creations. At the end of 1990’s, Islamic dressing that was visible on the streets was mainly dark colored, poorly stitched and not stylish in the Western understanding of the term. The main idea was to be covered in the Islamic way, emphasizing modesty. The Islamic dress in 1980’s and early 1990’s was a response to increased secularization imposed by the state; a way of displaying identity.

eclectic style taken from Indian, Arabic and European styles. For example, a European style wedding dress merges with a veil and decoration in Arabic style (Gökarısel, Secor, 2009:23-53).<sup>39</sup>

Today Muslim women who would like to dress both fashionably and islamically have a huge variety of possibilities. There are an estimated 200 firms producing “Islamic fashion” garments in Turkey as of 2013. Turkish companies began to export their products to the Middle East, Europe and the USA (Gökarısel, Secor, 2009:27). This new fashion for Islamic attire “pressured people to buy not out of need [or for religious concerns] but for style—from a desire to conform to what others defined as “fashionable” (Robbins, 2005:16-17).

The new bourgeois class women prefer to shop abroad, especially in Dubai. They merge the Western type of clothing with Islamic ones. Fashionable Muslim women can be seen wearing the latest jeans, jackets, dresses and tops signaling their familiarity with fashion. There are two features that distinguish the new bourgeois women from the lower class devout Muslims and secular women. The headscarf is the main feature that differentiates secular and Muslim women. The brands of the garments and fashionable outfit differentiate this segment from the lower classes in the social hierarchy. The new “Islamic women” wishes to dress both islamically and fashionably merging the local with the transnational in a particular way. In this regard, we see fashionization of the veil; the veil

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<sup>39</sup> The authors here situate the veiling-fashion industry in a geopolitical, religious, and economic context and analyze its role in subject formation, thereby transcending the usual depiction of the veil as a topos of ideological discourse.

becoming a tool for fashion rather than a concern for religious piety and observance. In the process, the veil itself becomes a symbol of status.

For many Islamists the new consumption patterns of the new Islamic bourgeoisie are creating an opposition to the main tenants of Islamic morality. Especially on the issue of veiling many Muslims claim that the veiling is an expression of women's modesty and piety. Veiling fashion is associated with mercantile capitalism, and abandonment of tradition and traditional values. Following Baudrillard's statement (Baudrillard, 1993: 93-94), people criticizing the consumption patterns claim that veiling fashion is emptying out the real meaning of veiling. For example Islamist woman author Cihan Aktaş defines fashion as a basis for sexual deviance and an indication of loss of intimacy. Fashion also causes Muslim women to be relocated in a depoliticized position as veiling's symbolic and religious meaning is emptied through consumerism (Aktaş, 1995).

The reconfiguration of space and class can also be observed in the new bourgeoisie's preference for Ottoman style expensive furniture and decoration in their secluded gated communities, in their enjoyment of summer vacation at 'turban hotel' (alcohol free hotels that serve Islamic way of entertainment and life style) and in their fulfillment of their Islamic duty of Hajj in five star hotels overlooking the Kaba in Mecca (Selim, 2010). Through these practices the



Islamic bourgeoisie mixes Islam with capitalism and adopt a new life style dominated by pragmatism.

The meaning of need changed to fit to the demands of the neo-Islamist bourgeoisie. In the new interpretation a Muslim has the right to consume whatever he/she needs as long as it does not violate the Islamic principles became “a Muslim deserves the best of everything.” In the new capitalist Islam the difference between need and luxury is eliminated and capitalist consumerism dictates luxury as need as consumption becomes a symbolic capital.

The new class spends their holidays at luxury Islamic hotels. This new type of hotel answering the demand of the new class offers separate beaches and pool facilities to women and men. Animation shows are replaced by Qur’an reading, whirling dervish shows, or ‘sohbet’ chatting in which a religious figure answers questions of the customers. In this way, people who used to go to their hometown to spend their holidays are attracted to these hotels in which leisure time is islamicized.

However, as mentioned before, there is not an agreement on the definition of fashion, or consumption among the Muslim nouveaux riches. For example, when I asked what they think about “Islamic fashion” and conspicuous consumption one of the IGIAD members responded:

There cannot be an Islamic fashion. The modest Muslim woman covers her body not because to show her social or economical status but because it God's order. My wife and my daughters never consume brand headscarves. It is not Islamic to show the brand and show off to others through consumption of certain brands (M,C. January 04, 2010. Interview with the author. Istanbul, Turkey).

The next interviewee, however, had a strong opinion that consumption was acceptable as long as one stayed in the Islamic boundaries:

Even Muhammad was riding the most expensive camels. He did not show off or engage in conspicuous consumption. Muslims have the right to consume high quality products (H,A. December 17, 2010. Interview with the author. Istanbul, Turkey).

## 6.5. Conclusion

As a result of social, political and economic developments in last few decades a new Islamic bourgeoisie class was developed in Turkey. Its story is still unfolding. The members of this class were anti-Western and anti-capitalist in the 1980s and the early 1990s, trying to create an alternative Islamic economic model. Rather than creating an alternative model, however, they were integrated into the capitalist system, by inducing Islamic and moral values into the economic system. Over time they also redefined their own identities and the notion of capitalism. The forces of capitalism triggered a process in which Islamic identities were reformulated to such extent that even the most radical and puritan Muslims

redefined their Islamic values, norms and ethics. The new Islamic bourgeoisie took the lead in this transformation.

Despite their integration into the system, the new bourgeoisie differed from the secular “Republican bourgeoisie” as well as the traditional devout Muslims. Unlike the secular elite, they are capitalists with moral values, and unlike the traditional Muslims, they are Muslims with capitalist values.

As the members of wealthy new Islamic class were integrated into the capitalist system, the tension and criticism within the Islamic intellectual and business communities intensified. The emerging wealth led to stratification within the Islamic community and this has brought further tensions. The paramount criticism, coming especially from the Islamic circles, was not about the new class’ methods of making business or earning money within the capitalist system, but spending the money conspicuously.

IGIAD proposes an alternative model of modern economic sphere. Here alternative modernity functions not just only a discursive level but also institutional level. The organization represents a specific way of articulation of Islamic culture and capital. However it does not pose an opposition to capital. It proposes a model in which there is a constant negotiation with global capital and capitalism without giving up their Islamic identity.

They wish to implement new forms of profit-making, favoring a new work and consumption ethic different from rentierism and conspicuous consumption, of the kind associated with the established TUSİAD and MÜSİAD bourgeoisie. Thus, with the JDP in power, Turkey seems to have experienced a successful re-embedding – in Polanyian terms – of capitalist social relations into a new moral framework, centering on principles of Islamic charity, while, at the same time, pursuing its reformist course (Buğra, Keyder, 2006: 211-228).

İGİAD members are a class of businessmen with a high degree of economic rationality, choosing profitable areas of activity according to cost-benefit assessments only and favoring those areas which would bring material rewards. Their entrepreneurial vision favors capital accumulation using their own resources, i.e., setting up new enterprises in the form of family-owned companies or partnerships with their own funds or with the help of personal loans.

İGİAD members are not very comfortable with state intervention in the economy. Their composition is predominantly comprised of small and medium sized enterprises. They have an outward-looking economic philosophy, predominantly open to the outside world in those areas where they can compete.

They put a high priority on education and wish their children to attend private schools or get a foreign education whenever possible. Several private

schools offer quality education with Islamic moral norms. Tuition and fees for these schools are comparable to those at their foreign language-counterparts.

There are two legitimacy bases for the İGİAD members to pursue economic gains: religious and nationalist. The origin of the religious argument is based on a discourse centered on a famous prophetic tradition, stating that “a giving hand is superior to a taking hand.” Like Puritans, work is seen a form of worship. Following this logic, zakat – compulsory charity given as part of religious duty – cleanses the wealth, while alms-giving and other voluntary charitable activities reduce the rich–poor polarization.

The nationalistic argument is established with a discourse that emphasizes development and the opportunity to become a major world power, to gain self-sufficiency against the western world and turn into a truly independent country. The stress to work for the benefit of the whole nation with the goal of ‘more jobs and bread’ is prominent.

The perceived interaction between capitalism and Islamic morality is a double-edged sword. For the transformation of economic/material areas, a mutual and simultaneous transformation of the spiritual/religious sphere is needed. The transformation comes with reconceptualization of some key terms that create discursive tension between capitalism and Islam. The more you change the definition of the capitalism, however, the more you need to have a check and

balance mechanism to save you from transgressing Islamic values. The neo-Islamic bourgeoisie in their cognitive map and on discursive level has redefined capitalism. The definition changed from an absolute rejection of capitalism to tamed one through injection of Islamic moral values. Although reluctant, neo-Islamic capitalists are willing and able to pioneer this transformation as the winners of the system.

As the Islamic bourgeoisie is more integrated into the capitalist system, they have attempted to obscure the line between need and waste. The new value system shifted from traditional concept of modesty and thrift to a different set of values and norms that encourage spending. Different from the traditional Islamists, the new class does not condemn earning money but it does condemn earning money through violation of Islamic rules. Through the forces of capitalism, the identity of Islamic bourgeoisie is shaped and reshaped. Consumption habits of this bourgeoisie class bring an acquisition of status and identity formation. The new identity is different from the traditional Islamic identity of the 1970s and 1980s as it is also different from the identity of the established Istanbul bourgeoisie. The change is most visible in women's clothing. There are two features that distinguish the new Islamic bourgeois women from the lower class devout Muslim women and secular women. The headscarf is the main feature that differentiates secular and Muslim women. The brands of the garments and fashionable outfit differentiate this segment from the lower classes in the social hierarchy. The new "Islamic women" wishes to dress both Islamically and

fashionably. The men want to drive the most luxurious cars; children want to have the latest technological toys and tools. The meaning of need changed to fit to that of the demands of the Islamist bourgeoisie.

In sum, İGİAD constitutes a unique group of people in this newly emerging Islamic bourgeoisie class. They are the most conscious Muslim business association in addressing challenges of capitalistic life style. They try to overcome those challenges through creating an ideal work place, publishing academic periodicals and by being a role model for the rest of the society. However, they are far from being the “Puritan/Calvinist Muslims”. While they aim to shape capitalism, capitalism also shapes them through their consumption behavior, redefinition of space, class and identity. They strongly believe that they have a capacity to overcome ensuing challenges, as in the words of one of the members “Islam is not a difficult and complex religion to live by after all”(M,P. July 13, 2010. Interview with the author. Istanbul, Turkey). At the end however, they can not escape from being part of the capitalistic world. That’s why I call them reluctant capitalists.

## CHAPTER VII

### NEO-ISLAMIC BOURGEOISIE AND ITS DISCONTENTS

Neo-Islamic bourgeoisie class and its capitalistic life style created its own dissenters. Especially new generation's unreserved appropriation of consumerist culture caused dissent and stratification among the Muslims. As a result, the class heterogeneity within Islamic community deepens. Muslim intellectuals such as Mehmet Şevket Eygi, Abdurrahman Dilipak, Hamza Türkmen, Mustafa Islamoğlu, Nazif Gürdoğan, Ali Bulaç, Hüsamettin Arslan, İhsan Eliaçık, Akif Emre, and even some İGİAD members, criticize consumerist habits of the new bourgeoisie and state that some of the wealthy Muslims started to harm "real" Islamic principles and morality, by being fully part of the capitalist system without any reservation, and indulging in un-Islamic luxurious life. To them, the new richness and life-style comes with it, is one of the major challenges that most of the Muslims are failing to fight. These Muslims are not only losing the battle against capitalism, but also distancing themselves from the rest of the poor Muslims, which was also a major sin in the eyes of God. It seems that this



stratification and its repercussions are going to be one of the contested issues for the Muslims in the near future.

Opposition and criticism to neo-Islamic bourgeoisie come from secular and Islamic circles. Since the secular circles' critics are outside of the scope of this dissertation, it suffices to say that secular circles or the members of the 'old elite' consider them uneducated and unsophisticated in their consumption culture. Politically and economically speaking, the 'old elite' do not want to share power and incentives with the new class. At the same time, however, most of them do not hesitate to do business with the 'new elite'. Several İGİAD members told me that they do have good relations with the TÜSİAD members, for example.

Although not all of them surfaced yet, the internal critics for the neo-bourgeoisie some from the Muslims. Several interviewees and many other Muslim intellectuals and businessmen I talked to over the years have been very keen not to make their criticism in public yet. They say that they were aware of the pitfalls of the Muslims, but it was better to keep those critics inside and not let the 'others' know it by now. The oft-repeated motto in these talks was 'kol kırılır yen içinde kalır' (a broken arm is to stay within the sleeve). Only few Muslim individual or group came out of the closet and began to make their critics of neo-Islamic bourgeoisie life style in public. In criticizing the neo-Islamic life style, "socialist" Islamists would argue that being a Muslim and being a capitalist opposed to each other. Radical Islamists would argue that neo-Islamism was just a deformed version of capitalism and these people become slaves of the system.

And yet Orthodox Islamists would argue against the consumption patterns of the new rich people. I believe that these critiques will eventually shape the trajectory of the evolution of the neo-Islamist bourgeoisie in Turkey. Although these individuals and groups have similarities in their critics towards the Islamic capitalism, I will summarize their major critics under the subtitles of ‘socialist Islamists,’ ‘radical Islamists,’ ‘orthodox Islamists,’ and ‘İĞİAD’.

### 7.1 Socialist Islamists

Among the dissents, so called socialist Islamists are perhaps the most vocal and bitter critique of the new bourgeoisie life style. To them Islam is a contradistinction to modern capitalist way of life, which was all about exploitation, corruption, and inequality. Islamic books offer us the necessary methods to overcome the challenges of all kinds of “worldly” systems, including capitalism. To sustain a harmonious relationship among the members of the society, equal and just distribution of wealth among people is necessary. To do that we need to restore moral economy, which was disrupted by capitalism?

Socialist Islamists claim that if Islamic rules and laws would be followed then, the accumulation of wealth by the few would end, and workers would be

respected with guaranteed rights. They commonly refer to Abu Dharr al Ghifari, a companion of Prophet Muhammad, as a role model and principal antecedent of Islamic socialism. Al Ghifari was known as protest figure against the accumulation of wealth and urged for equal redistribution of wealth among people. He was regarded as the first Islamist socialist by many contemporary Muslim thinkers including Ali Shariati (Madelung, 1997: 124).

One of the vocal critiques among the “socialist” Islamists in Turkey is a writer and social activist, Ihsan Eliaçık. His arguments are very instructive to illustrate the positioning of these Muslims against Islamic capitalism. The following Qur’anic verse seems Eliaçık’s most favorite quote:

To those who accumulate gold and silver, and do not spend in the way of Allah, announce the news of painful punishment. On the day when heat will be produced out of that (wealth) in the fire of Hell, and with it will be branded their foreheads, their flanks, and their backs (and it will be said): ‘This is the (treasure) which you stored up for yourselves, so now taste of what you had stored’ (Qur’an, 9:34-5).

Based on this verse, Eliaçık states that that wealth is not meant to be accumulated, but to be spent in the way of God. The expression, “in the way of Allah” is clearly defined in the Qur’an and Hadith. The Qur’an points out that love of wealth was an indication of hypocrisy and condemns it with a very strong language. Their real crime was that despite being wealthy, they were not inclined to spend (*infaq*) in the right from the believer. Basic aim of Islam is to ensure

well-being (*falah*) of its followers in this world and in the Hereafter, and also to establish brotherhood among the members of the Muslim community. This aim cannot be reached if distribution of wealth is uneven and class conflict exists in the society. The wealth should not circulate among the rich only. That is why the Qur'an condemned those who hoard wealth. Since God is the real owner and producer of wealth, so God's share in the wealth is major and dominant. But it is also clear that God is above all needs. Therefore, God's share, as logical corollary, must go to the poor, the needy, the destitute, the helpless and the less fortunate members of the community

(<http://www.ihsaneliacik.com/2011/07/firavunu-taniyalim-yeni.html#more>).

To argue against the compatibility of Islam and Capitalism, Eliaçık tells that Muslims were trying to ritually purify (*abdest*) capitalism. However, ablution will not purify capitalism. A Muslim cannot be capitalist by distortion and hybridization of Islamic principles, since the capitalism is the main source of sedition (*fitna*) and seduction (*ifsad*). Islam assumes Muslims to live on sufficient amount (*Kifayet miktarı*) of goods. A Muslim can be in three states: Poverty, sufficiency and prosperity. When a Muslim passes the state of sufficiency, and reach at the state of prosperity, he needs to share his wealth with other Muslim (*infak*). It is forbidden to stockpile (*kenz*) in Islam. He claims that nobody really understands this Qur'anic concept of *kenz*. It is important as it is the basic to understand private property rights and justice in Qur'an. Why people do not know and learn about it: Because Islam has been hijacked by the ruler of rich and

powerful circles since the times of the Ummayyads. Commentaries (*tefsir*) and canon law (*fıkıh*) were constructed in order to legitimize their authorities. Therefore we need to look at Qur'an and hadith, in order to reinstitute the real meaning of the Islamic concepts (Eli ık, İhsan. May 15, 2011. TV Interview). The Qur'an emphasizes the significance of *infak* as one of the most significant acts of piety. That is why; even buying a summer house could be regarded as *kenz* and would be un-Islamic as it is not used in the way of Allah (Eli ık, Erdem, Yılmaz, Yunak,2011:89-93).

Eli ık also argues that the JDP is responsible for the excessive capitalization of Muslims. He thinks although the JDP is composed of people from former National Outlook and political Islamic circles, the idea of private property ownership in Qur'an is not well known or well understood by the JDP ruling cadre.

Islamic socialist are not against trade but are against using the trade as a mean for acquiring personal wealth. Trade is a tool to eliminate poverty not for accumulation of wealth in the hands of the merchant class (Eli ık, Erdem, Yılmaz, Yunal, 2011:28). Trade is permissible (*halal*) under three conditions: if the profit made of the trade is to be spent to eliminate poverty; to establish a foundation (*vakıf*) or to create an opportunity for employment (*istihdam*) ([http://burhaniscan.org/index.php?option=com\\_content&view=article&id=780:isl](http://burhaniscan.org/index.php?option=com_content&view=article&id=780:isl)

am-sinifsiz-toplumu-onerir-allah-sinifsiz-halkta-tecelli-eder-ihsan-  
eliacik&catid=36:yazilar&Itemid=62).

Another Islamist with some “left” tendencies is Eren Erdem. He is the creator of the term, “ablutioned capitalism” (*Abdestli Kapitalizm*) and wrote a book on neo-Islamic bourgeoisie, criticizing their earning and consumption patterns. To him *Abdestli Kapitalizm* is a religion of polytheism (*şirk*). And JDP elite is nothing but “ablutioned capitalists.” These people forgot about *infaq* and the meaning of the following verse: “And they ask you what they should spend. Say, “The excess [beyond needs].” Thus Allah makes clear to you the verses [of revelation] that you might give thought”.<sup>40</sup>

A recent incidence during the month of Ramadan is an illustrative example as to show how these “leftist” critiques are in action. “Emek ve Adalet Platformu” held a demonstration, protesting luxurious *iftars* in front of the Conrad Hotel, Beşiktaş on August 8, 2011. The protestors brought food from their homes and shared it with people who would like to join them in their protest. The menu was composed of bread, olives, date and soup to underline the modesty and sufficiency principles of Qur’an. Some of the banners, carried by the protestors would show their perspective about the neo-bourgeoisie: “This is not a table for fast breaking (*iftar*) but a table for rebellion (*isyan*),” “Do not spoil your fast (*oruç*) with capitalism”, “Five star iftar menu 316 Turkish Lira, and minimum

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<sup>40</sup> For more of his ideas, see Eliaçık, İhsan. 2011. *Abdestli Kapitalizm*. İstanbul: Ozan Yayıncılık.

wage 658 Turkish Lira”, “Do not waste (israf) but be merciful (insaf)”, “Time of Shame for Istanbul”. One of the protestors, explaining the rationale of his participation, makes the following statement:

We are trying to deliver our message through *iftar* against capitalist exploitation. Labor and workers have no voice. We are here to break this silence. We set out a table of hope under the shadow of towers of arrogance. It proved that we can overcome the division of people into left and right, created by our common enemy, the ruling class, to put us against each other and enslave us all.” (<http://www.sosyalmedyahaber.com/oruc-kapitalizmi-kapitalizm-de-orucu-bozar>).

For anti-capitalist Muslims there is no difference between TÜSİAD and MÜSİAD members. Like the secular elite, neo-Islamic bourgeoisie also live in their new suburbs, far away from the poor, to comply with the admonition of the Prophet against ‘sleeping sated while one’s neighbor goes hungry.’ They both exploit the workers.

## 7.2 Radical Islamists

Neo-Islamic bourgeoisie is also criticized over their attitude towards the private property. For radical Islamists, the notion of private property is very different from what capitalism presumes. To them, neo-Islamic bourgeoisie reinvented the private ownership through the help of Islamic jurisprudence to ensure Islamic handling of property. Through *ijtihad* and *fatwas* from Islamic

jurists, they contend that Islam allows the freedom to earn wealth by those means through which a person renders some real and useful service to the community. But, radical Muslims say, everything in the universe belongs to Allah and they are “gifts” that Allah bestowed upon his creatures. Therefore, another aspect that is shunned in Islam is monopolization of the “gift” Allah has bestowed upon for everyone.<sup>41</sup> “Gifts” should not be concentrated in the hands of the few as everyone has rights over that gift. Islam does not approve of any property which breeds poverty as this would violate the principle that Muslim are like brothers to one another and they constitute a harmoniously integrated *ummah*. Checks and balances are instituted to ensure the proper disposal of the power and rights vested unto man (Rahman, 1980:20). To further illustrate their point they use Qur’anic verse: “These people ask you, how much, we will be spending in the way of *Allah*? Say, everything beyond your requirements” (Qur’an 2:219).

The circle of monthly *Haksöz* journal is perhaps the most vocal and systematic in questioning Muslims’s relations with capitalism and the West. Each issue of the journal has several articles and commentaries on the subject (<http://www.haksozhaber.net/haksoz-dergisi-haberleri-32hk.htm>). One of the prominent voices of the Islamic radical circles for so many years, Abdurrahman Dilipak, is also very critical about the “new class” and its behaviours:

There is a new phenomenon called neo-Islamism. You can follow it through Islamic media. For long years we have fought against the state Islam. Now we have the challenge of neo-Islamism that is advertised

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<sup>41</sup> For a discussion on property in Islam, see Siddiqi, Muhammad Nejatullah . 1978. *Islam's Approach to Right of Property*. Lahore: Islamic Publications Ltd:49.



through media. Neo-Islamists, once they become rich, built long and thick walls between them and other Muslims. They confine themselves to their luxurious houses. This was the border of “brotherhood”. Which means that they do not want to share power and wealth with their brothers and sisters ([http://www.haksozhaber.net/beyaz-muslimanlarin-para-ve-iktidarla-  
imtihani...-23708h.htm](http://www.haksozhaber.net/beyaz-muslimanlarin-para-ve-iktidarla-imtihani...-23708h.htm)).

### 7.3 Orthodox Islamists

Neo-Islamic bourgeoisie is not criticized by socialist and radical Islamists only but by main stream orthodox Islamists as well. For example, in his column, Mehmet Sevket Eygi of *Milli Gazete*, in almost every two days, make references to the new rich Muslims and tries to show how this “latecomer” (*sonradan görme*) Muslims were devoid of aesthetic and ethical values in their money making and consumption habits. Another *Milli Gazete* columnist and the director in Chief of the journal, *Yedi İklim*, Ali Haydar Haksal writes:

Unfortunately the new wealthy Muslims turn into bourgeoisie. Instead of promoting social justice and just income distribution, they act like TÜSİAD members. Instead of sharing, this new rich Muslims egotistically prefer to work and earn only for themselves. Now there is no difference between them and the others. Poverty and misery are everywhere. These people forgot where they come from and become bourgeoisie with beards. They pray and fast a bit; act and seem like Muslims. The only difference between them and the others is that bearded bourgeoisie do not consume alcohol ([http://www.milligazete.com.tr/makale/sosyal-adalet-kavrami-  
muslimanlara-ait-olmaktan-cikiyor-164027.htm](http://www.milligazete.com.tr/makale/sosyal-adalet-kavrami-muslimanlara-ait-olmaktan-cikiyor-164027.htm)).

*Milli Gazete*'s female columnist, Mine Alpay Gün, criticizes the clothing habits of the female members of the neo-Islamist bourgeoisie, and accuses them losing their "ideals" and "moderation." To her Muslim ladies exaggerate the issue of fashion in such a way that now we can see "headscarfed half-naked" women everywhere.

In my university years everyone did have an ideal that he/she had fought for. But now, unfortunately, everyone is degenerated and so the Islamists. Degeneration of Islamists began with the Welfare Party's victory at municipality elections. With this event, Islamists changed their classes and standards. Now we can see a girl in Islamic dress at Sami Yusuf concert, where she does not hesitate to scream immodestly. This is a very arabesque behavior  
([http://www.aktifhaber.com/news\\_detail.php?id=136992](http://www.aktifhaber.com/news_detail.php?id=136992)).

As accepted by majority of the Muslims, the basic principles of consumption laid down by Islam are three: Consumption of lawful (*Halal*) things, consumption of pure and clean things and exercise of moderation in consumption. In a book published by Diyanet, the principle of moderation in Islam is described as follows:

Islam is a religion of moderation. On the one hand, it prohibits consuming excessively and on the other it also prohibits adoption of self-denying practices followed by ascetics and deprives himself of some foods which Allah has made lawful. The principle of moderation is also applicable to spending. One must not be miser in spending nor extravagant (Aktar, 2004:44).

Akif Emre, one of the founders and columnists of *Yeni Şafak* has a bolder and more sophisticated criticism about Muslims' integration to the capitalist world and their readiness to internalize the capitalistic values without reservation:

Adaptation of Muslims to capitalism started with Turkish modernization thesis. Weber is used and abused as an explanatory and legitimizing factor of adaptation of Islamic bourgeoisie to capitalism. The adaptation is formulated through the term "Islamic Calvinism". This label did not disturb the Muslims. More, owner of a big firm from Kayseri gladly accepted Islamic Calvinist label and present it as the gist of his success. The foundations for adaptation of Islam -the only religion which did not surrender to the global system- was started to be prepared in 1980s. The first step was the construction of "Islamic liberalism". The ones who are re-conceptualizing religion with the concepts of modernity should know that they are a part of the constructed process (<http://yenisafak.com.tr/yazarlar/?t=22.07.2010&y=AkifEmre>).

Hayri Kırbaşıođlu, who is a professor of religious studies, and also one of the founders of the HAS party (VPP),<sup>42</sup> argues that Islam favors labor, workers and the oppressed. In his book, he has through criticism of capitalism, American imperialism, and Gülen movement, and saying that Muslims got to be careful to succumb to the materialist world (Kırbaşıođlu, 2010). One of the other founders of VPP, Mehmet Bekarođlu, is a very critical of the new-bourgeoisie and their consumption habits. The VPP's "leftist" critique of capitalism and new Islamic bourgeoisie is vocalized by Antalya Head of Province Ali Aktaş as follows:

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<sup>42</sup> The Has Party (Voice of The Public Party- VPP) was established on 01-November-2010 at Ankara after clash within the Felicity Party. The VPP was not simply a version of the FP and quite different from the JDP. The founder and party chairman Numan Kurtulmuş's party program and rhetoric was different from Erbakan and Erdoğan. Among the founders, there were people from left like Zeki Eraslan, Erol Göka, and Haluk Yavuz.

The JDP's program is continuation of Kemal Derviş's program, with the aim of integrating Turkey fully to the neo-liberal capitalist economy. In ten years of the JDP rule there is no just distribution of wealth. The JDP is a conservative party, tainted by capitalism. The party created its own bourgeoisie who do not respect the labor (*emek*). (Aktaş, Ali. February 17, 2011. Kaktüs Magazine Interview).

#### 7.4. İĞİAD Members as Dissents

As discussed in several previous sections, the İĞİAD members did have different attitudes towards capitalism and the neo-Islamic life styles. In that regard, they are not typical members of the neo-Islamic bourgeoisie. There are several İĞİAD members who are close followers of Mustafa İslamoğlu who is known to have conservative Islamic views. These members are more knowledgeable about Islam and more radical in comparison to other İĞİAD members. This group has harsher critique for luxury consumption and wealth accumulation. For example, Alpaslan D. did not hesitate to call stockpiling as unislamic:

Qur'an does not aim for equal distribution of wealth for the whole society. That's true. However, it is not Islamic to stockpile your wealth. Luxury consumption is a way of stockpiling. If you consume more than what you need, or if you consume for showing off, then this is not Islamic. It is not enough for you to give *Zakat*. One cannot stockpile money when there are hungry, miserable, unemployed people around you (A,D. June 08, 2010. Interview with the author. Istanbul, Turkey).

When it comes to the question of luxury consumption and headscarf, most of the İGİAD members were not as tolerant as they are with their own ‘manly’ consumption. They agree that Muslim women should be modest and should not wear outfit that could draw other men’s attention (O,O. May 21, 2010. Interview with the author. Istanbul, Turkey). One interviewee, who was in textile business, complained that her daughter, unlike her mother, prefers to wear very colorful and distinct headscarves:

She attends to a private university. In high school, she used to wear mostly dark colors and loose outfit. But with university her taste changed. She now wears bright colors and tighter outfits. Her mother advises her to be modest. We do not want to force her, but try to persuade her to be modest in her dressing habit(M,Y. January 07, 2011. Interview with the author. Istanbul, Turkey).

After conducting several in-depth interviews with the İGİAD members, I could conclude that there was still no systematic criticism of Islamic capitalism among them and their second generation was more prone to the modern life style. Their current critics are mostly limited to consumerism. They all agree that earning money and capital accumulation are not contradictory with Islam and Islamic ethics. When I ask about leftist Islamic demonstration on Ramadan that happened in front of five star hotels, most of the members are in agreement with the claims of demonstrators. However, they never identify themselves with the rich bourgeoisie class that was being protested against. Also they abstain from being associated with left or leftism. This is quite understandable in Turkish context as left is most associated with communism. One of the interviewees said:

One does not have to be labeled as leftist or rightist. What is important is to be just. A just person acts rightfully and morally. That is why our Prophet enjoined that an employer needs to give worker's share before his sweat dries off. And nobody can claim that our Prophet was leftist! (M,P. December 15, 2009. Interview with the author. Istanbul, Turkey).

## CHAPTER VIII

### CONCLUSION

By way of conclusion, I would like to reiterate some of the major findings in my research. Throughout the dissertation, I tried to contextualize the rise of Islamic “bourgeoise” in Turkey against the backdrop of conflict and cooperation between Islam and capitalism; and argue that Islam and capitalism were, in the final analysis, compatible since both of them were inherently flexible to be reinterpreted to accommodate each other as it was seen in the İĞİAD case. Although almost all of the members of the neo-Islamic bourgeoisie agree that money making and capital accumulation in the capitalist world are no longer a source of guilt or lack social legitimacy, they have contested issues when it comes to the problem of consuming their wealth.

I have also shown that there was not an agreement among the scholars and Muslims on major issues such as Islamic attitude towards capitalism, democracy, material life, usury, Islamic banking and consumption. And those disagreements

led to a huge diversity in the choices and life styles of the so-called Islamic bourgeoisie, even among the members of the same groups. In other words, there is not one type of Muslim bourgeoisie. In that regard, the İGİAD members are usually atypical members of the neo-bourgeoisie class.

Inspired by Bourdieu's concepts of economic, political and cultural capitals, I structured this dissertation into different chapters, devoted the developments of the neo-Islamic economic, political and cultural capitals. And I showed how these factors created a fertile ground for the birth of neo-Islamist bourgeoisie. As for the economic capital, I argued that the emergence of Islamic capital was caused by three reasons: shift from import substitution industrialization economic policy, state's changing policy on religion, and emergence of Islamic financial institutions. The declining power of the state over economy opened opportunity spaces for entrepreneurship. Business associations, *tarikats* and *cemaats* played an important role to cope up with the ambiguities of the market conditions. These formal and informal institutions created the virtue of trust which has primary importance for Islamist bourgeoisie.

The emergence and development of the Islamic capital did have political, social, and cultural impacts on the Turkish Muslims. The mass migration of people from rural periphery to urban centers created political opportunity spaces. The interests of the immigrants who are more traditional and religious had to be represented. Another opportunity space was opened by the collapse of the Soviet



Russia and end of communism. Islam gained more power in Turkish politics, providing the solution and answers to many questions.

On one hand, the emergence of new capitalist class facilitated class mobility but on the other, there has emerged a confrontational split within middle-class between Islamic and secular segments. The neo-Islamic bourgeoisie redefined the allocation of markets, the distribution of assets as they increased opportunities for their affiliated groups.

The emergence of Islamic bourgeoisie and its integration to capitalism resulted in moderation of political Islam and formation of a political party that would represent the interest of neo-Islamic bourgeoisie. Before the 1980s, the NOM was the representative of the Islamist petty bourgeoisie in Turkey. However, the NOM could not reform itself to the needs of the global capitalist world and ignored the demands of Islamic bourgeoisie. The NOM increased its Islamic discourse to get votes, which in return created a clash with the secular establishment. The 28 February Coup was the breaking point of traditionalist Islamists and reformists/modernists. The newly established JDP was a neo-liberal party advocating free market and democratization. With the JDP, the neo-Islamic bourgeoisie moved towards a Weberian understanding of the marketplace with an assumption that Islam is compatible with the market.

On the cultural level, traditional Islamic values are redefined and new Islamic values are created. Neo-Islamic bourgeoisie develops a liberal discourse and are in favor of free market economy, democracy, and human rights. The aim is not to build an Islamic state, but to reconstitute Islam and Islamic moral values in the public sphere. Islamic bourgeoisie wants to have more control and space over cultural, educational, and economic spheres to Islamitize public consciousness through the use of media, printed texts, education facilities. In other words, starting from 1980s, first with accumulation of economic and political and then cultural capital, neo-Islamic bourgeoisie created an Islamic sphere. This Islamic sphere includes very successful private schools, student apartments and dormitories, newspapers, magazines, TV channels, radio stations, Islamic banks. Thus, the religiosity and the role of Islam in daily life in Turkey increased.

In order to study essential characteristics of the neo-Islamic bourgeoisie more closely, this study analyzed İGİAD as a case study. İGİAD is one of the business associations that flourished as an offshoot of MÜSİAD. İGİAD proposes an alternative model of modernity both on discursive and institutional level. It represents a specific way of articulation of Islamic culture and capital. On the one hand, İGİAD is a strong critique to status of secular rational thinking; on the other hand it does not pose an opposition to capital. İGİAD proposes a model in which there is a constant negotiation with capitalism without giving up Islamic identity. The association aims to implement new forms of profit-making, favoring a new

work and consumption ethic different from rentierism and conspicuous consumption, of the kind associated with the established bourgeoisie. İĞİAD is against state intervention in the economy with the concern of transfer of more funds to those who intermingle with the government, rather than leading to redistribution. They have an outward-looking economic philosophy, predominantly open to the outside world in those areas where they can compete.

All my interviews showed that the new bourgeoisie created multiple techniques for building solidarity networks (business associations are one of those networks) and used Islam as a resource. Islamic values are widely employed as social glue for interpersonal trust. The members of İĞİAD prefer economic activities through face to face relations based on mutual confidence. This mutual thrust between business partners are also used for creating funds for charity and educational activities. With association`s charity funds, this group promote Islamic agenda to urban poor, by promoting this new Islamic work ethic association tries to widen its horizontal and vertical relations. While aligning its interests with the poor and lower tier of the social strata and İĞİAD aims to form broader social alliances.

İĞİAD members also are also keen in making an investment on formation of social and cultural capital. They put a high priority on education and want their children to attend private schools or get a good education whenever possible. For that reason, they do not hesitate to serve as a board member in several educational

and media institutions. In sum, İGİAD constitutes a unique group of people in this newly emerging Islamic bourgeoisie class. They are the most conscious group in addressing the challenges of capitalistic economic system and life style. They strongly believe that they have a capacity to overcome modern challenges. Due to all of these internal and external struggles, however, the members of this neo-Islamic bourgeoisie are not fully able to avoid being part of the capitalist system. That's why, at the end of the day, they remain reluctant capitalists.

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