

İSTANBUL TEKNİK ÜNİVERSİTESİ★ SOSYAL BİLİMLER ENSTİTÜSÜ

**THE FORMATION OF NEOLIBERALISM IN TURKEY AND THE
ECONOMIC RISE OF CONSERVATIVE ISLAM: A CRUCIAL COALITION
IN THE 1980s**

M.A THESIS

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İSLAM’IN EKONOMİK YÜKSELİŞİ: 1980’Lİ YILLARDA BİR İTTİFAK**

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To my Grandfather Ismail Özkumur

TABLE OF CONTENTS

FOREWORD.....	vii
TABLE OF CONTENTS.....	xi
LIST OF TABLES.....	xiii
ABBREVIATIONS.....	xiv
SUMMARY.....	xv
ÖZET.....	xvii
1.INTRODUCTION.....	1
2. THEORETICAL FRAMEWORK.....	3
2.1 What is Neoliberalism? Why Is It “Neo”?.....	3
2.2 Globalization and Neoliberalism.....	16
2.3 Islamic Conservatism and Neoliberalism.....	19
3. ESTABLISHMENT OF NEOLIBERALISM IN TURKEY.....	25
3.1 The Construction of Neoliberalism in Turkey.....	25
3.2 The Economic Policy of 1960-1980.....	28
3.2.1 24 January Decisions, Economic Adjustment and TÜSIAD.....	30
3.3 Elimination of Social Opposition and Leftism in Turkey.....	34
4. ISLAMISM, ÖZAL AND THE JUNTA REGIME.....	41
4.1 Özal’s Neo-Ottomanism and Neoliberalism.....	41
4.2 National View Movement and Just Order.....	44
4.3 Junta’s Islam and, Education and Disciplinary System.....	48
5. ÖZAL’S ECONOMIC NEOLIBERALISM AND HOMO ISLAMICUS.....	55
5.1 Özal’s Economic Policies and Business Circles.....	55
5.2 The Rise of Islamic Bourgeoisie in Turkey.....	61

5.3 The Rise of Islamic Education and Mosques.....	62
5.3.1 Flows of Saudi and Gulf and Islamic Financial Institutions.....	63
5.4 MÜSIAD: The Institutionalized Islamic Bourgeoisie.....	67
5.4.1 Homo Islamicus: A Neoliberal Islamist?.....	70
5.4.2 The Islamic Hegemony and Liberal Intellectuals.....	74
6. ISLAMISM AS A DISCIPLINARY TACTIC AND THE GÜLEN MOVEMENT.....	81
6.1 Political Economy and the Gülen Movement.....	81
6.1.1 The Gülen Movement’s Alliance with Neoliberalism.....	87
7. CONCLUSION.....	95
8. REFERENCES.....	99
9. CURRICULUM VITAE.....	107

LIST OF TABLES

Table 4.1 The Number of Imam-Hatip Schools, Students, and Teachers 1951-2002.....	51
Table 5.1 The Standby Programs Between Turkey and IMF (June 2008).....	57
Table 5.2 Foreign Trade Indicators (1980-89).....	59
Table 5.3 Investments and Development Banks and Special Finance Houses in Turkey.....	65
Table 5.4 Changes in the Platform and Leaders of Islamic Parties from 1970.....	78

ABBREVIATIONS

AKP: Adalet ve Kalkınma Partisi – Justice and Development Party

IH: Intellectuals' Hearth Association

IMF: International Monetary Fund

ISI: Import Substitution Industry

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

MP: Anavatan Partisi -Motherland Party (ANAP)

MSP: Milli Selamet Partisi (NSP)

MÜSIAD: Müstakil Sanayici ve İşadamları Derneği - Independent Industrialists and Businessmen's Association

NVM: National View Movement

OECD: Organisation for Economic Co-Operation and Development

RPP: Republican People's Party (CHP)

TIS: Turkish-Islamic Synthesis

TÜSIAD: Türkiye Sanayici ve İşadamları Derneği – Turkish Industry and Business Association

WB: World Bank

WP: Welfare Party – Refah Partisi (RP)

THE FORMATION OF NEOLIBERALISM IN TURKEY AND THE ECONOMIC RISE OF CONSERVATIVE ISLAM: A CRUCIAL COALITION IN THE 1980s

SUMMARY

This thesis attempts to scrutinize the main reasons for the establishment of the coalition between conservative Muslim people and neoliberalism in Turkey in the 1980s. During the globalization process, the rapid and overwhelming change of the world influences almost all societies, thoughts and values. It can be said that conservative Islamism could not escape from this change and this ideology has integrated itself into the neoliberal globalization process. Therefore, the thesis aims to illustrate why and how Muslim people agreed to co-operate with neoliberal capitalism, since historically they were against the western style capitalism. In the final instance, the thesis tries to observe the key issues for the rise of this coalition with the help of Foucault's and Althusser's theories.

TÜRKİYE’DE NEOLİBERALİZMİN OLUŞUMU VE MUHAFAZAKAR İSLAMIN YÜKSELİŞİ: 1980’Lİ YILLARDA ÖNEMLİ BİR KOALİSYON

ÖZET

Bu tez, Türkiye’de 1980’li yıllarda muhafazakar İslami kesim ile neoliberal ekonomi politiğin oluşturduğu işbirliğinin nedenlerini açıklamaya çalışmaktadır. Küreselleşme sürecinde dünya’nın hızlı ve karşı konulamaz değişimi toplumlara, düşünceleri ve değerleri de beraberinde değiştirmektedir. Şu söylenebilir ki muhafazakar İslam bu süreçten kendisini soyutlayamazdı ve bunun sonucu olarak, bu ideolojinin neoliberal kapitalizme eklemlenmesine şahit olduk. En nihayetinde, bu tez İslami kesimden insanların, eskiden batı tarzı kapitalizme tamamen karşı olmalarına rağmen nasıl ve ne şekilde neoliberal ekonomi politik ile işbirliği yapmayı kabul ettiklerini incelemeyi amaçlamaktadır. Son tahlilde, bu tez bu koalisyona oluşturmaındaki temel meseleleri Foucault ve Althusser’in teorilerinin yardımıyla incelemeye çalışmaktadır.

1. INTRODUCTION

Can Islam and Western capitalism come together? In 2002, the Muslim oriented party AKP came to power in Turkey. When AKP came to power, people thought that the party would pursue very solid and conservative policies which could threaten the life-style of essentially secular people. However, AKP started to pursue more moderate policies. Instead of a conservative agenda, AKP launched a very intensive neoliberal program. Many privatizations were carried out, and many foreign direct investments were attracted to Turkey. Indeed, urban policies have also adjusted to neoliberal principles with an intense gentrification process. These neoliberalization policies of AKP lasted until 2007. After being elected for a second time in a row, AKP started to establish its own hegemonic discourse with the elimination of opposition people with famous cases such as Ergekenekon, Balyoz, and Odatv.

AKP's hegemony is also supported by media and civil society organizations. Almost all business circles from the both secular and Islamic wings have supported AKP for accelerating integration into the global political economy. However, the head of the party Tayyip Erdoğan, a former National View member, has never praised his former teacher Necmettin Erbakan. Instead of Erbakan, he has always extolled Turgut Özal as his guide for democratization. This situation pushed me to think about Erdoğan's references to Turgut Özal. Why does he praise Özal? Why does he claim that he is not a National View adherent anymore? These questions enticed me to investigate Özal's economic policies and program of neoliberalization. It is seen as the basic issue in the formation of neoliberalism in Turkey, and Erdoğan supports the formation since he wants that Islamic people become dominant and wealthier in Turkey.

Therefore, this study investigates the rise of neoliberalism in Turkey after the military coup of 1980, and it also examines the reasons for the coalition between Muslim people and neoliberal principles. Chapter 2 tries to establish a theoretical base in this thesis. In this chapter, the theoretical approaches to Neoliberalism are analyzed and the relationship between Islam and capitalism is also scrutinized. The

third chapter deals with the formation of neoliberal political economy in Turkey. It also examines how social opposition was deactivated in Turkey after the coup d'état, and how TÜSIAD and business circles acted during this process of deactivation. In the fourth chapter, the thesis analyzes the rise of political Islam in Turkey with the help of the junta regime and Turgut Özal. It also deals with the rise of National View, neo-Ottomanism and the Turkish-Islamic Synthesis. Chapter 5 mainly examines the coalition between Muslim orders (*tarikât*) and state bureaucracy. It intensively investigates the role of Islamist orders in this coalition. Finally, Chapter 6 analyzes the emergence of Islamic hegemony in accordance with neoliberal domination under theorization of MÜSIAD's *Homo Islamicus*.

I engaged in an intensive literature search, including basic books on this issue. I also researched newspapers especially for using the views of some columnists on these issues. In Chapter 5, I intensively examined the basic reports of MÜSIAD which is very important for illustrating the basic problematic of the thesis. In Chapter 6, I use a short interview with a businessman who is a participant in the Gülen Movement. However, this businessman did not want his and his company's names to appear in my thesis. Therefore, I used the initials of his full name, this is F.D.

2. THEORETICAL FRAMEWORK

In this chapter, I try to establish the theoretical base of the thesis. This theoretical base covers first of all, the understanding of neoliberalism. Secondly, it deals with the relationship between Islam and capitalism. Finally, it points out intensively the complex issue of Islamic conservatism-neoliberal capitalism.

2.1 What is Neoliberalism? Why Is It “Neo”?

The concept of neoliberalism has become very popular around the debate of globalization and political economy in recent years. In order to understand what “neo”liberalism is it is useful to discuss classical liberalism. Since it is named neoliberalism rather than liberalism, it is a necessity to reveal the need for this new nomenclature and approach.

Classical liberalism emerged in the late 17th and in the 18th centuries with the rise of an Enlightenment movement which basically claimed the foundation of individual freedom as one of the reasons (Steger and Roy, 2010: p.5). Kant identifies the Enlightenment as the mankind’s leaving behind its self-imposed immaturity, where immaturity means the inability to employ one’s own intelligence without being directed by someone else; that is to say having the courage of mankind to think for himself (Kant, 2002: p.102). He also suggests that the only thing that entails enlightenment is freedom. Enlightenment is man’s release from his self-imposed immaturity – mainly in matters of religion. If the ruler must spread the public use of people’s own reason, then governments will be influenced by free thought and will start to treat men as autonomous and responsible human beings (*Ibid.*, p.103). That is to say, the Enlightenment process entails rationalization of some social features such as government, economics and so forth. This rationalization has always been articulated in the idea of liberalism.

Liberalism is often considered to be equivalent to freedom or liberty. It is because the word liberal is derived from the Latin word *liber* that has the meaning of free (Ball and Dagger, 2002: p. 63). In fact, Michel Foucault, in *The Birth of Biopolitics*,

indicates that liberalism emerged as a criticism of state authority especially in the sense of “too much government”. That is to say, liberalism was a critique of governing too much (Foucault, 2008). It is also related to practices of the capitalist economy which has mainly appeared around the ethos of market economy in Europe. There are several reasons for the rise of liberal capitalism which are totally related to the modern state. First of all, it is important to say that the modern state, at the beginning, was formed as an authoritarian entity (Hobhouse, 1964). According to Karl Polanyi, the formation of liberal markets is a product of the modern state and he calls this formation as the “great transformation” and he also believes that it is something diabolical (Polanyi, 2010). Why was the modern state established with the idea of liberal markets? And why was it authoritarian at the beginning and why was liberalism against this authoritarianism? Indeed, these are the question that must be answered in order to understand the emergence of classical liberalism.

Foucault indicates that liberalism cannot act without the notion of criticism against the governmental system (Foucault, 2008). This governmental system of the modern state appeared after the treaty of Westphalia in 1648. After that treaty, European powers started to recognize their sovereignties and this recognition provided an era of tranquility in Europe. This tranquility allowed the rise of absolute monarchs against Feudal power structures and the establishment of central kingships gave rise to a territorial prince who had an absolute power over its territory and over the people who live in that territory. This was in line with the idea of Machiavelli which focuses on the power of territorial prince in order to govern the country with a unity. The rise of absolute princes in Europe caused the emergence of new economic tactics which considered playing an economic game outside of Europe in order to make the king or the principality powerful and wealthy (*Ibid*, 2008). The first economic idea of this absolute principality was mercantilism. In the Middle Ages and in Feudalism, there was the idea of the just price. That is to say, from the twelfth to the sixteenth centuries, the dominant mechanism was the idea of just price which was surrounded by an ethical approach (Roncaglia, 2005: 34). It was also called moral economy and there were many restrictions against fraud in the market during that era. Indeed, as Marc Bloch points out that the main economical circulation of the feudal era was the commerce. The importance of feudalism stands out the emergence of merchants as the key of economic life (Bloch, 2007). That is to say, market was created by

merchants rather than producers. As Foucault indicates the market created by merchants was under rules of justice because there were many regulations and controls in order to prevent cheating and high prices (Foucault, 2008). Another problem, from a moral point of view was the regulation of interest rates, and this was one of the main debates at that time. John Calvin was the main figure in this debate claiming that there must be free commercial loans even though consumption loans must be under control (*Ibid*, 34). Foucault also claims that before the liberal market, the main purpose of the market was to distribute justice by determining the just price. Two main mechanisms create the definition of a just price. On one hand, there was the law which might be considered the imperatives of rulers and on the other hand, there was the emerging institution called “police” which was the main controller of this moral system (*Ibid*, 30). What is produced and what is sold were controlled by the police, and there were many limitations on trading in crops. The traders who bought crops, had to register what they received from trade with the police department. The police occasionally entered shops and checked all the crop barrels to control whether there were any illegal trades or not (Neocleous, 2006: p.21)

Two different approaches abolished this idea of moral economy: First of all, there mercantilism and the liberal contradiction and criticism of mercantilism. Mercantilism appeared in the period of the formation of the nation-state and of territorial principalities. In this era, the sovereign became the absolute power and the Church became one of the main partners of this absolute power. In fact, in the Middle Ages there was no clear separation between Church and the State (Ball and Dagger, 2002: p.63). Especially, in the era of the Renaissance, the Church started to act as a partner to complement the state rather than being a part of state or being a separate power which can make a decision over people. Mercantilism, in this era, was the new method of economy which is mainly based on the enrichment of the kingdom for the eternity of principality. The economic game of European powers outside of Europe consisted of the enrichment of the state through precious metals extracted from other continents. The East India Company was one of the most famous symbols of this mercantilist expansion around the world. The Company was exporting bullion from other regions in order to get goods, especially spices, from India (Vaggi and Groenewegen, 2003: p.15). In 1621 Thomas Mun who was the director of the East India Company wrote a booklet called *A Discourse of Trade*,

from England to East Indies in which he defended this trade policy although he was accused of depleting the treasury of England (*Ibid*, 2003). Thomas Mun's writings are perceived as one of the beginning references of the mercantilist economy because Mun tries to create a balance between bullionism and trade of other goods. That is to say, mercantilism emerged as a new economy which aims to find the balance of the foreign trade of a country taken in isolation (Roncaglia, 2005: p.43). Thus, on the one hand mercantilism entails the colonization of other lands from different regions but on the other hand it needs a protectionist national economy which may lead to isolation in order to supply trade balance and national wealth. This protectionist economy also entails a powerful central government and the construction of a national authority. Mercantilism emerged in opposition to the universalism of Christian Church and the medieval type of empire; it was also against the feudal sort of power relations (*Ibid*, p.43). This opposition has many reasons but it is possible to say that it literally caused the appearance of authoritarian central governments and nation-states. The main problematic that caused the emergence of mercantilism is the transformation of the notion of wealth.

The notion of wealth, in the mercantilist economy, appeared as an indicator of owning precious metals especially gold and silver. This insight of wealth needs the formation of better international relations and of the treatment of mutual gain (Wiles, 1974: p.62) Thus, mercantilism can better function within an international system in which nation-states are the main actors. Indeed, this is more generally relevant to European history. In the mercantilist economy, wealth is something which is useful for security. Foucault, in *Security, Territory, Population*, mainly claims that mercantilists perceived wealth as the opposite of scarcity and that scarcity is something that must be overcome in order to prevent revolts. He also says that mercantilist period is an anti-scarcity system that dominated Europe (2007: p.32). This security approach to wealth involved the formation of a system of control in the international commerce system and the protectionist policies in order to supply the internal and external trade balance. The main aim of this system of control was to create the security of the state and to increase national wealth. Mercantilism focuses on the goals of self-sufficiency, a balance of trade, the vitality of key industries, and the promotion of the power and the wealth of the state.

The mercantilist policy which emphasizes the wealth of the state through many economic interventions such as taxation, full employment and restrictions on foreign trade and internal commerce, was faced with an opposition of two groups of people, namely physiocrats and liberals. The protectionist idea of mercantilism was criticized by liberal thinkers who believe that an international system of mutual wealth could be better for the economy. Adam Smith was one of the main critics of this protectionist economy. In *The Wealth of Nations* (1776), he briefly says that states can have more wealth as long as they facilitate international trade among themselves. On the other hand, physiocrats defended the idea of *laissez-faire* in order to supply the progress and the naturalism of market economy. Beginning from François Quesnay, all the physiocrats criticized strongly the mercantilist doctrine which envisaged the commerce and the precious coins as the only source of wealth (Berend, 2011: p.17). According to physiocrats the most important source of wealth is land (Cantillon, 2003: p.79). Quesnay, in his *tableau économique* mainly claims that there are three main groups in the society and these are land owners, land renters and manufacturers. He also says that the economy must function through naturalism without the intervention of government and the taxation over agriculture must be eliminated (Quesnay, 2003) Turgot also supports this idea of free circulation in economics and he mainly suggests that the free circulation of wealth is an indispensable prerequisite for profitable work (Turgot, 2003: p.105).

Physiocrats defended the elimination of high taxation on agricultural goods and of trade barriers. They mainly constructed their theory around the idea of *laissez-faire* which was in opposition to the protectionist mercantilist economy. However, the ideas of the physiocrats were followed by more powerful thoughts. These thoughts were formed by liberal thinkers and economists. Beside the idea of *laissez faire* and free trade, liberal thinkers supported individualism in economic life and they also strongly supported private property. It is clear that liberalism appeared as a counter argument to mercantilism with its idea of individual interest rather than the national interest which was formulated by mercantilists. On the other hand, this individualist formulation of liberalism was also combined with utilitarian morality and this morality also followed the naturalistic market approach. First, Thomas Hobbes, in *Leviathan*, declared that each man has power to preserve his nature and he has a natural right of being free. That is to say, liberty means the absence of external

impediments (Hobbes, 2002: p.69). John Locke was also a key liberal thinker who opposed the authoritarian state approach. In criticizing this approach he suggests that people may have the right of overthrow the government (Lock, 2002: p.86). Locke also believes that the most important right to humankind is the freedom of having private property. If a government limits this freedom with an authoritarian approach, it must be eliminated (*Ibid.*) However, the most influential defense of *laissez-faire* is Adam Smith's individualistic approach. Smith suggests that there is an invisible hand in the economy which formulates the functionality of the free market with a wonderful harmony. According to Smith, this harmony can only be achieved by free market economy and division of labor. Division of labor is the supporter of individualistic idea and it allows people to pursue their own interest according to their abilities or learning. He has a brief example of the pin-maker for explaining the importance of the division of labor. If a workman tries to do a pin by himself he will most probably produce only one pin per day. However, if the production process is divided into several branches there will be more producers with the specialization of their own profession. That is to say, at the end of day, in the manufactory, they may produce forty-eight thousands pins in a day (Smith, 1776: p.4). This division of labor gives rise to specialization and this specialization is the source of the wealth. As far as I understand, for Smith the source of the wealth is the production of goods by the idea of division of labor because division of labor will force people to pursue their own individual interest and this individual interest will force people to work hard to earn more wealth. That is why he says that: "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest" (Smith, 1776: p.11). Thus, the wealth comes from the self-interest in the free market and nobody knows the need of other people, everybody works and consumes for his own interest. Smith is also against all the interventions to the free market.

On the other hand, Jeremy Bentham articulated a utilitarian approach with the liberal view of individualism. In *A Manual of Political Economy*, he mainly says that the aim of political economy is to produce the maximum amount of happiness in the community and he also believes that the individual wealth of each person will constitute the general wealth of the community, that is to say, the government does not need to do anything in this case (Bentham, 2003: p.186). In the liberal economy,

the price is determined in the free market with the mechanism of invisible hand. So, the market will find its own price balance with a well functioning spontaneity. This means liberal market determines true price or natural price. Finally, in the context of classical liberalism, it is possible to mention about John Stuart Mill. Mill, in *The Principles of Political Economy* mainly points out state may do some adjustment for supplying the distribution of wealth but on the other hand state must also guarantee private property (Mill, 1848).

It is possible to say that liberalism emerged as a criticism of the authoritarian mercantilist approach in the field of economy and it created the term called *Homo oeconomicus*. However, Karl Polanyi criticizes the liberal approach to individual interest which pushes people to exchange their goods for wealth. Polanyi's criticism consists of an anthropologist's view and he mainly claims that the nature of man constitutes the communal interest rather individual interest and he also says that the idea of self interest is something created by liberal state as if liberal free market (Polanyi, 2010: pp.86-91). On the other hand, Foucault also observes liberalism in a critical way. He does not deny the emergence of liberalism as a criticism of mercantilism but he suggests that liberalism became the main discourse and practice of political economy especially in the 18th century (Foucault, 2008). This practice of political economy has its own methods in order to control the society for more wealth. Indeed, he also claims that liberalism does not mean freedom. It is the production and the consumption of freedom. This consumption of freedom is totally related to what Foucault tries to identify as art of government and as governmental rationality. Foucault claims that in 17th and especially in 18th centuries, a transition from the territorial state (or from Machiavellian formulation of prince) to a rational type of government, which deals with regulating population rather than territory, happened. For Foucault, the essential thing that causes the emergence of this liberal art of government was the introduction of economy into political practice (Foucault, 1993: p.92). Foucault identifies this transition under the framework of rationality because he thinks that liberal governmentality is a new type of practice which acts by drawing its own limits in almost all of its actions and policies. Foucault refers this self-limitation as frugal government, this self-limitation is the core of governmental regime, this regime had to limit itself in order create a liberal market and to act economically. This means that, according to Foucault, frugal government is the core

of political economy and liberal art of government (Foucault, 2008: p.29). This literally illustrates the basic logic of liberalism which is against “too much government” and which defends self-limitation of governmental action. Indeed, Foucault believes that liberalism is not an ideology or doctrine, it is a “way of doing things” or arranging things (Foucault, 2007). That is to say, liberal way of doing things acts with the idea of least government and this starting point of least government entails the control and the regulation of population. In the final instance, this gives rise to what Foucault calls Biopolitics.

Biopolitics is the systematic approach which aims to maintain people in life. Economics is always a problematic for liberalism. First of all, the main problem was the authoritarian state. After that, liberalism became the dominant practice especially in 18th and 19th centuries. After becoming dominant, the main complication of liberalism appeared as the problem of population. The rise of nation-states and the discoveries of new geographies caused the increase of population especially after bringing new goods and vegetables into Europe from new continents. The increase of population was considered to be a crucial issue for liberalism. That is to say, the need for controlling the newly growing population was a necessity of liberalism in order to improve itself. First of all, if the population increases the need for a job (that is to say the need for production) will also increase and this increase will give rise to wealth since according to liberalism the meaning of wealth is equal to production and individual interest. Secondly, the rise of population will cause the rise of unemployment and the big amount of unemployment will also facilitate to decrease labor cost.

The rise of population must be controlled in order to maintain people in life and biopolitics is the tactic which aims to sustain people in life by using many techniques of knowledge in order to supply the eternity of the state. In this case, Foucault (2007: p.69) says that:

The population is a fundamental component of the state’s power because it ensures competition within possible workforce within the state, which of course ensures low wages. Low wages mean low prices of products and the possibility of export, and hence a new guarantee, a new source of the state’s strength.

The phenomenon of population which is related to the strength and wealth of the state is an end of the liberal art of government. Foucault explains this as a transition from the territorial state (Machiavelli's understanding of prince) which was functioning with the flexibility of the prince or king to a rational type of government which acts with the idea of self-limitation and of frugality (Foucault, 2007: Foucault, 2008). Foucault calls this transition as the emergence of governmentality and governmentality acts through knowledge in order to control the population. This governmentality acts through the knowledge of political economy, statistics demography and biopolitics. Governmentality was the newly emerged core of liberalism which entails the existence of rational government rather than the flexibility of the territorial king (Foucault, 2007). Thus, liberal governmentality is a new type of government which acts by drawing its own limits in almost all of its actions and policies. Foucault calls this self-limitation `frugal government`. This means that liberal art of government acts with rationality which limits itself for the creation of a free and competitive market and for acting with the idea of least government. This frugality is the core element of liberal art of government and political economy (Foucault, 2008). In the final instance, Biopolitics also involves the instrument of control of demography and of environmental health (Kelly, 2004: p.11).

This is a clear situation that liberalism started to deal with the population as the main problematic after becoming the dominant practice of political economy. Indeed, population must be the source of wealth, therefore it has to be optimized and increased. The creation of a system of protection to the human body was also engendered by the rise of liberalism. This idea of humanism is criticized by Foucault and he mainly says that humanism is a system of creating a kind of human structure. Humanity means defining what is "normal" man in a created structure. Christianity, Marxism and even National Socialism have their own understanding of humanity (Foucault, 1984: p.44). Humanity, therefore, does not mean the emancipation of people, it is the construction of normalized people and the humanistic tactics of making people as subject.

At the beginning of the 20th century, the World witnessed World War I and the Great Depression of 1929. After those big events, Karl Polanyi says that the civilization of the 19th century had come to an end. That is to say, the liberal system which

dominated the 19th century via the idea of *laissez-faire* ended up (Polanyi, 2010) WW I and WW II and the period between two wars witnessed the rise of planning economies and the Keynesian type of macro economy which entails active state intervention for regulating the market and employment.

John Maynard Keynes published a booklet called *The End of Laissez-Faire* in 1926. In that booklet he mainly criticizes the dominance of *laissez-faire* theory and he defends the construction of a theory of state intervention and economic policy (Roncaglia, 2005: p.287). However, Keynes was not an antagonist of liberal capitalism. In his famous book *The General Theory of Employment, Interest and Money*, he defends liberal freedoms and individual economic initiative but he also suggests that there must be some limits of *laissez-faire* with active state intervention for increasing the efficiency of economy (Keynes, 1936).

Historically, there were two time periods when the ideas of Keynes became dominant. The first is the Great Depression of 1929 and the rise of New Deal policies in the United States and the second was the formation welfare state after Second World War. New Deal Economics emerged in United States under the presidency of Franklin D. Roosevelt in 1932. Most generally, it was affected by a Keynesian rejection of Adam Smith in the sense that naturally developing markets could not function any more. New Dealers claim that the free market which was defended by Adam Smith had vanished forever and they also believe that the important thing is to establish the administered market (Leuchtenburg, 1963: p.34). On the other hand, New Dealers were also defenders of balance theory since they were assuming that the Depression appeared because of the existence of many imbalances. Because of this thought, they gave priority to raising farm prices in order to restore the balance between industry and agriculture (*Ibid.*, p.35). Roosevelt believed that the cause of the Depression was under consumption and he increased wages and prices to promote consumption level; Keynes however criticized this view and he published a letter in 1933 in the *New York Times*. In that letter (An Open Letter to President Roosevelt) he suggests that increasing wages and prices with the help of loans may cause some problems and in 1936, in *The General Theory*, Keynes claims that supply and demand do not have a balance, and there must be a macro view which focuses on capital liquidity, savings, investment and consumption. He also suggests that

employment can be created by the state and this can also help increase consumption (Keynes, 1936).

That is to say, the period from 1914 to 1945 saw the trends towards a state controlled economy of the Keynesian type of interventionist state and of planning economy. However, there were many criticisms of these approaches. After the WW II, a new practice political economy which is mainly called neo-liberalism emerged in Germany and in many other European states as a reaction and as a systematic criticism to planning economy and to welfare state.

In 1938, a group of people including Friedrich Hayek, Michael Polanyi, Wilhelm Röpke, Ludwig Von Mises and Alexandre Rüstow came together at a conference in Walter Lippman's honor in Paris. In the conference, they put forward the term "neo-liberalism" and they mainly defined it as the priority of the price mechanism, the free enterprise, the system of competition and a strong and impartial state (Plehwe, 2009). In 1947, many neoliberal intellectuals, under the leadership of Hayek and Albert Hunold, came together in Switzerland, Mont Pelerin. After those meetings, the intellectual community became known as the Mont Pelerin Society. In the Mont Pelerin Society Hayek stated that:

"The central values of civilization are in danger. Over large stretches of earth's surface the essential conditions of human dignity and freedom have already disappeared. In others, they are under constant menace from the development of current tendencies of policy. The position of the individual and the voluntary group are progressively undermined by extensions of arbitrary power." (*Ibid.*, pp.24-25).

The main element of neoliberal thought is designed around the idea of freedom. Socialist economy, state controlled market and planning are seen as the enemies of economic freedom and the individual initiation.

Foucault, in *The Birth of Biopolitics* investigates the rise of German neoliberalism in order to understand what neoliberalism means. Therefore, after World War II, the main issue was reconstructing the state around the idea of economics, and this rebirth entailed the formation of an economic state rather than an authoritarian state, because there was a phobia of state at that time as Foucault indicates briefly (Foucault, 2008). The institutional name of German neoliberalism is Ordo-liberalism so called because important intellectuals started to publish a journal called Ordo. It is also called

Freiburg School liberalism since many supporters were affiliated with Freiburg University. The important people were Walter Eucken, Franz Böhm, Alfred Müller-Armack, Alexander Rüstow. German neoliberals or Ordo-liberals believe that state must establish a competitive market economy and must secure that competitive order (Ptak, 2009: p.101). The state is considered to be only entity for supplying the well being of competition, and Leonhard Miksch also claims that market competition is an event to be organized by the state (*Ibid.*) That is to say, for German neoliberals, the most important thing in the economy is the construction of competitive markets and the strength of the state in the formation of new competitive markets. Another main issue for German neoliberals was the social problem, meaning social security or policy. They believed that social security must be used as a mechanism which increases competition in society. How can social security be used for the spread of competition? In order to understand this, it is useful to look how neoliberalism emerged as a criticism like classical liberalism which was also a criticism towards mercantilism.

German Ordo-liberals, first of all, had to identify some enemies in order to create a competitive market society. The enemies were protected economy, state socialism, economic planning and Keynesian interventionism (Foucault, 2008). This means that neoliberalism emerged in Germany as a reaction to those economic elements. Neoliberalism also emerged as a criticism of other types of economic approaches. However, what distinguishes neoliberalism from liberalism appears at the point of another criticism. Social security, in a welfare economy is designed as a compensation mechanism in order to facilitate the life of people, especially workers, in terms of education, health and culture. However, according to Ordo-liberalism, the aim of social policy should not be a mechanism of compensation and socialization. It should be regulated as a new mechanism to increase competition (*Ibid.*) That is to say, social policy must become individualized, and it should not be something like a transfer of income to the people. Everyone in an economy of competition can supply his or her own security. Such a social policy means that every individual can have sufficient income in order to eliminate life risks. Everybody must compete for a better life by eliminating their risks. This means that social policy is equal to economic growth. Economic growth must enable each individual to achieve his own sufficient income (*Ibid.*). This is what Ordo-liberals call social market economy. It is

clear that neoliberalism appeared as an opposition to welfare state and aims to limit it for prevailing competitive markets (Ptak, 2009: p.103). Wilhelm Röpke also suggests that the market economy also requires a firm framework - what he calls the anthropological-sociological frame (Röpke, 1946: p.82). Alexander Rüstow calls this sociological framework for sustaining social market economy *Vitalpolitik* (Rüstow, 1980). *Vitalpolitik* - a politics of life – can be explained through Foucault’s formulation of biopolitics.

Foucault, in *The Birth of Biopolitics* explains the genealogy of neoliberalism from the starting point of classical liberalism. He also says that he wants to talk about the emergence of biopolitics if he finds enough time. People may suggest that he does not mention biopolitics in that book but he actually talks about it, in my opinion, in an implicit way. When he talks about the *Vitalpolitik* of Ordoliberalism, he situates biopolitics within his examination of German neoliberalism. According to *Vitalpolitik*, the state must regulate all the components of life for promoting competition. This promotion entails the existence of access to private property, supporting medium-sized towns and private home ownership, encouragement of small farms, development of small businesses, the decentralization of production and economic activities organizing the environment in order to avoid environmental erosion. Therefore, regulating all these in society pertaining to wealth is Foucault’s formulation of biopolitics. Indeed, at the end, Foucault also says that a competitive market must be the main regulatory of society for the neoliberal approach (Foucault, 2008: p.148).

Neoliberalism emerged as a criticism not only to Keynesian interventionism, state protectionism, socialism and economic planning but also to the welfare state. Neoliberalism has one more criticism which is very important to understand its main logic. This criticism consists of denying classical liberalism which functions with a natural and spontaneous market economy around the idea of *laissez-faire*. Neoliberalism also deals with anti-naturalism, its aims can only be achieved if the necessary conditions for its success are constructed, so those conditions will not come about naturally (Van Horn & Mirowski, 2010). With its idea of anti-naturalism, neo-liberalism differs from classical liberalism which is a doctrine that mainly contains natural and spontaneous market development without intervention. That is why Foucault (2008) says: “Neoliberalism is not Adam Smith, it is not *laissez-faire*”.

Therefore, neoliberals perceive classical liberalism and a natural and spontaneous market as a utopia that can never be achieved. Friedrich Hayek also supports the idea of anti-naturalism. In *The Road to Serfdom*, Hayek states that,

There is nothing in the basic principles of liberalism to make it a stationary creed, there are no hard-and fast rules fixed once and for all. The fundamental principle that in the ordering of our affairs we should make as much use as possible of the spontaneous forces of society, and resort as little as possible to coercion, is capable of an infinite verity of application. There is, in particular, all the difference between deliberately creating a system within which competition will work as beneficially as possible, and passively accepting institutions as they are. Probably nothing has done so much harm to the liberal cause as the wooden insistence of some liberals on certain rough rules of thumb, above all the principle of *laissez-faire*. (Hayek, 2010: pp.17-18).

Hayek also suggests that economy cannot be left to its own nature, there are many duties for the well being of competition such as handling of the monetary system and prevention or control of monopoly (*Ibid.*, p.19). German neoliberals also supported the adjustment of law for the prevention of monopolies and this is a necessity for the spread of competition (Ptak, 2009).

Because neoliberalism also appeared as a criticism of classical liberalism, it contains the adjective “neo”. Neoliberalism is neither the same as classical liberalism nor a reinterpretation of it. It is to define the *homo economicus* around the idea of competition and individual entrepreneurial approach rather than *homo economicus* of exchange and consumption as it was envisaged by classical liberalism. That is to say, neoliberal society is the society of enterprise, not the society of production (Foucault, 2008). Theoretically, neoliberalism is something new and it functions with a strong state in the sense spreading competition, opening up new markets and setting the rules of the economic game, such as framing social life and maintaining a low inflation rate.

2.2 Globalization and Neoliberalism

In the 1970s and the 1980s, the world witnessed the rise of American neoliberalism especially around the thoughts of Milton Friedman and Chicago School Liberalism. In particular, Friedman constructs his thoughts around the notion of freedom. He states that:

A society which is socialist cannot also be democratic, in the sense of guaranteeing individual freedom. Economic arrangements play a dual role in the promotion of a free society. On the one hand, freedom in economic arrangement is itself a component of freedom broadly understood, so economic freedom is an end in itself. In the second place, economic freedom is also an indispensable means toward the achievement of political freedom. (Friedman, 1962: p.8).

Friedman also theorizes the role of government as a protector of the freedom of the people and the competitive market. In the final instance, Friedman believes that government should supply economic individual freedom and that direct governmental interventions mean coercion (*Ibid.*, p.8). Margaret Thatcher in the UK and Ronald Reagan in the United States came to power at the end of the 1970s and at the beginning of 1980s and they started pursue neoliberal policies with the slogan “there is no alternative”. Neoliberal policies were supported by the process of globalization which mainly started to appear in the 1980s with the revolutions in information technology and communication. David Harvey (2010: p.2) makes the contemporary definition of neoliberalism; as follows:

Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. It must also set up those military, defence, police and legal structures and functions required to secure private property rights and to guarantee, by force if need be, the proper functioning of markets.

It is clear that for contemporary neoliberalism, the most important thing is to redefine the role of the state for the well being of a competition based free enterprise society. The state has to guarantee the integrity and quality of money and it must establish new security mechanisms (military and police) for the perpetual functionality of competitive market and to guarantee private property rights. Indeed, if markets do not exist the state can go to war in order to create them (*Ibid.*). Another issue of contemporary neoliberalism is to withdraw the state from many areas of social policy which means the trends of deregulation and privatization (*Ibid.*, p.3). Yet, another role of the state is to make dominant the notion of rule of law in order to shape the process of neoliberalization for the good of markets.

Neoliberalism manifests itself as a set of policies which can be called deregulation, liberalization and privatization (Steger and Roy, 2010: p.14). The law is also adjusted in accordance with this formulation. Neoliberalism has prevailed around the world with the rise of globalization since the productive forces are very important for competition. Through the rise of competition, cheap labor power has become crucial and this situation caused the emergence of the need for crowded countries where labor costs are very low. The rise of China and India as economic powers is one of the basic examples of this situation. Articulation of communist China into neoliberal policies was a turning point for neoliberalism. After that, we have witnessed the extreme enrichment of MNCs (Multi-National Corporations) and the rise of other type of markets especially in the West, such as financial markets, service sectors and housing markets. Thus, globalization has become a driving force in the neoliberal political economy.

Globalization, nowadays, is the main vehicle of neoliberal politics in moving around the World. Technology has been developing very fast, the media also developed with revolutionary rapidity especially after the end of Cold War. This tremendous development of means of communication has attracted the attention of neoliberal capitals to invest in Information Technologies. IT has become very crucial both in the technology market and in capitalist competition. Researchers from all over the World can exchange their findings by e-mail and the World Wide Web, and international collaboration is easier than it has ever been (Brown, 2006). Neoliberal globalization also works with institutional frameworks within the context of good governance and global governance. The IMF, the World Bank and the WTO try to promote the notion of governance in the world in order to articulate more people into governmental reason. Governance has become the dominant discourse of neoliberal governments, and the defenders of governance define it as a necessity of *Zeitgeist* since the global issues cannot be solved without civil society and global institutions (Rosenau, 2006: Held and McGrew, 2002). However, Negri and Hardt say that globalization is a systematic approach for spreading neoliberal biopolitics in the World which aims to create security mechanisms for competitive markets (Hardt and Negri, 2001). NGOs started to work with many MNCs and the discourse of freedom has spread around the world with the contribution of big bosses like George Soros, Ruckerfeller Family and so forth.

On the other hand, neoliberalism creates a deep atomization and Pierre Bourdieu claims that it is a systematic approach, which aims to destroy all the social collectivities for the dominance of pure market logic (Bourdieu, 1998). In the final instance, it is possible to say that neoliberalism works with a powerful state which aims to regulate the markets, not in the sense of intervention but in the sense of supplying a good environment for competition, and it also aims to create new markets. For this aim, globalization is the main discourse and there are the options of war and military coup. In Chile in the 1970s, and in 1980 in Turkey, military coups took place and the governments after the coups started to pursue neoliberal policies immediately. That is to say, neoliberalism entails the formation of security and new disciplinary tactics. David Harvey (2010) also claims that neoliberalism benefits nationalism and conservatism where it becomes dominant.

2.3 Islamic Conservatism and Neoliberalism

Islam, by its very nature, has always been involved in politics, economics and law. Indeed, the Holy Book of Islam, the *Quran* includes many regulations and orders which aim to create its own moral insight. Additionally, Islam, from its very beginning, has always been in relationship with economic activities, since the prophet Mohammed was also a well-known merchant in the Arab lands of that time. This relationship is often conceived as a holy practice, since it was an action of the prophet. According to Islam, there is also a tradition of *Sunna* or *Sunnet* which means the interpretation of the prophet's lifestyle, or doing the same thing that the prophet did once upon a time. Many Muslim people believe that they ought to imitate Mohammed and carry out his directives (Rodinson, 2007: p.40). Therefore, the life and essentially economic life of the prophet is very important for the believers of Islam.

The *Quran*, the word of God according to Muslims, contains many sentences and regulations concerned with economic life. First of all, it is possible to say that the *Quran* does not say anything against the ownership of private property since it includes many rules for inheritance (*Ibid.*, p.41). Indeed, Islam does not challenge inequalities but it advises that being very rich is something which refers to uselessness in the eyes of God (*Ibid.*). The *Quran* has never excluded itself from economic activity, rather it supports economic activities, since the prophet was also a

merchant. The followers of Islam believe in the holiness of working (doing commerce) as something holy according to *Sunna*. However, the main question is does the importance of doing commerce according to Islam refer to the capitalist economy? Historically, Islam appeared in the 7th century but for many people capitalism emerged at the end of the feudal era or at the beginning of 17th century.

Marx, in *Capital Volume III*, suggests that the economic circulation which started with primitive trade and primitive merchant activities can be conceived as the pre-constitution of modern capitalism. “Not commerce alone, but also merchant’s capital, is older than the capitalist mode of production, is, in fact, historically the oldest free state of existence of capital” (Marx, 1894: p.222). Andre Gunder Frank also agrees that capitalism is a very old economic system. He mainly claims that there is only one economic system in the world and it is called capitalism. This system has been in place 5000 years. The only thing that happens in the history of the economy is a shift of trajectory in the system (Frank, 1993). That is to say, the primitive activities of merchants can be perceived within the capitalist approach but it is possible to say that it was a type of primitive capitalism compared to today’s neoliberal capitalism. Marx (1894: p.223) also says;

Merchant capitalism provided the concentration of wealth because the capitalist mode of production presupposes production for trade, selling on a large scale, and not to the individual customer, hence also a merchant who does not buy to satisfy his personal wants but concentrates the purchases of many buyers in his one purchase. On the other hand, all development of merchant’s capital tends to give production more and more the character of production for exchange-value to turn products more and more into commodities

Islam’s requirements concerning merchant activities can be seen a justification of capitalist life for Muslim people. On the other hand, the Prophet’s expressions (*Sunna* or *Hadith*) emphasize the importance of working. Working for needs and the fulfilling of desires through earning wages are legitimized by the *Quran*. However, there is one thing that is very important for Islam. Interest is prohibited by the *Quran*. Indeed, interest and interest rate are very important for perpetuation of today’s capitalism but it is forbidden by Quran although many Muslim people use it in order to have more wealth. The problem arises in this case.

Indeed, historically, we can say that Islam and Capitalism were compatible in the sense of a merchant economy, working for a wage and fulfilling needs and desires.

On the other hand, according to the *Quran*, consumption for luxury (which means consuming more than basic needs) is forbidden and illegitimate. However, the main divergence between Islam and capitalism emerged after the rise of Christian Europe as the main economic actor in world economy. Especially, Islamic intellectuals believe that current capitalist practices cause many inequalities (Malkawi, 2002). Therefore, there are two main Islamic approaches in the current neoliberal age. The first one is the Jihadist approach to eliminate today's capitalism which is the source of all inequalities. The second one is to articulate to a neoliberal economic policy in order to integrate Islam and globalization, that is what is happening in Turkey and in Malaysia.

The Jihadist approach of Islam against neoliberal capitalism and globalization derives from the idea of the failure of Islam (Roy, 1995). According to Olivier Roy, there are two main Islamic approaches in today's world. On the one hand there is fundamentalism or neo-fundamentalism and on the other hand there is an attempt to act with a more moderate creed. He also adds that those two main approaches have different interpretations such as the fundamentalist approach of Al-Qaeda or the moderate and secular approach of Arafat's Fatah (Roy, 2004). Indeed, the important claim according to fundamentalists, as Roy emphasizes, is that Islam and state issues cannot be separated. Since, the Quran is a book which regulates social, political and economical life, Islam cannot be isolated from governmental affairs. As far as people strongly believe in Islam, they live according to the law of Islam (*Sharia*) and also according to the creed of the Prophet. Therefore, the fundamentalist approach claims that secularism and western capitalism cannot survive in the world. Such practices are evil and they must be eliminated. There are two main *Jihads* according to Muslim people. The first one is called greater *Jihad* which is an ideological approach supported by most Muslims but the second one is the *Jihad* by sword, that is to say violent *Jihad* (Springer, Edger and Regens, 2009: p.18). The violent *Jihad* is often applied in the form of terrorism, suicide bombing and killing innocent people, essentially Jewish people. Indeed, fundamentalist Islamic people and essentially Al-Qaeda believe that violent *Jihad* must become the general understanding of *Jihad* (*Ibid.*, p.18). Jihad is the holy war of Muslim people against non-believers for the purpose of converting them into Islam or, if the conversion is unsuccessful, for killing them. The main reason for the increase of violent *Jihad* is the failure of Islam

(mainly fundamentalist Islam) in the face of western economic and social life. Fundamentalist Muslims believe that they have experienced a failure compared with the success of western economies. That is why there are many problems in Muslim regions. The reason for this failure is not only the success of West but also the divergence of Muslim people from the fundamentals of Islam. Therefore, Muslim people must refer to act in accordance with the *Quran*, and the *Quran* orders *Jihad*. The rise of the Jihadist approach in the globalization process emerged around this idea.

However, there are some countries where Islam is very important but secularism is also crucial in economic and social life. Those countries started to integrate into globalization process without hesitation. Turkey started to articulate to globalization since the mid 1980s and Malaysia also articulated itself into neoliberal economy as a workshop of big MNCs. Indeed, Turkey was founded around the secularist idea, but the majority of its population is conservative Islamic or moderate Islamic. Although, after the foundation of the Republic, the number of secularist people increased in Turkey, this does not mean that they are non-Muslim. Most generally secularist people in Turkey are also devout Muslim but they do not want religion to be dominant in the public sphere. In Turkey, Muslim people are very close to the Western type of economic and social life. However, beginning from the 1950s and 1960s, fundamentalist and very conservative Islamism has risen in Turkey. This rise is often conceived within the framework of National View Movement which was formulated by Necmettin Erbakan. The National View is against Western Capitalism and it blames westernization and secularism for being evil, and a strategy of Zionism.

Indeed, after the military coup in 1980, Turkey launched a series of adjustment programs for integrating into global economy. Then, conservative Muslim people, especially from the movement of the National View, also started to integrate into neoliberal politics and the competitive market economy (Atasoy, 2005).

As a consequence, it is possible to say that there are two different dimensions of the relationship between Islam and neoliberal capitalism. On one hand there is the Jihadist approach which wants destroy neoliberal capitalism for the well being of Islam, and on the other hand there is the integration of Muslim people into neoliberal capitalism and globalization. Turkey is one of the leading countries of the second

dimension. Therefore, it is necessary to investigate the introduction of neoliberalism into Turkish politics.

3. ESTABLISHMENT OF NEOLIBERALISM IN TURKEY

After the theoretical framework in Chapter I, this chapter will focus on the emergence of neoliberal political economy in Turkey. Then, it will deal with the rise of political Islam in Turkey.

3.1 The Construction of Neoliberalism in Turkey

There is no doubt that the military coup in 1980 has intensively changed the political discourses, social lives, juristic regulations, economic and industrial relations, commercial activities and so on. The military coup has been interpreted as the new formation of state body and authority in Turkey. Indeed, the most important change after the coup is the economical regulations and adjustment programs under the leadership of Turgut Özal. The economic changes were pursued by many political and social adjustments, pressures and tortures.

The military coup did not happen suddenly. There is an important background to this military action and it was supported by many people, including academics, journalists, and particularly businessmen.

After the coup, the armed forces immediately arrested all the party leaders and the parliament was dissolved. Two radical trade union confederations (the socialist DISK – Revolutionist Workers’ Unions Confederation and MISK – Confederation of Nationalist Trade Unions) were suspended (Zürcher, 2004: p.278). Many people were arrested and by September 1982, two years after the coup, the number of arrested people was 80.000 30.000 of whom were waiting for a trial (*Ibid.*, p.279). Indeed, many arrested people were tortured in the prisons, many people died during the tortures and we still do not know the fate of some people. They were lost or killed but nobody knows what happened. It was a kind of anarchic situation in the sense of eliminating many leftist and oppositional people. Anarchy here means that the police and armed forces were not limited in the use of torture, and they were doing whatever they wanted to the arrested people. As David Harvey indicates, in *A*

Brief History of Neoliberalism, neoliberal political economy entails the elimination of opposition, or the minimization of the voice of the opposition. Indeed, this action needs some authoritarian and sometimes fascist implementations.

The Turkish bourgeoisie, essentially TÜSIAD (Türkiye Sanayici ve İşadamları Derneği – Turkish Industry and Businessmen Association), was not content with the social opposition and of the power of leftist organizations. Indeed, the Republican People’s Party was also following leftist policies at that time and it had enormous support from the different factions of leftist groups in Turkey. Worker groups had many rights such as legal strikes, social rights and guaranteed wages. However, the military coup started to eliminate the rights of worker groups and it also dissolved the right to strike. Indeed, the military regime aimed to establish a new powerful state body, which dominates the political sphere (Insel, 2002: p.21). On the other hand, the military regime aimed to establish a new economical sphere for the Turkish bourgeoisie by eliminating the rights of laborers and unions.

The aim claimed that the military coup was the internal war and fights between leftists and rightist groups. Many people were being killed every day, some schools could not be opened, many busses were gunned and people were anxious about their families (Kanbur, 2005: p.56). Indeed, it was a chaotic situation, on the other political parties were also disputing on many hollow issues and they could not find solutions for eliminating the internal war even though they declared martial law or state of emergency several times.

The Constitution of 1961 was a turning point in the history of leftist groups in Turkey. The constitution allowed the formation of leftist parties and unions. The Workers’ Party of Turkey was founded in 1961 by a group of leftist intellectuals including Mehmet Ali Aybar, Behice Boran and Yalçın Küçük. On the other hand, many leftist journals were founded, and they started to publish very intellectual writings on the role of the left in Turkey. *Yön* (Direction), *Devrim* (Revolution)¹ and *Aydınlik* (Enlightenment) were the most popular ones (Zürcher, 2004: p.254). Those journals were most generally Marxist or leftist Kemalist. Intellectuals such as Doğan Avcıoğlu and Yalçın Küçük tried to reformulate Kemalism with a leftist insight by emphasizing its anti-imperialist approach (Küçük, 2007). Turkey started to politicize

¹ See Gökhan Atılğan, 2008, *Yön - Devrim Hareketi*, Istanbul: Yordam

after the declaration of the 1961 Constitution, and many student associations, leftist parties and journals acted as a social opposition. The issue of Cyprus also created an anti-American atmosphere. This aura enabled the rise of left as the voice of people, and workers and Turkey witnessed an opening process. This process included translation of important leftist books, and learning more about what is going on in the world (Ahmad, 2007: pp.166-169). This situation, first of all, pushed the RPP to the center of the left² and the rightist groups realized the importance of Islam, and of conservatism to struggle against leftism and communism. Associations for Struggle against Communism (Komünizm ile Mücadele Derneği) were founded by rightists and Islamists in 1962 (*Ibid.*, p.170). The number of those Islamic-rightist associations increased via the monetary aids of Saudis and of Islam Union in the following years (*Ibid.*). Indeed, the rise of Islamic-rightists and Fascist groups caused many street fights, ideological disputes and assassinations. In January 1971, Turkey was in a chaotic situation, leftists and Islamic-Rightist groups were fighting every day. Many banks were robbed, and many American missionaries were kidnapped by leftist groups. Leftist professors and students were assassinated by rightist groups. Indeed, rightist groups never denied their support for the United State and they were blaming leftist groups for being agents of Soviet Union. The National Order Party of Necmettin Erbakan was harshly rejecting Kemalism and Kemal Atatürk in an insulting way (*Ibid.*). There was no security on the streets, and there was no security of economic and monetary actions either. Although, the armed forces gave an ultimatum on 12 March 1971 against the Justice Party Government which was headed by Süleyman Demirel, the insecurity and street fighting lasted until September 1980.

First of all, the Turkish bourgeoisie and the limited foreign investors were not content due to the insecure situation of the country. Secondly, they really wanted to change the 1961 constitution, since it gives many rights to leftist and worker groups. Finally, Suleyman Demiral emphasized the flexibility of the constitution several times. He claimed that the constitution gives many rights to workers and officers and this limits the policies of the government (*Ibid.*).

² See Yunus Emre, 2010, *The Genesis of Left of Centre in Turkey: 1965-1967, The Construction of Turkish Democracy in Turkey or Nationalism in Social Democratic Clothes?*, Lambert Academic Publishing; Ergun Aydınoğlu, 2008, *Türkiye Solu 1960-1980*, İstanbul: Versus; Bülent Ecevit, 2009, *Ortanın Solu*, İstanbul: Türkiye İş Bankası Kültür Yayınları;

3.2 The Economic Policy of 1960-1980

Yalçın Küçük, in *Thesis on Turkey* which is a very detailed book in five volumes, emphasizes that Turkey, from its very beginning, was founded with a bourgeois revolution (Küçük, 2006). He denies the idea which claims that Turkey was founded by a civic and militaristic bureaucracy (Sertel, 1969: Bayramoğlu, 2002: Belge, 2011). That is to say, Turkey has always tried to establish a strong bourgeoisie and it has always taken the side of capitalist groups although it pursued étatist policies after the Great Depression. The main precaution to overcome the affects of Great Depression was to close the economy to foreign investments and to decrease the dependency on foreign markets (Keyder, 2004: p.135). Indeed, Turkey from its very beginning aimed to follow a mixed economic policy, in which the state, capitalist groups and workers were in cooperation. This corporatist or solidarity policies were the idea of Ziya Gökalp who was a follower of Emile Durkheim (Parla, 1993). This means that after the Second World War, Turkey accelerated its policies for creating a strong national bourgeoisie.

The economic policies of the 1960s and the 1970s were based on a protectionist and import substitution economy. The dependency of export on agricultural goods and the inadequacy of financing the demands of imports pushed the Turkish elite and bureaucrats to find new ways and economic policies (Keyder, 2004: p.199). Import substitution industrialization appeared in that period to strengthen national industry and the bourgeoisie in terms of competition with imported goods or foreign markets. According to Çağlar Keyder, it is a new method of regulation on capital accumulation by the state. He also adds that the military coup of 1960 supplied the emergence of the industrial bourgeoisie in Turkey and this new industrial bourgeoisie has become a successful project that was supported by international hegemonic powers (*Ibid.*, pp.198-199). According to new opposition journals\ power must be seized by the nationalist planners who have to serve the well being of people rather than governmental power (*Ibid.*). Planning was very crucial in Turkey in the 1960s and 1970s and the authority of the Ministry of Development increased after the military coup of 1960. Keyder also claims that the rise of worker rights and the industrial bourgeoisie engendered a contradiction. The main reason of this contradiction was the proliferation of technocrats and bureaucrats to satisfy all the classes in Turkey (*Ibid.*). However, this contradiction caused the main problematic of

the military coup. The contradiction includes the improvement of Turkish bourgeoisie but it also includes the rise of worker rights. It is very difficult to supply the concert between these two issues. This difficulty always constitutes a contradiction.

Import-Substitution Industry appeared within this aura as a response to the high demands of new industrial and urbanized bourgeoisie. Korkut Boratav (2005a) points out that Turkish economy was not sufficient to fulfill all the consumption and luxury demands of newly emerged urbanized bourgeoisie. This situation engendered to find a new economic policy. The policy of Import Substitution Industrialization helped Turkish bureaucrats to fulfill the demands. The main aim of the ISI was to produce goods in demand through the investments of the state, cooperation between the state and domestic capitalists, and through limited cooperation between the state and foreign investors (*Ibid.*, p.119). Indeed, at the beginning, the policy continued successfully for fulfilling the demands of elites. Then, the goods that are produced by this policy started to become common and average people were able to buy new industrial goods such as fridges, washing machines, televisions, cars and so forth. The economy was also supported by foreign credit and money from Turks in Germany. Indeed, this economy established two important situations. Firstly, capitalist groups, in cooperation with the state, and limited foreign investors have become very rich and powerful. Secondly, through the application of populist policies, Turkey became a substantive social state (*Ibid.*). Many of the social rights of workers were fulfilled by populist policies and this situation was disturbing to the new rich part of the bourgeoisie. On the other hand, those populist policies were also relevant to agricultural labor.

In the 1960s and in the 1970s, Turkey followed ISI with a strong emphasis on the social state although this caused many contradictions. Those policies were supported through planning economy, foreign credits and protectionist monetary policy. Moreover, between leftists and rightists, street fights, terror and assassinations were very common during this period. This aura of terror had always terrified new industrial bourgeoisie and essentially TUSIAD.

3.2.1 24th January Decisions, Economic Adjustment and TÜSIAD

The emergence of neoliberal political economy in Turkey is totally related to TÜSIAD and the political thoughts of Turgut Özal. In the second part of the 1970s, the welfare economy of ISI, and the social state started to decrease and this decrease was pursued by street fights and terror. The rise of terror and fights in the streets and in the manufactures and companies terrified the employers and they began to lose the control over workers (*Ibid.*, p.144). At that time, they believed that a new economic policy which is integrated to the world, and which is more disciplinary must be introduced. In 1979, Suleyman Demirel came to power again and Turgut Özal became his head consultant. At the end of 1979, Özal proposed a secret report to Suleyman Demirel after his negotiations with the IMF and the World Bank. The report was named the “24th January decisions” and it contained a stability program for the economy (*Ibid.*, p.147). In 1979 Özal proposed himself as the head consultant of prime ministry to Suleyman Demirel, and he mainly wanted to be sole authority in the field of economy (Çölaşan, 1983: p.47). After intensive negotiations and bargainings among Demirel, Özal, the IMF and the World Bank, a program of changing economic structure was formed. The program was declared on 24 January 1980 by the Justice Party government. First of all the program aims to devalue the Turkish Lira against the US dollar and secondly, it contains many price raises on the primary needs and goods (*Ibid.*). On the other hand, the program aims to eliminate Import Substitution Industry and the main economic policy was to be export oriented industrialization. Price controls were to be removed. Decreasing public expenditure, reforming taxation policy, attracting foreign investments, removing controls on interest rates, and privatization of public economic associations (KİT); these were the other main policies of the program (Ulugay, 1984: p.21).

There were external pressures and internal pressures for the preparation of those decisions. External pressures came from the OECD, the IMF and the World Bank. The main reason of these pressures was Turkey’s enormous debt and its inability to pay back that debt (Kazgan, 1985: p.381). The program’s main idea was to open all the production sectors to the foreign trade, and investment, and the structural adjustment of Turkish currency against the American Dollar. On the other hand, the

production of energy would be the main priority and the government would support savings in the budget (*Ibid.*, p.385). Turkey guaranteed the deregulation process, stabilizing the inflation rate, decreasing fiscal expenditure, the flexibility of foreign currency, increasing inflation rate and taking care debt management (*Ibid.*, pp.386-387). That is to say, those international institutions wanted to establish a new economic policy in Turkey in order to give new credit. They needed a more liberal and externally opened economy in Turkey. On the other hand, internal pressures for the preparation of 24th January Decisions were also very important. During the 1960s and 1970s new capitalist groups and investment holdings emerged in Turkey. Historically, Koç Holding, Sabancı Holding, Eczacıbaşı Holding and Türkiye İş Bankası were the leading capitalist companies in Turkey. However, after the rise of the housing and construction market in Turkey and the Middle East, Enka, Doğuş, Tekfen and Kutlutaş Holding also appeared as new rich and crucial groups at the end of the 1970s (*Ibid.*, p.388). The rise of rich companies in Turkey entailed the rise of foreign trade and foreign currency. In the 1970s, having foreign currency was forbidden under law in Turkey. As a necessity of a protectionist economy, Turkey prohibited the circulation of foreign currency and this policy was strictly enforced by the police. The program aimed at the deregulation of using foreign currency in the country. According to Korkut Boratav, the decisions are not only for a stability program, but they also support a structural adjustment which is supported by the World Bank for the interest of international capitalist groups and they mainly aim the at promotion of domestic capitals against laborers (2005a, p.148). Indeed, due to the intensive social opposition to international programs – the IMF and the WB programs- in Turkey, that program could not be implemented until the military coup. After the military coup in 1980, the armed forces appointed Turgut Özal as the minister of economy and Özal immediately started to apply 24 January decisions which were formed through his negotiations with WB and IMF. The decisions were the main economic policy of Turkey from 1980 to 1988 (*Ibid.*).

There is also one more important association which is very important for understanding the internal pressures on implementing the adjustment program in Turkey. That association is TUSIAD. Turkish Industry and Business Association (TUSIAD) was formed in 1971 and officially indicates that the foundation of

TUSIAD was a reaction of the business world to the closed economic system.³ It was founded by Vehbi Koç (founder of Koç Holding), Nejat Eczacıbaşı (Eczacıbaşı Holding), Sakıp Sabancı (Sabancı Holding, he became a very popular public figure after the 1980s), Selçuk Yaşar and by many big entrepreneurs and businessmen on 2 April 1971.⁴ TUSIAD, at the beginning, was like a businessmen club which aimed to have a strong voice against protectionist economic policies of the 1970s. However, from the mid-1970s, it became politicized and started to offer policy reports to the governments or to have oppositional views against governments. Besides all of these, TUSIAD was organizing fact-finding trips to the United States and they seemed to have come to the conclusion that the World Bank and the IMF were more concerned with the short term balance of payment difficulties, and less with the long-term prospects of the Turkish Industry (Yalman, 2009: p.241). Indeed, TUSIAD wanted to have adjustment policies led by Bretton Woods Institutions and they emerged as a strong pressure group after their trips to the United States. In 1979, the then prime minister Bülent Ecevit (a well-known social democrat) made a decision which suggests that Turkish government will not guarantee the currency deficit of loans that were received from abroad. Then, TUSIAD started to pursue anti-Ecevit policies and place many arguments on this issue in a number of newspapers and magazines to create a public opinion opposed to Bülent Ecevit (Buğra, 1997: pp.205-206). After Ecevit resigned, the declaration of the January 1980 stability program, and Turgut Özal were immediately supported by TUSIAD. In *Güneş*, the official publication of TUSIAD, it is said that: “The policy decisions of the 24th of January were taken as of necessity rather than of choice, since the balance of payments deficits forced the policy makers to implement these measures.” (1984). On the other hand, we cannot deny that TUSIAD was also a supporter of the military coup since the coup led to the implementation of the economic adjustment program. In the recent years of Turkish politics, TUSIAD has always been conceived as a democratic civil society organization however they intensively endorsed the military government and they were really grateful to armed forces for the coup. They believed that the coup eliminated street fights and terrorism in the country and that this would facilitate economic activity. The only need after the coup was the liberalization of economics as soon as possible. Vehbi Koç (founder of TUSIAD) sent a letter to Kenan Evren

³ <http://www.tusiad.org/tusiad/history/tusiad-retro/>

⁴ <http://www.tusiad.org/tusiad/founders-of-tusiad/>

(head of the Military Coup) and the letter indicates his gratitude to Kenan Evren. He also says that the anarchists and criminals must be punished as soon as possible and new laws for regulating employer-worker relations must be formed. He finally adds that he is pleased because of the closure of labor unions – mainly DISK.⁵ There is no doubt that Military Coup of 12 September 1980 was carried out in order to implement the January 1980 decisions and to eliminate social opposition in the country. Indeed, it was strongly supported by TUSIAD and other capitalist groups such as the Trade Chambers and by external institutions such as the IMF, the OECD and the WB. Indeed, as it often said the United States also strongly supported the coup d'Etat.

Indeed, neoliberal transformation was a worldwide phenomenon in the 1970s and the 1980s. Military coups also happened in Argentina and in Chile in the 1970s and very authoritarian and fascist governments were established in those countries. General Pinochet in Chile eliminated leftist groups and unions in a very violent way and many people were tortured. That is to say, in Turkey as in some other developing countries, like Chile and Argentina, the structural shift from ISI to an outward oriented free market model was accomplished by military regimes, which lasted from September 1980 to late 1983, but which effectively lasted until the first free elections in 1987 (Demir, 2005: p.670). On the other hand, neoliberal adjustments do not only occur at the level of economy. Neoliberalism, as a new governmentality, has its own techniques and technologies for regulating the population and for controlling the society which is oriented to free market and open competition. This means that neoliberalism entails the destruction of opposition and it needs new type of population, which identifies with the competitive market economy. One of the first institutions that was founded after the military coup was the High Council of Competition which controls the competition within the market economy in Turkey. This also reflects the neoliberal adjustment effort of the army.

There are two main dimensions of social changes in Turkey in the 1980s. The first one is identified within the western type of consumer culture. The second one is the rise of conservatism as a movement of hostility against communism, leftism and social democracy. Especially, beginning from the 1960s many associations emerged

⁵ http://www.red.web.tr/site/haber_detay.asp?haberID=1076

as a part of “the struggle against communism”, and Turkish rightist and Islamist movements intensively supported those associations. Indeed, some of them were founded by Islamist groups who were mainly a part of Sunni sects – Fethullah Gülen and İskenderpaşa Dergahı. On the other hand, an American type of consumer mass and youth appeared after 1980. Rıfat Bali, in *From Tarz-I Hayat to Life Style*, briefly examined this newly emerged American life-style in Turkey. Indeed, Turgut Özal became the main figure for the formation of both types of society. On the one hand, Özal was an admirer of Western technology and computers and he was very famous for his vacations to the United States, but on the other hand he was also a member of the Nakşibendi sects called İskenderpaşa Dergahı where Necmettin Erbakan was also a member. He was regarded as a conservative person although his wife had a highly secular life-style.

3.3 Elimination of Social Opposition and Leftism in Turkey

There were four main strategies for eliminating leftism and social opposition in Turkey after the military coup. First of all, there was torture and exile, secondly, there was the articulation of businessmen with politics through TUSIAD, thirdly, there is a new educational system, which aims to create apolitical generations and finally, there is the rise of Islamic conservatism as the main tool against communism and leftism.

Although businessmen and Motherland Party (The Party of Turgut Özal) had many problems in the 1980s, businessmen and TUSIAD (although it was closed for a short time after the coup) strongly supported the military coup. Indeed, Kenan Evren, the head of the military coup, in his first speech after the coup strongly emphasized the need for a new economic policy, which is open to international activities (Buğra, 1997). This emphasis gained the support of capitalist groups in Turkey. However, the main case for capitalist groups to support the military coup is something different, something more concrete. I assume that the businessmen and capitalist groups were not content with the rights and freedoms guaranteed by the Constitution of 1961. The constitution supplied many rights for workers. On the other hand, the capitalist groups were scared of insecurity, street fights and the leftist-rightist cleavage. They simply wanted a more serene atmosphere in order to perpetuate their economic actions and they also believed that the wages of laborers were too high because of

their constitutional rights and freedoms. That is to say, capitalist groups and especially TUSIAD believed that the military coup can eliminate the social opposition and can decrease the rights of laborers. That is why they supported the coup without question and in the final instance, the circumstances for applying the 24th of the January decisions were furnished a military coup.

The military government and the subsequent Motherland Party government pursued anti-leftist policies and they aimed to situate a new ideological perspective into Turkish daily life. Torture became a common practice at that time and many people, who were arrested, were tortured by the police and army. Many leftist and rightist people were arrested, but many of them were leftist people in the case of torture. There is no doubt that this was a policy for eliminating social opposition, and to terrify other people in order to deter them from opposing state actions. The ideological perspective was that of creating apolitical generations, since they believed that politicization engendered terrorism and insecurity in Turkey. New generations must have different occupations and they should not be politically involved. Indeed, besides torture and exile, education policy totally changed, and people were pushed into passivity. Economical activities have become the most important part of daily life, and debates about political issues were perceived as shameful. Additionally, this policy of engendering apolitical society was contributed by Islamism and religious discourses. All the Islamic communities and sects have an ideological engagement against communism and leftism, and in Turkey the main policies which are shaped by the axis of Islam have an ideological struggle against communism and the left (Peköz, 2009: p.52). This situation was followed by the closure of many media institutions and labor unions. In order to understand this change and social transformation after the coup, it is better to observe the cultural and educational policies of coup and its supporters.

As is said, one of the main strategies of the military regime is to situate Islamism into Turkish politics as the main cultural issue in order to prevent the revival of leftist opposition and communist thoughts in Turkey. Many Islamic sects and rightist groups were mobilized for the implementation of this aim. As a cultural matter, Islamism has always been supported by the Neo-Ottomanist perspective. *Iskender*

Pasha Dergahi, one of most popular *Nakşibendi* sects⁶ in Turkey, had a very powerful influence at the beginning of the 1980s. The head of the sect Zahid Kotku's main aim was to struggle against Communism, and his successor Mahmut Esat Coşan continued to pursue this main goal with a more aggressive strategy. Coşan started to publish a magazine called "Islam" in 1983 by getting permission from the military regime, and he started to make propaganda supports Turkish-Islamic synthesis and anti-communism (Çakır, 1994: pp.18-19). Another important lodge was the Işıkkıılar and they were followers of Said Nursi. The lodge had many economic activities after the 1980s and Ihlas Holding's owner Enver Ören was one of the members of the lodge. Enver Ören states that they founded the newspaper *Türkiye* as a tool for struggling against communism. Indeed, these sects had many close relations with state and they most generally supported state authority against communism and leftist views (Peköz, 2009: p.53). One of their main arguments is that communism, and leftism, means atheism and if they come to power they can also make the society atheist and faithless. This must be prevented. However, the 1980s witnessed the rise of another sect headed by Fethullah Gülen, who is now living in Pennsylvania, and who is very active in daily Turkish politics. Gülen was a Mosque İmam but he was also a member of the Association for the Struggle against Communism. His *tarikât* is also identified as a Nurist⁷ sect (*tarikât* in Turkish) and *Risale-i Nur* is the most important book for them. Gülen says that Karl Marx was Jewish and his thesis can be seen as an innocent alternative to capitalism, however, it is fundamentally a fatal poison (Çakır, 1994: pp.101-103). He supported the foundation of many associations against communism and he determined struggling against communism as his main life goal (Peköz, 2009: p.54). Indeed, this was wonderful opportunity for the military regime to make an alliance with religious sect leaders against communism and leftism. Indeed, Gülen was also a supporter of the military coup. Gülen's most important action is his attempt to open many schools, educational institutions and universities. Beginning from the 1970s, he started to

⁶ For understanding the history of Nakşibendis in Turkish politics, see Şerif Mardin, 1994, "The Nakşibendi Order in Turkish History", in *Islam in Modern Turkey: Religion, Politics and Literature in a Secular state*, by Richard Tapper, London: I.B. Tauris; Hamid Algar, 2007, *Nakşibendilik*, İstanbul: İnsan

⁷ Nurism or Nurculuk: It is often named for identifying the followers of Said-i Nursi who was a very famous Islamic figure in the first decades of Turkish Republic. His writings were collected by his followers under the name of *Risale-i Nur*. Said was born in a village called Nurs because of that he was named as Said-İ Nursi, this means Said from Nurs but his followers identifies him with Nur, one of the adjectives of Allah according to Islam.

open “secular”⁸ educational institutions, and his followers have contributed greatly to this attempt and they have opened up seven universities. They also started to open Turkish schools in the post-Soviet countries in Central Asia and in African countries (Özdalga, 2007: p.237). According to Elisabeth Özdalga, Gülen identifies himself as a man of action for God and she adds that Gülen does not accept the idea that the religion can only be in the Mosque. He believes that religiousness must be found in all parts of the life. In this case, education and commercial life are seen as very important. On the other hand, academic life is also very important for religious people and all Muslim believers must operate in educational institutions (*Ibid.*, p. 241).

Although Islamic mobilization in Turkey received a serious wound in the course of the 28 February 1997 process, their rise has never come to an end. Indeed, they have been always supported by some portion of the bureaucratic elite and state authority. The armed forces strongly supported them but some generals thought they made a mistake to support Islamic movement and they had to change it. That is why the 28 February military intervention happened. But, it was too late for the army. The Islamic movement in Turkey has rooted very strongly and it has also external supporters both from Western World and Islamic World. Therefore, beginning in the 1980s, Turkey has witnessed the rise of Islamic groups in educational, cultural and commercial life. The main educational and cultural strategy of the state has become to create a new discourse which covers both Islam and Ottomanist approaches, in fact that the new Republic was founded as a rupture from Ottoman historical ties. That is to say, education was shaped by the military as an authoritarian and conservative strategy and Islamic groups were allowed to enter into educational sector. On the other hand, religion courses have become obligatory in the schools under the name of “Culture of Religion and Moral Knowledge”. This nomenclature is very important for understanding the mentality that supports it since it teaches children that the only source of morality is the religion, and there is no need to search for another system of morality. On one hand, there is a conservative moral education in the school, through religion and history classes; and on the other hand there is a very hard Turkist-Kemalist interpretation of Turkish history. The history of Ottoman

⁸ Those schools are secular in appearance but they are oriented through various religious regulations.

Empire has also become one of the main classes in schools. “Turkish-Islamic Synthesis” was identified as the main cultural and ideological target of the 1980 coup. The Gülen movement is one of the main actors of this goal. However, there is another movement which is called National View lead by Necmettin Erbakan, who was a member of *Iskenderpasha Dergahi*, as the supporter of Turkish-Islamic synthesis with a strong emphasis to Ottoman history. I will explain the rise of National View and Gülen Movement in the fourth chapter and I will continue with the story of apolitical generations.

For the generations after the 1980s, being a political person was something to be condemned. People who were interested in politics were identified as anarchist in the main daily public discourse. Having a political identity has been perceived as a crime by the military regime, students could not come together as a group since it was forbidden. Indeed, if more than 10 people come together, they could be arrested by police and they could be blamed for being communist even they are not really communist. All of these were part of a strategy to prevent the politicization of society, and the membership of state officers in the political parties was also forbidden (Zürcher, 2004). As said before, religious and conservative education deeply affected post 1980 generations and it was a part of this strategy. However, there was another strategy which situates sports as its main discourse. In the 1980s and the 1990s, sports, especially football, became one of the main daily discourses in Turkey and people were mobilized into sports and football. Especially, the success of Galatasaray in European Cup competitions made people very involved into football and many people started to identify themselves with their partisanship for a football club. Indeed, in Turkey none of the football clubs have a political foundation base. This created a wonderful path for orienting new generations through using football teams.

There is no doubt that the military coup aimed at the elimination of leftism and politicization in Turkey. It aimed to cultivate apolitical generations that do not have any consciousness of political involvement. There are several reasons for that but two main reasons are crucial. The first aim is to create a new consumer culture for the new political economy – neoliberalism. People, must have a new life-style which is oriented to consumption and competition. Having political resistance can damage this new systematic approach. Secondly, it aims to discipline the working class since

for the competition labor costs must be decreased. Religious sects were also used for the discipline of labor power. According to Yalçın Küçük, one of the main aims of the military regime was to create a society without social and historical memory. This means a society which reproduces itself with daily concerns. He suggests that this can be understood under as an example of the Korsakoff Syndrome. Korsakoff is a syndrome which causes enormous memory deficit. It can be usually seen in chronic alcoholics and prisoners on hunger strikes. It causes that person to forget whatever he did a few minutes ago. His/her memory does not function. That is to say, Küçük claims that after the military coup, a Korsakoff society was formed by military regime as a necessity for creating consumer society (Küçük, 2004: pp.115-117).

As a consequence, a society, which was organized through religious and economical principles, was formed. To scrutinize this formation Islamism and the Özalican policies must be examined.

4. ISLAMISM, ÖZAL AND THE MILITARY REGIME

This chapter will investigate the rise of the Islamic movement in the 1980s both economically and politically. Indeed, it is necessary to understand the rise of this movement in order to understand its alliance with neoliberalism. First of all Neoliberalism and Turgut Özal, secondly, the Gülen Movement, National View and their Neo-Ottomanist approach will be investigated in this chapter.

4.1. Özal's Neo-Ottomanism and Neoliberalism

Turgut Özal⁹ is one of the most popular personalities in the history of the Turkish Republic. He has many adherents as well as many opponents. Although he was very antagonistic towards leftism, he had many intellectual admirers from leftist factions in Turkey. He was a liberal in the sense of economics, but his origins were conservative. He grew up in a circumstance in which the discourse and cultural values were mainly religious. His and his followers' attitudes towards secularism were restricted to their professional lives, they did not have a real tendency to become westerners, rather they wanted to supply the technological features of west. Most of them were limited in mentality because of their educational background and they compensated for their lacks by using Islamst discourses (Ahmad, 2007: p.245). Turgut Özal and his followers pursued an Islamist discourse in Turkey and this discourse accelerated the rise of political Islam which was envisaged by the junta regime. At that time, this new discourse found a new basis which is neo-Ottomanism. Özal came to power in 1983 with his Motherland Party although the military regime did not support him. This was a very interesting issue, since Özal was one of the main actors of junta but he founded a political party in 1983 that supported democratic elections. After founding the party, he lost the support of the military regime although the party did not have a different ideological view from that of the junta regime. The party was supporting almost the same views as the military regime

⁹ For the life story of Turgut Özal, see Soner Yalçın and Mehmet Ali Birand, 2012, *The Özal: Bir Davanın Öyküsü*, İstanbul: Doğan Kitap.

with regard to the open market economy, applying neoliberal adjustment programs, and situating Islam and Ottomanism into the daily political ethos.

There is no doubt that Özal was a strong defender of neoliberal policies and he had very good relations with businessmen in Turkey, although those relationships were diminished at the end of the 1980s, and the beginning of the 1990s. In the 1980s and 1990s the world saw the rise of new identities. In Turkey, also, new identities which were considered as *others* emerged. Islamic and some ethnological identities, especially the Kurdish identity, strongly attempted to enter public sphere. Those attempts emerged against both the nation-state form and secular hegemonic narratives (Çolak, 2006: p.588). It is clear that neo-Ottomanism appeared after the 1980s with a new narrative. Some people think that neo-Ottomanism is an imperialist ideology because once upon a time the Ottoman Empire was an imperialist power and Turkey must be an imperialist state as well. The empire is an expansionist practice but according to Hakan Yavuz, neo-Ottomanism is not only an imperialist ideology. He identifies neo-Ottomanism as: “the rearticulation of Turkish nationalism and increased political and cultural tolerance for diversity as in the Ottoman past and the elimination of economic borders among the Balkan, Caucasian, and Middle Eastern countries.” (Yavuz,1998; p.40). This narrative appeared as the top view of conservatives and Islamists within the era of Turgut Özal. Beginning in the 1980s, Turkey faced many crucial problems such as the Kurdish issue, secular and Islamic confrontation, and the rebirth of the Armenian issue. As a solution to these matters, Özalians brought forward the ideology of Ottomanism instead of using new methods which respond to today’s circumstances. Ottomanism was an established phenomenon. It started in 1299 and evolved for centuries until it came to an end in 1923. History witnessed this phenomenon for almost seven centuries. The discourse of neo-Ottomanism is seen in the attempts of Turgut Özal, who emphasized the necessity of constructing a new common cultural identity binding groups with different particular affiliations in Turkey, and who attempted to unify the heirs of the Ottoman Empire, especially by pragmatic and cultural means (Çolak, 2006; p.588).

The Özalian ideological perspective on Ottomanism aims to create a common sense in a society that has many ethno-religious problems. This can be seen as an innocent attempt, but it is directly based on a fictional narrative. He thought that some of the

crucial problems of Turkey could be solved only by recalling the Ottoman era. He was correct in some points when he acted like that, because he was not outside the Ottomanist narrative. This was his ideology, and as Marx says, all ideologies are *camera obscuras* which create a reversed reality or imagined reality. According to Marx, all of ideological imaginations create a ghost (other), he calls communism a specter of Europe in Communist Manifesto. Most nostalgic narratives emerge because of the seeking of a specter. This specter is the phenomenon which becomes the *other* of a society or of a regime. Thus, it can be said that nostalgia is an attempt to conjure that specter. Ottomanist nostalgia can also be understood in this context of conjuration (Çalış, 2004: p.24). Islamist people have considered themselves as the specters of the new regime, because they were out of the public sphere of republican Turkey. This exclusion happened because the new rulers of Turkey (Kemalist cadres) wanted to create their own narrative and historiography by rejecting the Ottoman legacy. According to the founder cadres of republic, this legacy had to be rejected because its cultural base depended on Islamism and *ummah*, they thought this basis to be a threat to modern reforms and the new republican ideology based on secularism. As Kemal Atatürk states “the characteristic of the new republic is laicism”. Hence, Islamism cannot be accepted by Kemalist cadres and they wanted to establish a new historical fiction which excludes Ottomanism (which, in this case, means Islamism). But, this does not mean that they were against religion; they were simply against the theocracy of Islamism which is an obstacle to the modernization of society.

Pushing Islamism out of the public sphere caused many problems throughout Turkish political history. Historically, in the last years of the Ottoman Empire, many ideological perspectives appeared such as Islamism, Ottomanism and Turkism. However, in the historical process, those ideologies transformed themselves. Ottomanism became a part of Islamism, and Turkism was shaped through conjunction with Islamism. A synthesis called the “Turkish-Islamic synthesis” emerged. Many people identified this synthesis as Ottomanism or rebirth of Ottomanist ideology. Additionally, beginning from 1945 (with the multiparty system) Turkey faced a very powerful political populism. The Democrat Party pursued very strongly populist politics in order to win an electoral victory. In this case, populism was used to incite people who are out of the system in order to seize

the system (Sunar, 2010). So because of that, the Democrat Party pursued a religious discourse in order to stimulate Islamists who were out of the system. The second biggest trend of populism came up with Motherland Party in 1983. The Motherland Party extended the limits of integration of religious values and symbols to the official ideology. The so-called thesis of Islamic-Turkish synthesis was elevated to the position of semi-official ideology by the military regime (Mert, 2009: p.63). This semi-official ideology was consolidated by Özal's politics. However, there is one Islamic movement which has had the biggest influence on Turkish politics. That is the National View Movement led by Necmettin Erbakan. Indeed, National View adherents have never had a big problem with Turgut Özal. Most generally, many members of the National View strongly supported Özal's neo-Ottomanist approach although some of them were against his neoliberal policies. Turkey's current Prime Minister Tayyip Erdoğan, who was a member of the National View Movement, in almost all of his speeches makes a reference to Turgut Özal. Actually, Tayyip Erdoğan is the zenith of the neoliberal and Islamic coalition. Beginning in 2002, he strongly pursued neoliberal policies including privatization, deregulation and transforming cities for neoliberal urban regimes.¹⁰ Erdoğan is proud of saying that he is a follower of Turgut Özal and he identifies Özal as the best popular figure who understand the problems of the masses. On the other hand, Erdoğan also supports the neo-Ottomanist approach of Özal in his discourse of creating a "Greater Turkey". To understand well Erdoğan's support of Özal's politics, it is best to examine the National View movement. It is necessary because the National View, from its genesis, has always had an antagonistic approach to western type of Capitalism.

4.2 National View Movement and Just Order

In Turkey, Islamism started to become powerful with the rise of the National View Movement. In 1967, Necmettin Erbakan¹¹ and his friends constructed a new discourse called the National View and in 1969 they attempted enter to parliament as independent representatives but they were not successful. In 1970, Erbakan and his friend founded the National Order Party (Milli Nizam Partisi). Most of the members

¹⁰ To understand better AKP's neoliberal urban regime, see Tuna Kuyucu and Özlem Ünsal, 2010, " 'Urban Transformation' as State-led Property Transfer: An Analysis of Two Cases of Urban Renewal in Istanbul", *Urban Studies*, 47(7), pp. 1479-1499

¹¹ For the life story of Necmettin Erbakan, see Ekrem Kızıldağ, 2011, *Herkesin Hocası Erbakan*, İstanbul: Hayat Yayıncılık.

of NOP were also members of Nakşibendi *tarikat* which is called *Iskender Pasha Dergahi*; this cult was lead by Mehmet Zahid Kotku and he supported the establishment of NOP (Çakır, 2005: p.545). It is well known that Islamism still had many connections with sects at that time although the Kemalist regime prohibited establishing religious sects. The main problem is that Islamic sects have survived illegally and secretly for many years and they had waited for their time of coming to power. One of the main questions, in this case, is what the relationship between Ottomanism and the rise of Islamism? It is very obvious that Islamists in Turkey have nostalgia for two different eras of history. The first is the era of prophet Muhammed, - Islamist people are naming that era “the time of happiness” (*asr-i saadet*) (Özyürek, 2006: p.48). However, many Islamist people think that it is very difficult to go back to the period of the Prophet when everything was like a paradise and there was a real justice on earth. Because of this difficulty, they also have nostalgia for Ottoman Imperial era because the Ottoman Empire was the leader of Islam for many years, and there was a wonderful justice system in that period and Islam was very powerful. In the founding charter of the National Order Party, it was declared that “Today, National Sprit which extinguished the Crusades on its chest 1000 years ago by rising up, which had walked ships over land 500 years ago, which forced its way to gateways of Vienna 400 years ago and which constitute the spirit of Gallipoli and National Independence war fifty years ago, has risen again and is establishing the National Order Party.” (Çakır, 2005: 546). One of the theories of Necmettin Erbakan for Turkey’s future is that of ‘Just Order’. Just Order is a theory as well as a project that was created by Erbakan. According to this theory, the modern economy is the source of evil, it does not make people happy and it makes some people who are rich more rich, and in particular Westerners or Zionists. Erbakan defines the current system as slavery and this slavery occurs because of imperialism and Zionism. As a result of this slavery, the majority of people become poor, a minority which covers mostly Zionist Jews become rich and the main component of this slavery is the system of interest (*Ibid.*, pp.559-560). Thus, the Just Order aims to destroy this unjust situation by wiping out system of interest and the system of credit; in shorthand the modern banking system. In the Just Order, there would be no interest, unfair income, a corruption, and there would be fair prices, a moral economy and just incomes. This theory has a precedent in the Ottoman Empire where the economy was closed to international market, and prices were fixed by the

central authority (Erbakan, 1991). Erbakan had worked for private sector while he was pursuing an academic career at Istanbul Technical University. Starting in 1966, he held a series of positions at TOBB (Turkish Union of Chambers and Exchanges) where he became a spokesman for small conservative business. In 1969, Süleyman Demiral's Justice Party did not nominate him as a candidate for the National Assembly and he won a seat in the National Assembly in the elections of 1970 as an independent candidate from Konya (Jenkins, 2008: p.131). While Erbakan was still a student, he had become a regular participant in a *Nakşibendi* lodge led by Sheikh Mehmet Zahit Kotku, the head of the sect which is called İskenderpaşara lodge and Erbakan had always consulted Kotku during the foundation process of his first party MNP (*Ibid.*, p.131). As was indicated, Turgut Özal was also a participant in that religious sect and he has never needed to hide his *Nakşibendi* identity.

Erbakan has never hid his nostalgia for the Ottoman Empire. Indeed, in many cases, his speeches were extremely anti-Semitic and he often pandered to his listeners' feelings of impotence by invoking the specter of Zionist-Masonic conspiracies (*Ibid.*, p.132). Erbakan's main thought on the level of global economy consisted in accusing people of being a Freemason and Zionist. It is not obvious that those adjectives are negative but Erbakan has always used those term in a negative way. He believes that the world is ruled by Zionists and Freemasons and Turkey has become a puppet of this system because of its western approaches. He also opposed to the membership of Turkey into European Economic Community since he believes that this could result in Turkey becoming a part of Israel (Erbakan, 1971: pp.17-18). That is to say, the National View Movement formed the NOP after the election of Erbakan as a member of parliament. The party got the support of both Nakşibendi and Nurcu (Nurist) groups and it identified itself as returning to "our" identity (Eligür, 2010: p.66). In the foundation process of the party Zahit Kotku states that

In the aftermath of deposition of Sultan Abdülhamid II, the country's governance has been taken over by masons, who are imitating the west. They are a minority. They cannot present our nation. It is a historical duty to give the governance of the country to the real representatives of our nation by establishing a political party. Join this already belated endeavor. (Emre, 2002, Vol.I: p.173)

It is clear that Kotku initiated the politicization way of Nakşibendi members and this politicization became animated through National View Movement and MNP.

Erbakan's NVM proposed a national culture and education, industrialization, and social justice based on the principles of Islam (Eligür, 2010: p.66). This was a direct challenge to secularist ideology in Turkey. Secularism is one of the founding doctrines of Kemalist Turkey and this challenge from Islamic factions got a strong voice from ordinary Anatolian religious Muslims with its popular Islamic discourses of Islam. The party used the words *national* and *culture* to refer to Islam since in Turkey, it was forbidden to make a political propaganda by using Islamist jargon due to the secularist basis of the state (*Ibid.*, p.67). Erbakan also believes that Turkey had nothing to learn from the West, since the Ottoman Empire is a wonderful example to implement in order to have a coherent and just society (*Ibid.*). Erbakan also defends his ideology by saying that the party is open to everyone for membership except masons, communists, and Zionists (Sarıbay, 1985: p.99).

In 1971, the military gave an ultimatum to the Justice Party government and this intervention caused many political changes in Turkey. First of all, the Workers Party of Turkey was closed down by the Constitutional Court. On the other hand, Erbakan's MNP was also closed by the decision of the Constitutional Court and Erbakan fled to Switzerland and stayed there until 1972 (Eligür, 2010: p.68). In 1972, Erbakan's NVM founded a new party called the National Salvation Party (Milli Selamet Partisi). Although the members of the party denied their connections with the former MNP, MSP was a continuation of MNP and Erbakan was the shadow chair of the party (*Ibid.*, p.69). MSP situated itself, like MNP, as an opposition to secularism, communism, masons and Zionism (Marguiles and Yıldızoğlu, 1997: p.148). This approach of the MSP strengthened the popularity of party and the party became a coalition partner of the RPP in January 1974 (Eligür, 2010: p.70). The party was closed down after the military coup of 1980, but NVM came back to the stage of Turkish politics under the name of Welfare Party in 1983.

It is clear that the NVM had the strong support of Muslim people in Turkey and Erbakan became the most popular figure of this movement. The movement was strongly supported by both Nakşibendis and Nurcus. The most important approach of the movement was its intensive hostility against western style economic systems such as banking system, interest rate system, stock exchange and so forth. The movement was also against the secularist approach of Kemalist doctrines, which are alleged to insult the Ottoman background of the Anatolian people. Although Erbakan

has always blamed western style political economy as something satanic, his followers never hesitated to appropriate western style capitalism after the 1980s. Indeed, the peak point of neoliberalism has been reached by the policies of Tayyip Erdoğan who was one of the most crucial followers of Erbakan. Erbakan, before his death in 2011, blamed Erdoğan for being a puppet of Israel several times. However, these attacks and claims lost popularity in the 2000s, and AKP has become the zenith for the coalition between Islam and Neoliberalism. On the other hand, Erdoğan never praised Erbakan as his guide, he has always referred to Turgut Özal. That is to say, it is very important to understand the policies of Turgut Özal in order to sort out the coalition between Muslim people and neoliberal political economy.

4.3 Junta's Islam, Education and Disciplinary System

As mentioned, the military regime after 1980 aimed at the establishment of a new type of society with more conservative concerns and an apolitical identity. Through the implementation of 24th January decisions, the second issue was to create a consumer society with new tastes and life-styles including mainly sports and western style consumer culture. However, the military regime also had an understanding of creating a Turkish-Islamic synthesis with a strong emphasis on Ottoman and Islamic roots. Kenan Evren was a very authoritarian person and was very well known for his speeches on executed people.¹² Although Evren, after the coup d'état, stated that one of the reasons for the coup was the rise of extreme Islamism, as seen in the demonstration of NSP and other Islamic groups in Konya for *Şeriat*, he had an authoritarian approach to Islam for controlling the society, essentially for the prevention of the rise of leftist, and communist factions. Evren believes that Kemalism and Islam can work together, with one compatible, and he also suggests that the historical ties of Turkey belong to Turkish culture and Islam. Those two cultures are powerfully related to each other. During the junta regime, in order to illustrate the compatibility between Islam and Kemalism, the military refined the meaning of Kemalism and published a three-volume work called *Atatürkçülük* (Atatürkism) (Yavuz, 2003: p.70). According to Hakan Yavuz, these books have three main messages. First of all, religion is necessary for the social cohesiveness of the nation. Secondly, Kemalism and Islam are compatible and finally, secularism is

¹² Asmayalım da besleyelim mi – Should we feed them instead of executing? is his one of the most famous quotes.

necessary for the development of true Islam (*Ibid.*, p.71). On the hand Yavuz also claims that Evren had a good understanding of the role of religion as the cement of society, the source of morality, and an intellectual force to arm ordinary Muslims against the threat of communism (*Ibid.*, p.71). However, the Turkish-Islamic synthesis was not an invention of the military regime. It was a strategy of military regime using the famous association called *Aydınlar Ocağı* (Intellectual's Hearth Association).

The Intellectual's Hearth Association (IH) was founded by a group of people who aimed to reinterpret Ottomanism, Turkism and Islamism by eliminating the positivist understandings of Kemalism in 1970. At the beginning it was founded under the name "Intellectuals Club" and its main founders were Süleyman Yalçın, Asım Taşer, İsmail Dayı, Kemalettin Erbakan (Necmettin Erbakan's brother) and Abdülkadir Donuk (Yaşlı, 2010: p.211). The association's thoughts became the main ideology of the state after 1980 coup and it is claimed that the background of the 24th January Decisions was prepared by IH (*Ibid.*, p.215). The Turkish-Islamic synthesis, the main ideological discourse of military regime, was formed by the collaboration of the Intellectuals' Hearth, and by many ideological regulations, through culture and education. IH founders were most generally rightist professors. Abdülkadir Donuk (1998: p.28), one of the professors in IH states;

"The idea of the Turkish-Islamic Synthesis" emerged as a response to "an attack on Turkishness". The attack on our language, arts, music, customs, and traditions continues. There is also an attack on Islam although both of them are Allah's gifts to us. What should be in such a situation? Should we do anything? Be silent? Therefore, our valuable intellectuals rightly felt the necessity to stop the misleading orientation and they argued loudly within the framework of the Intellectuals' Hearth that was founded by them as their struggle, and the law"

This illustrates briefly the goal of IH and the importance of the junta's strategy to support Turkish-Islamic Synthesis. This synthesis got intensive support both from ultranationalists and Islamists.

The junta and the Intellectuals' Hearth Association published in collaboration a report called *Milli Kültür Raporu* (National Report of Culture) and the report argued that Turks were united by a shared national culture based on the three institutions of the family, mosque and military (Jenkins, 2008: p.142). It is very clear that the

Intellectuals' Hearth Association and junta aimed to introduce a new ideological perspective with new ideological apparatuses. Althusser's theory of Ideological State Apparatuses can be seen as a wonderful definition of this. Althusser in his famous work *Ideology and Ideological State Apparatuses*, claims that the state uses some ideological apparatuses such as family, education, religion, culture and media and those apparatuses create a general ideology of capitalism for engendering a bourgeois society (Althusser, 1970). The aim of the junta was not different from what Althusser illustrates. First of all, the military started to create a new bourgeois ideology with religious, cultural (national), educational and societal (family) levels. At the end of the day, the main purpose is not something outside of preparing the country for neoliberal capitalism and controlling society with the militarization and Islamization of the social relations and education system. For this aim, the junta changed the duties and status of the *Diyanet*¹³ (Presidency of Religious Affairs) and made it a constitutional institution. Article 136 of the 1982 constitution indicated that the Diyanet would exercise its duties, as part of the well being of state apparatus for the interests of national solidarity and integration, without representing any political views and opinions.¹⁴

The *Diyanet* is one of the main institutions, and the other main institutions are the Council of Higher Education (YÖK) founded in 1981 to control university education and the Radio and Television Supreme Council (RTÜK) founded in 1983 in order to control the media and cultural production. On the other hand, the mission of the Cultural Ministry has been changed and the General Management of State Theatres has been shaped for the purpose of controlling artistic and cultural activities (Çubukçu, 2002: pp.269-270). On the other hand, during the military regime many newspaper and magazines were closed and forbidden eternally. More than 49 tons of books, newspapers, and magazines were burned, and the cultural and social memory of the society was renewed in order to eliminate the emergence of "extreme" political ideas and to situate new Turkish-Islamic ideology.

Education is the most important part for introducing a new discourse to society and for disciplining people for the new political economy. The Junta's approach to

¹³ For an intensive examination of Diyanet, see İhtar Gözaydın, 2009, *Diyanet*, İstanbul: İletişim Yayınları;

¹⁴ See The 1982 Constitution

education was not very far from conservatism. The military regime, despite its discourse of restoring Kemalism in the sense of restoring secularism, was also willing to use religion to arrest politicization among young people. It permitted religion to be taught more widely in the schools and many *Quranic* schools were allowed through the influence of Sufi sects, mainly directed by *Nurists*, *Nakşibendis* and *Suleymanists* (Ahmad, 1991: p.18). It was widely claimed that those Sufi lodges partitioned Anatolia with each other for the purpose of *Quranic* and religious moral education. These are Sunni orders and they generally promote a very strict reinterpretation of Islam. Another common point of these orders is their hostility towards leftist factions. On the other hand, all of these sects supported NVM in the 1970s. In the 1970s, many *imam-hatip* Schools opened in Turkey in order train imams (See Table 4.1). *İmam-hatip* schools were existed before the 1970s, although the military regime of 1971 closed the middle education sections of those schools. However, when Erbakan came to power in 1974 he reopened *imam-hatip* Schools and he launched a massive expansion of those schools. The number of *imam-hatip* Schools increased from 46.022 in 1971-1972 to 134.517 in 1977-78 (Jenkins, 2008: p.136).

Table. 4.1. The Number of Imam Hatip Schools, Students, and Teachers 1951-2002

Year	Number of Imam Hatip Schools		Number of Students		Number of Teachers	
	Middle	High	Middle	High	Middle/High	
1951-52	7	7	876	889		27
1960-61	19	17	3374	1171		246
1965-66	30	19	118732	1646		366
1970-71	72	40	40776	6648		1548
1971-72	72	42	36303	8886		1535
1972-73	72	71	16443	19935		1564
1973-74	58	71	10522	23960		1612
1974-75	101	73	24091	24809		2152
1975-76	171	72	51829	25809		2933
1976-77	248	72	86053	25688		3852
1977-78	334	103	108309	26177		4922
1977-79	335	335	114273	148690		4448
1979-80	339	339	130072	178013		5500
1980-81	374	333	138793	62206		7768
1981-82	374	336	147071	69793		9212
1982-83	374	341	147140	72791		10537
1983-84	374	341	144798	76193		11113
1984-85	375	341	145816	83157		11334
1985-86	376	341	150465	87560		11439
1986-87	376	341	160197	89666		11824
1987-88	376	342	170066	87972		12261
1988-89	383	350	180399	87079		12010
1989-90	383	366	190176	92585		12995
1990-91	385	380	209915	100300		12809
1991-92	406	390	229570	117706		13581
1992-93	416	391	258405	137490		15022
1993-94	443	392	283971	160720		16344
1994-95	446	394	301862	171439		16903
1995-96	497	434	306684	88896		18330
1996-97	601	601	310504	192727		18809
1997-98	604	604	218631	178046		18702
1999-00	----	610	219890	134224		15992
2001-2002	----	558	-----	71583		8482

Source: Hakan Yavuz, *Islamic Political Identity In Turkey*, 2003, Oxford: Oxford University Press, p.124

The military regime did not have any problems with those *imam-hatip* schools which aim to raise young people with a very restricted and one-dimensional Islamic understanding. The religious education in Turkish public schools became mandatory in 1982. This decision was taken after a seminar organized by the the IH in 1981 under the name “National Education and Religious Education.” Turgut Özal was one of the most important participants in this seminar since he was the deputy prime minister of the junta (Eligür, 2010: p.103). On the other hand, Kenan Evren founded a Religious Education Counseling Commission and this commission also agreed with compulsory religious education in the schools (*Ibid.*, p.104). Therefore, this situation was strongly emphasized in the 1982 Constitution.

In the final instance, it is possible to say that Sunni Islam has become a part of state ideology because of the military regime. The regime has always emphasized the importance of Sunni Islam for the perpetuation of Turkish identity and for the existence of the country. All of the ideological apparatuses were used for establishing this Turkish-Islamic discourse. Indeed, at the economical level, the military regime was pursuing a liberalization process with international economical programs but at the level ideology and society it was following a very disciplinary approach in order to engender conservatively nationalist people. Although there was some opposition from Islamic factions to the army by claiming that the army is using Islam for its aim, most Islamic Sufi sects supported Turkish-Islamic discourse since it has a powerful reference to Sunni Islam and the *Quran*. Kenan Evren, in almost all of his speeches used references from the *Quran* and *Hadis* and he wanted to legitimize his policies by using political Islam (*Ibid.*, p.108). There is no doubt that this political strategy gave rise to the Islamist movement as the main actor of Turkish politics. Those policies continued in the era of Turgut Özal even tough in the elections of 1983 military regime did not support Özal. Özal was the architect of neoliberal policies of junta but he was also a *Nakşibendi* in the *Iskenderpasha* Sufi sect. The main issue is that Özal was supported by the sect in his economic actions although the Islamic movement has historically been antagonist towards western style capitalism. Özal had good relationships with the NVM, and the other main

supporters of Özal were from the Gülen Movement and Nakşibendi sects, especially in Anatolia.

5. ÖZAL'S ECONOMIC NEOLIBERALISM AND HOMO ISLAMICUS

This chapter will concentrate on the rise of Islamic bourgeoisie with the rise of Özal's neoliberal policies. It will also deal with the examination of MUSIAD. Finally, an analysis of the Islamic neoliberal bourgeoisie will be made.

5.1 Özal's Economic Policies and Business Circles

Turgut Özal had a very different jargon which was most generally identified with the rhetoric of Adnan Menderes, the prime minister of Turkey and the head of the Democratic Party in the 1950s. Özal was a conservative person with his Nakşibendi ties but he was moderate in the sense of economics and technological development. He went to the United States several times, and he was known as an admirer of the American technological progress. He was also very well known for populist approaches to legitimizing his economic policies and personal behaviors. He liked to use mass media in order to keep himself in the agenda, and he always had good relationships with journalists from the biggest media companies in Turkey.

In 1983, the military regime decided to transfer the government to the civilians with democratic elections. In the elections of November 1983, there were only three parties. The Motherland Party (ANAP) headed by Turgut Özal, the Nationalist Democratic Party led by Turgut Sunalp (this party was supported by army) and central leftist party (we can say permitted leftist party) the Populist Party led by Necdet Calp. Özal's ANAP was the victorious party after the elections and the party got %45.15 percent of the popular votes (Zürcher, 2004). There was no party from the National View and ultranationalist movements. Süleyman Demirel and his Justice Party were excluded from elections, and RPP and Bülent Ecevit were also banned by the army. This made the elections very difficult for the electorate but people voted for Özal as a message to the army. Özal wanted to get the votes of the supporters of Süleyman Demirel and National View. Because of this, he established his strategy around the political ban of Demirel. On the other hand, he tried to establish strong

relations with the voters of National View and *Ülkücüs* through his brother Korkut Özal and through Mehmet Keçeciler (Cemal, 1989: pp.49-59). His brother Korkut Özal is also a Nakşibendi and he worked as a minister in the governments of the MSP in the 1970s. That is to say, he has strong relations with Islamic and nationalist groups. Therefore, Turgut Özal formed several coalitions among nationalists, ultranationalists and Islamists before the elections. This coalition supplied him with an electoral triumph and the famous Özal era started.

At the beginning, it should be realized that it was not easy for a person to govern the state after a totalitarian military regime. However, it was also easy for that person to govern the country because traumatized people did not want new adventures and several people from different factions supported the policies of Özal, policies that were aimed at essentially economic liberalization. Businessmen, especially from TUSIAD, intensively supported Özal from the beginning of the military regime since Özal was the minister of economic affairs in the military cabinet. Vehbi Koç, then head of Koç Holding, in his *Memories*, mainly indicates his satisfaction with Özal's ministry and celebrates the military cabinet for choosing Özal for that post (Koç, 1987). Özal was known very well by business circles since he held a very high position in Sabancı Holdings in the 1970s, and he developed very good relations with other businessmen during that time period. Before working for Sabancı Holding, Özal also worked as a civil servant in the Ministry of Development. That is why he was also very well known by the state bureaucracy.

After ANAP came to power in 1983, Özal was presented as a genius of economic affairs by business circles. Indeed, Özal's aim was to pursue the IMF stand-by programs (for the detailed chronology of IMF standby programs for Turkey, see Table 5.1) without any barriers (Buğra, 1997: p.211). Indeed, IMF officers also had confidence into Özal since they knew Özal from the process of 24 January Decisions. Özal believed that in order to introduce a new type of political economy, the financial support of IMF was necessary.

Table. 5.1 The Standby Programs between Turkey and IMF (June 2008)

No	Year	Payment Term(Month)	Amount (Million USD)	Usage (Million USD)
1	1961	12	37,5	16,0
2	1962	9	31,0	15,0
3	1963	11	21,5	21,5
4	1964	11	21,5	19,0
5	1965	12	21,5	0,0
6	1966	12	21,5	21,5
7	1967	11	27,0	27,0
8	1968	9	27,0	27,0
9	1969	12	27,0	10,0
10	1970	12	90,0	90,0
11	1978	24	300,0	90,0
12	1979	12	250,0	230,0
13	1980	36	1.250,0	1.250,0
14	1983	12	225,0	56,3
15	1984	12	225,0	168,8
16	1994	14	610,5	460,5
17	1999	36	15.038,4	11.738,9
18	2002	36	12.821,2	11.914,0
19	2005	36	6.662,0	6.662,0

Source: Mahfi Eğilmez and Ercan Kumcu, *Ekonomi Politikası: Teori ve Türkiye Uygulaması*, Remzi Kitabevi, 2010, p.79

There is no doubt that Özal is publicly known for his economical, municipal and conservative policies. Özal's main economic aim was to transform the statist regime based on import-substitution into a globally competitive, dynamic, export-driven market economy, which was open to foreign investments, ideas and technology

(Jenkins, 2008: p.147). Therefore, Özal launched a very rapid neoliberalization process in the field of economics and finance. On the other hand, he was affective with his rhetoric of ‘There Is No Alternative’, borrowed from Thatcherite Britain, in convincing people that the economic crisis could be overcome by pursuing new economic policies (Yalman, 2009: p.311). The years from 1983 to 1989, can be seen a story of success for Özal. Turkey experienced a very rapid transformation in that era. Özal eased restrictions on the flow of funds, made the Turkish Lira fully convertible, revived the Istanbul Stock Exchange, launched a privatization program, and recruited young U.S.-trained Turkish technocrats to senior positions in economic affairs (Jenkins, 2008: p.147).

According to macro indicators (see Table 5.2), Turkey experienced a successful period in the 1980s in terms of increasing its GNP and export rate. Turkey’s GNP grew by an average of 7.3 percent per annum between the years of 1984-87. Annual exports almost doubled over the same time period to \$10.2 billion. That is to say, in 1987 exports were equivalent to 11.5 percent of annual GNP (*Ibid.*). Özal’s policy of increasing foreign trade gave rise to the formation of Foreign Trade Corporations and almost all the big business circles established new companies for investing in foreign trade. As far as export increased, the import rate also increased intensively. Many technological devices, computers, cars and televisions began to be imported in this term. Indeed, Özal was an admirer of computer technology and he always encouraged people to own personal computers and encouraged companies to operate with computers. He used the media often in order to show his interest in computers. Many photos of Özal in front of computers were published in Turkish media. On the other hand, the import of luxury goods was also allowed. Luxury goods of famous global brands have become very popular among rich people and businessmen (Bali, 2002, p. 28).

Table 5.2 Foreign Trade Indicators (1980-89)

Years	Total Exports (billion US \$) (FOB)	Exports/Imports Compensation Ratio (%)	Exports/ GNP (%)	Imports/ GNP (%)	Industrial Exports/ Total Exports	Foreign Exchange and Gold Reserves (Net) (billion US \$)
1980	2.91	36.80	5.00	13.60	6.00	1.21
1981	4.70	52.70	7.90	15.00	48.70	1.66
1982	5.89	65.00	10.60	16.30	59.70	1.98
1983	5.91	62.00	11.10	17.90	63.90	2.09
1984	7.39	66.30	14.20	21.40	72.10	3.48
1985	8.26	70.20	14.80	21.10	75.30	3.28
1986	7.58	67.10	12.70	18.90	71.40	4.35
1987	10.32	72.00	14.90	20.10	79.19	5.20
1988	11.93	81.40	16.50	20.20	76.70	6.43
1989	11.77	73.80	14.40	19.60	78.20	9.29

Source: State Planning Organization,
<http://www.dpt.gov.tr/PortalDesign/PortalControls/WebIcerikGosterim.aspx?Enc=83D5A6FF03C7B4FCC41EB0226750A883>, received 10th June, 2012

One of the main purposes of the Özalian neoliberalization process was to create a consumption culture in Turkish society. Since neoliberalism functions with competition, a new type of consumption is needed for perpetuating a competitive market economy. Neoliberalism entails new consumption habits including the will for more expensive or attractive goods. This process entails the formation of new life-styles including western type of living. New luxury shops, famous cafés and restaurants, western style bars and pubs, and five-star hotels were opened in Turkey, primarily in Istanbul. On the other hand, Özal always praised the importance of being rich. Özal, in his visit to Tunus, made an important quote with a reference to Quran and he said that “A rich Muslim is much better than a poor Muslim” (*Ibid.*, 33). This discourse encourages wealth and also legitimizes the western life-style of big businessmen. This type of life-style had been perceived as something immoral by conservative people. However, Özal’s support of wealth encouraged people to show off their wealth and consumption has become one of the main activities of daily life. This orientation was encouraged by the central media as well. Businessmen became important public figures and they became very popular in the media and in daily life

discourses. For instance, Sakıp Sabancı became a very crucial public figure in the 1980s and 1990s and his modest personality was consistently praised by the media. “He is very rich but he lives like an ordinary person” was one of the main media claims about him (*Ibid.*, p.37). However, the reality quite different, as he was living in very deep luxury and had many close relations with the state bureaucracy and with the former staff of his company, Özal. This relationship between Özal and business circles had a very different dimension. Since neoliberalism entails the minimization of the state in economic production and circulation process, privatization is needed for neoliberal adjustment. The 1980s was a period of privatization in Turkey and this period was used by businessmen as an opportunity to get more profit from that neoliberalization process. In order to win the auctions for the privatization of state businesses, businessmen established good relations with Özal. Özal was also perceived as the person who facilitated the works of businessmen through by-passing bureaucratic regulations, and he did this by his popular words “my civil servant is clever, he knows how to do his business” (Bali, 1998: pp.31-32). This sentence was interpreted as the legitimization of bribery in the state bureaucracy for the well being of some particular businessmen. Businessmen from TUSIAD supported Özal, and they accompanied him frequently on his visits to the United States. Indeed, beginning from the TUSIAD, in the 1980s, Turkey also experienced the attempts of businessmen for forming civil society organizations in order to present themselves as people with social responsibility (*Ibid.*, p.33). TESEV, TOSAV, Sabancı Foundation and TEMA were founded at that time.

Another issue about business circles was the attempt to form a sort of political pressure. This pressure also included the decision-making process and capitalist circles wanted to be involved in decision-making procedure especially in the field of economics and finance. These pressures were felt in the process of new taxation policies in the post-1980 period. The taxation system was adjusted for the benefit of capitalist groups. In 1985, a special tax system called *Katma Değer Vergisi* (Value-added Tax) was put into effect, and this system made the collection of taxes a practice of consumption. This regulation was followed by the reduction of the tax rate on the investments and economical activities of big capitalist groups. Korkut Boratav believes that this totally ruined the tax system of Turkey and the justice of redistribution of tax revenue (Boratav, 2005a: 154). This system also facilitated the

increase of profit for business circles (Konukman, 1998). On the other hand, Özal's social life and his religious approaches gave rise to another capitalist group, namely the Islamic bourgeoisie.

5.2 The Rise of Islamic Bourgeoisie in Turkey

The 1980s not only witnessed the rise of secular businessman, especially those who were from the TÜSIAD circle. In the same time period, the rise of the Islamic bourgeoisie and financial groups was also witnessed.

There could be several reasons for the rise of the Islamic bourgeoisie in Turkey but Turgut Özal can be seen one of the key actors in this rise. Especially in Anatolia, many small and medium sized enterprises emerged. Generally, they were owned by conservative people. Özal's primary aim was to increase the number of those enterprises, especially in Anatolia in order to supply the formation of competitive markets. Those enterprises are called "Anatolian Tigers" and they played an important role in the globalization of some major Anatolian cities (Yavuz, 2003: p.88). One of the main purposes of Özal for supporting Anatolian Tigers was to prevent oligarchic settlements in economy. Especially, the domination of TUSIAD caused many problems for Anatolian capitalists but Özalian politics encouraged them to organize better (*Ibid.*, p.88). Those capitalist groups, especially from Anatolia, believe that state authority always supported secular or Kemalist business circles and they were overseen by former governments. However, Özal gave them a good opportunity for becoming major actors in the economy. Özal's economic liberalism, antibureaucratism, and pro-Islamic approaches made him very popular among Anatolian conservative groups (*Ibid.*, p.75). On the other hand, his attitude, which emphasizes the importance of Ottoman heritage, also increased his popularity. Therefore, he became a leading figure in perpetuating Ottomanism as the core of a political vision based on a new collective memory, for a new form of foreign policy and social contract (Çolak, 2006: pp.591-592). That is to say with his conservative and neo-Ottomanist attitudes people's support for him was consolidated in Anatolia and in rural areas.

The small-size and middle-size enterprises are most generally owned by Islamic conservative people, and most generally conservative people are working there. Indeed, Sufi sects in the workplaces facilitate economic activities and organizations

(Yavuz, 2003: p.88). These networks supported Özal since Özal pursued very conservative cultural policies which appealed to conservative people.

5.3 The Rise of Islamic Education and Mosques

Özal never wanted to lose the support of conservative people and of former National View supporters. Therefore, first of all he facilitated the economical activities of those groups but he also aimed to increase the conservative tendencies in the society even though luxury and economic activities became the main occupation of daily life. Additionally, Özal was an admirer of whisky and this admiration sometimes received a negative reaction from ordinary Muslims. First of all, Özal's brother Korkut Özal was very active in the background of Turgut Özal's cultural policies. Korkut Özal indicates that they grew up in a very religious family (Gürel, 1994: pp.15-16). They were also *Nakşibendi* and they had a very deep respect for Sheikh Zait Kotku. Turgut Özal liked to appear on TV channels when he was doing a religious activity. He was photographed several times while attending mosques in Ankara together with his ministers (Jenkins, 2008: p.149). He believed that religious education is very important and institutionalization of this education ought to be accelerated through mosques, *Quran* courses and *İmam-Hatip* Schools. As a follower of the Turkish-Islamic Synthesis, he encouraged the education of Ottoman history as well. *İmam-hatip* schools were especially important for this aim, and the number of *imam-hatip* schools increased in the 1980s (Eligür, 2010: p.125). This increase also changed the structure of universities and the bureaucracy as well. Most of the graduates of the *imam-hatip* schools were aiming to enter university programs outside of the Theology and Divinity Faculties. This situation caused the emergence of nepotism among Islamic people. This nepotism was later called "*Takunyalılar*" in the 1980s. On the other hand, it was noticed that most of the Theology and Divinity Faculties have become influence and propaganda areas of Islamist orders (*Ibid.*, p.124). From 1983 to 1989, an average of 2000 new mosques was built each year. The number of *imam-hatip* students increased from 207,000 to 267,000 and the controlled official *Quran* courses increased from 3,047 to 4,715. On the other hand *Diyanet* opened up branches in Europe (Jenkins, 2008: 149-50). In the final instance,

as a necessity to establish TIS, *imam-hatip* students were taught that Turks have been the leaders in the rise and dissemination of Islam throughout the world (*Ibid.*, 151).

Özal's purpose was to maintain the junta's ideological goals with a more consolidated understanding. He often paid importance on the image issue as well in order to attract ordinary Muslims. For instance, in 1988, he went to Mecca for the *hajj* (pilgrimage for Muslims) and his *hajj* visit was carried live on state-run television, TRT (*Ibid.*, p.149). All of these actions of Özal encouraged ordinary Muslims and Anatolian Muslim entrepreneurs to become more visible in daily life. Many of those new entrepreneurs had crucial ties with Islamist orders, mainly the Nakşibendi and the Nurcu sects. Those sects had very important international relations in the Saudi and Gulf regions and gave rise to the flow of international Islamic capital into Turkey.

5.3.1 Flows of Saudi and Gulf Money and Islamic Financial Institutions

The legend of the Anatolian Tigers was formed by the capital transfer from Middle Eastern countries. Especially, Saudi Arabia and Gulf Countries like Kuwait made capital investments with this newly emerged Islamic bourgeoisie. During the rule of the Motherland Party, Islamists' socioeconomic activity gradually increased in Turkey, and Özal, in his second day as a prime minister, signed a government decree which allowed the foundation of Faisal Finance and Al Baraka Türk financial institutions (Eligür, 2010: pp.130-131). These were the first Islamic financial institutions in Turkey. Although, historically, Islamic people – especially from National View – were against western style financial institutions, those foundations were founded through Islamic capital. Faisal Finance was founded by Nurists and one of the founders of Al Baraka Türk was Özal's brother Korkut. The MP government also introduced tax reform law that exempted those institutions which operated according to the Islamic principles of forbidding interest payments (Yavuz, 2003: p.89). However, this discourse of forbidding interest payment was just a strategy to block the reactions of Muslim people. Those institutions still distribute a type of interest payment but they do this under the name of profit sharing. Another exemption for these institutions was in the Turkish bankruptcy laws. In case of bankruptcy, only 10 percent of those financial institutions' current accounts and only

1 percent of their much larger participation account were to be blocked in the Central Bank, while other conventional banks would lose the use of 10 to 15 percent of their deposits (Moore, 1990: p.247 cited in Eligür, 2010). That is to say, improving Islamic financial institution was a policy of the MP government, and this policy was implemented very quickly. Those financial institutions and Saudi investments in these foundations also played a crucial role in the foundation process of Islamic vakifs (religious charity and educational foundations) and private *Quran* schools (Atasoy, 2005: pp.163-164). They also supported Islamic media foundations. For instance, as Uğur Mumcu indicates, Al Baraka Türk supplied 833 tone of paper to the newspaper called *Türkiye* (Islamic newspaper) between 1984 and 1985 (Mumcu, 1994: p.194).

In the 1980s and 1990s, several Islamic financial institutions (for the details, see Table 5.3) were founded. Some of them were founded under the name of Special Finance Institutions, and some of them were founded under the name of Investment and Development Banks. The Kuwait Turkish Financial Institutions, Anadolu Finance, Ihlas Finance (which became Turkey Finance Participation Bank in 2005) and Asya Finance are some of the examples of this process. On the other hand, those institutions have very intensive ties with international Islamic financial groups such as the Institution for Islamic Banking and Insurance, Guide for Islamic Banking Conferences, Islamic Finance Forum, Saudi Arabia Banking Institute, Islam Development Bank and The Union of Arabic Banks in North America (Peköz, 2009: p.365). Nowadays, those institutions have several branches in Turkey, and one of their aims is to supply enough credit to Islamic businessmen for their investments, most generally in the construction business. That is to say, economic cooperation with Saudi Arabia started under the military regime and it continued under MP rule, and this cooperation led to the emergence of a wealthy and well organized Islamist business class (Eligür, 2001: p.135). This means that Turkey witnessed the emergence of an Islamic bourgeoisie which has strong relations with international Islamic capital.

TABLE 5.3 Investment and Development Banks and Special Finance Houses in Turkey

Special Finance Houses	Date of Establishment	Number of Branches	Nominal Capital Turkish Lira Billions	Paid Capital	Reserve Funds
Faisal Finance House	1985	12	2,000	2,000	1,131
Albaraka Turkish Special Finance House	1985	22	20,000	20,000	1,998
Kuwait Turkish Evkaf Finance House	1989	23	21,630	21,630	1,194
Anadolu Finance House	1991	25	32,500	32,500	304
İhlas Finance House	1995	35	10,000	10,000	14,740
Asya Finance House	1996	25	10,003	10,003	1,230
Total		142	96,133	83,633	20,488

Source: Turkish Republic Central Bank, as represented in Banu Eligür, *The Mobilization of Political Islam in Turkey*, Cambridge: Cambridge University Press, 2010, p. 133

This new Islamic bourgeoisie was not directly against western-type luxury and lifestyle. They also participated in the trend of buying expensive cars. They also supported many Islamic education foundations, and supplied scholarships to students from conservative families. This reveals a very well-organized network which facilitates the economic activities of Islamic people. It could be said that Islamic people in Turkey accepted that the most important daily activity in life is the economic practice and that this is the source of wealth in this world. They started to work for this world and not only for hereafter. However, this neoliberal coalition did not last forever. Özal period was very significant for the increase of macro indicators

and for the increase in export volume. However, the economic growth was not felt by the masses. Overall living standards did not increase, most of the Turks became poorer and high level of inflation caused important problems on the wages (Jenkins, 2008: p.147). Inflation was the biggest problem of economic management. At that time, Özal did not want to face this problem, indeed he did not take it very seriously. This levity damaged the relationship between Özal and business circles, especially TÜSIAD.

In the last years of the 1980s, the “golden age” of the MP government came to an end. Especially, the economic occlusion in 1988 and a high rate of inflation caused many economic problems between government and business circles. Özal had confidence in the free-market economy. He believed in private sectors and in market interest rates (Nas, 2008: p.37). He also indicates that the state must be out of production and it must only invest in infrastructure. However, Özal’s failure to combat high levels of inflation eroded his popularity among the business circles which presented him as a genius of economics in the past. This economic policy of high inflation pushed the holdings and big firms into an ambiguity about their future activities (Buğra, 1997: p.214). This failure was followed by other social problems. In this era, corruptions, bribe, nepotism and fake invoices increased. The moral understandings of society changed along with the main discourses of that time period. “Laugh all the way to the bank” became the main motto of the 1980s (Boratav, 2005a: pp.155-156). Everybody started to find a way to become rich as soon as possible, and this situation caused many illegal activities in economics. However, those activities were overseen by the state authorities. Özal started to lose his popularity among business circles, and the people, and his party lost tremendous votes in the 1989 municipal elections. His party lost the municipality of Istanbul the most important municipal of Turkey. Then, 1989 General Evren’s presidency ended and Özal was elected as the new President of the Republic by the National Assembly. This presidency restored the general confidence in him. During his presidency, he coped with the neo-Ottomanist issues, and he tried to aid to the United States in the Iraqi War of 1991. He died in 1993 of a heart attack.

Özal’s economic policies supplied the emergence of two main elements. The first one was the rise of the Islamic bourgeoisie with the help of Islamist orders and international Islamic capital. The second was the rise of TÜSIAD business circles

with their new life-styles which was very similar to those of American bourgeoisie. These components engendered solely one thing: the coalition between neoliberalism and conservative Muslims. As it was indicated in the previous chapter, this coalition was the aim of the junta regime and this was carried out in Özal era with a rapid economic program. The rise of Islamic bourgeoisie supplied the discipline of labor power and it also caused the institutionalization of Islamic capitalist groups. On the other hand, Turkish society has become more and more conservative day by day. This conservative transformation caused the appearance of social conflicts in urban life between Islamic and secular groups. This conflict gave rise to the Islamic fashion among conservative people, and this fashion was intensively politicized in the 1990s (White, 2006). Especially, in Istanbul, there was a type of social conflict between “urbanized” secular people and conservative people who were, most generally, from shantytowns. Necmettin Erbakan and his Welfare Party¹⁵ used this conflict very effectively and the National View Movement improved again with the support of conservative people especially from shantytowns. The discourse of Just Order also returned to the agenda of Turkey. The Kemalist-Islamist conflict appeared in urban areas. The winner of this conflict was the National View Movement. The Welfare Party got the biggest amount of votes in the municipal elections of 27 March 1994 (Zürcher, 2004: p.295). Tayyip Erdoğan became the president of the municipality of Istanbul. He was known for his extreme Islamist ideas but he never hesitated to cooperate with big capitalist groups. The Just Order remained as a discourse, and it has never been implemented although NVM came to power in Turkey. In 2002, Tayyip Erdoğan (current head of AKP) came in national power in Turkey, and started to implement the same neoliberal policies of Özal in a stronger way. Neoliberalism in Turkey reached its peak in the era of AKP, and AKP got the support of both global capitalist groups and Islamic groups. However, the main point is that Tayyip Erdoğan never praised his former Hoca (teacher) Necmettin Erbakan, and he has always praised Turgut Özal as his guide. That is to say, he has always praised the establishment of neoliberal policies which facilitated the rise of the Islamic bourgeoisie. Indeed, this bourgeoisie was institutionalized under the name of MÜSIAD.

¹⁵ The political ban on former politician was lifted in 1987 through referendum.

5.4 MÜSIAD: The Institutionalized Islamic Bourgeoisie

MÜSIAD (Müstakil Sanayici ve İşadamları Derneği – Independent Industrialists and Businessmen’s Association) was established in May 1990. The association’s members are mainly from conservative business circles. Some of the famous founding members are Kale Kilit, Toprak Holding, Kombassan Holding, Yimpaş Holding, Ülker Holding, Asya Finance Institution and Albaraka Türk (Peköz, 2009: 369). Most of the other members of the foundation are small and middle-size enterprises from Anatolia. Today, the foundation has 3150 senior members and 1750 junior members. Those members have almost 1.200.000 workers and their percentage of GNP is more than %20.¹⁶ It is also believed that the first three letters of MÜSIAD refers to the word Muslim (*Ibid.*, p.369). Because of this situation, it is sometimes publicly referred as Muslim Businessmen Association. Therefore, if we examine the foundation goal of MÜSIAD, it is possible to say that the association was founded for representing Islamic capitalist groups and newly growing Islamic enterprises (Gülalp, 2003: pp.51-52).

Most of the members of MÜSIAD are from Anatolia and the foundation has several branches both in Turkey and in Europe. The Anatolian Tigers are institutionalized under the schema of MÜSIAD. This term Anatolian Tigers reflected the upsurge of interest in the successful economic performance of some East Asian countries known as the Asian Tigers (Buğra, 1998: p.524). According to Hakan Yavuz, MÜSIAD was founded in an opposition to the state’s continued favoritism toward a handful of business conglomerates, which are represented by a rival group, TÜSIAD (2003: p.93). This word “rival” explains very well the basic aim of MÜSIAD. MÜSIAD members, most generally, believe that historically Turkish state supported the secular and western style businessmen in Turkey. The majority of these businessmen had been under the umbrella of TÜSIAD. Therefore, conservative businessmen wanted to terminate this uncompetitive situation in the Turkish economy, and MÜSIAD had advocated full liberalization and privatization of the Turkish economy. That is to say, they are not anti-capitalist but they are against the close ties between Istanbul-based bourgeoisie and the state (*Ibid.*, p.93). MÜSIAD is not against neoliberal competitive markets. Indeed, they want to perpetuate this market economy without state

¹⁶ <http://www.musiad.org.tr/en/Tarihce.aspx>

intervention. What they want to do is the construct the theoretical base for the coalition between neoliberalism and Islamic conservatism. This coalition entails the formation of a balance between the Islamic values and the practices of neoliberal political economy.

Most of the members of MÜSIAD are the firms that were established in the era of Turgut Özal. Özal's neoliberalization process and support for small and middle-sized firms in Anatolia supplied a good environment for growing. This growth was supported by Islamic networks and sects. This support of Islamic sects has always been legitimized through Islamic reference to the Prophet Muhammed. In order to understand better the theorization of MÜSIAD for creating a balance between neoliberalism and Islamic conservatism, it is better to examine the reports of MÜSIAD on both the Turkish economy and the theoretical approach to political economy.

MÜSIAD aims to create a market economy, which functions with Islamic principles, whereby economic activities conform to Islamic rules, this means that trade should be conducted with a sense of responsibility defined by Islam (Eligür, 2010: p.202). The association wants to create a type of Islamic morality in the field of economics even though they support neoliberal competitive markets. However, they believe that this morality is needed in order to supply the security of economic activities. They want to show that business and faith can function coherently together. Ali Bayramoğlu, the former chair of MÜSIAD, states;

Islamist circles were not included in the business world, and this was a lack. We determined that Muslim people were not effective in business life and, as a group of businessmen, we decided to coordinate our trade activities, build solidarity between ourselves, communicate information, direct our businessmen to international markets and defend our believes.... Two complementary periods overlapped in Mecca and Medina during the Prophet's time. I personally compare the present economic period to the first period of Islam, that is to say, that of Mecca. At that time many things which would be banned later were being employed; the *Quran* prohibited them step by step instead of cutting them off at once.¹⁷

Therefore, the association wants to refer to the Prophet's time for the regulation of economic actions. As noted, because the Prophet was also a merchant, there is no hesitation to become involved in economic activities in the current system. However, Ali Bayramoğlu also indicates that they try not to get involved in committing such

¹⁷ <http://www.hurriyetdailynews.com/default.aspx?pageid=438&n=musiad-proving-that-business-and-faith-do-mix-1996-06-07>

economic "sins", as making money from interest, said this was not only a religious mission, but a necessity of economic rationality and added that interest was an instrument for abusing people.¹⁸ This means that they have an ideological mission in the economic realm. Finally, he says "We declared, upon the investigation of all our branches, that the best coalition would be an ANAP-RP coalition."¹⁹ They see their political engagement around the ideas of Özal's ANAP (MP) and Erbakan's RP (WF). It can be said that we can find this mosaic in the structure of today's AKP. Nevertheless, it is possible to say that the association is a supporter of Özalian neoliberal policies and this is a starting point for them. MÜSIAD publishes a magazine called *Çerçeve* (Frame). In the volume 35 of *Çerçeve*, Şükrullah Dolu extols Özal's era for the efforts of Özal for supporting medium-sized capitalist enterprises. The rise of Turkish economic indicators is one of the main masterpieces of the 1980s (Dolu, 2005: p.19). On the other hand, in the same volume, Orhan Türkdoğan states that the mission of MÜSIAD is to integrate Islamic values into economics in order to create a just system. This is a heritage from the Ottoman system, and this is a historical duty for the association (Türkdoğan, 2005: p.17). Most importantly, this integration of Islamic values into the neoliberal practices is theorized by another MUSIAD publication, which has a very interesting name. This name reflects how an Islamic economical human-being can be constituted. The name of the report is *Homo Islamicus*.

5.4.1 Homo Islamicus: A Neoliberal Islamist?

Homo Islamicus: Islamic Man in Working Life, as a book, is the most intellectual attempt to define the necessary coalition between current neoliberal capitalism and Islamic thought. It may be said that this is an attempt to transform neoliberalism's *Homo Economicus*, which means the man of competition, into *Homo Islamicus*. In this book, Mustafa Özel examines the relationship between wealth and Islam. He argues that Islam is not against wealth, and he supports this thought by reference to some verses of the *Quran*. He also gives reference to the Prophet's life and economical understandings. The Prophet established an economical market in

¹⁸ Ibid.

¹⁹ Ibid.

Medina, and the main goal of this market was to introduce Islamic principles into commercial life. Özel also adds that the second aim of that market was to exempt Muslim people from the economical domination of non-Muslims. He goes on to conclude that it was an attempt to establish free and spontaneous market, and he supports this idea with a *hadis* of the Prophet: “The one who decides on the prices is Allah” (Özel, 1994: 6). He suggests that this *hadis* is very important for market economy since it reduces the role of the state in the economical activities (*Ibid.*). On the other hand he refers to Ghazali and says that a rich Muslim must develop his religious and spiritual characteristics in order to find a balance in his life (*Ibid.*, p.8).

The report also contains some articles from Gazali and from other historical Islamic thinkers. In the second chapter of book, it is possible to find the formulation of how an Islamic person should work and how he/she should consume. Especially, the article of Sabahattin Zaim is very important to understand this issue. Zaim’s article is called *Muslim Attitude and Behaviors in Economical Life*, and in this article he mainly opposes the idea of *Homo Economicus* which is a product of western economical life (Zaim, 1994: p.101). He also says that what the *Quran* orders is not the formation of *Homo Economicus*, but rather the existence of a Muslim human-being who obeys to the laws of Allah and the *Quran* (*Ibid.*). This is the main formulation of the word *Homo Islamicus*. Therefore, *Homo Islamicus*, as a concept, appears as an opposition to western *Homo Economicus*. However, it is not very different from *Homo Economicus* in the sense of free and spontaneous rationality in the market economy. The real difference is, as Zaim states that the Muslim economic man pursues his own economical will with a religious education in accordance with Allah’s orders, and he also indicates that *Homo Islamicus* must be aware of the existence of the consequences of his economic actions (*Ibid.*, p.102). He also theorizes how *Homo Islamicus* must live as a worker. *Homo Islamicus* must work with responsibility, and he must do his work wonderfully since *Allah* loves people who do their works very well. On the other hand, *Homo Islamicus* is the man who wears good clothes in his working life, and he knows to be thankful to Allah for his income (*Ibid.*, p.103-104). Finally, he formulates how a Muslim employer must behave in the working life. As an employer, *Homo Islamicus*, must trust the state which is the guarantor of the free entrepreneurship and of the right of inheritance. He must earn his money justly and ethically. However, he must know that his wealth is

not only an indicator of his success, it also is Allah's appreciation to that person. In the final instance, this *Homo Islamicus* must beware of interest payments and he must consume Allah's way. When he consumes, he must be frugal but he should not be stingy (*Ibid.*, p.104-15). Additionally, Zaim also adds some other characteristics to *Homo Islamicus* including making a contract for his loans and he must avoid the idea of loan unless he is constrained (*Ibid.*, p.107). This is the theoretical approach to engendering an Islamic man in the capitalist order. *Homo Islamicus* is the man who works for his wealth with a thankful attitude to Allah, and this working life is constrained by some ethical elements. This seems to be a sort of moral economy. However, this *Homo Islamicus* has never been the main purpose of Muslim businessmen. Indeed, it is very important that this formulation is totally against being stingy and it allows consumption and having luxury goods even though in some cases it forbids waste.

The attempt to create a typology of the Muslim human being in economic life seems to be an attempt at combining Islamic conservatism and neoliberalism. It is possible to say that this is a normalization process of conservatism within neoliberal political economy. MÜSIAD is the association within which this attempt of theorizing neoliberal *Homo Islamicus* occurred. Indeed, the effort for merging neoliberalism and conservatism is not unique to Turkey. It did happen in the US and in Britain with Reaganite and Thatcherite policies. Neoliberal thought did not only supply an economic program to those politicians, it also supplied a new type of project which conforms to conservative values. It may be said that the neo-conservative elites have used neoliberalism as a maneuver to situate their own values into society (Balaban, 2010: p.54). MÜSIAD theory of engendering a Muslim economic being is not different from this common neo-conservative project. Since 1980, this is an attempt to create the hegemony of the neo-conservative bourgeoisie which operates according to neoliberal market principles. It is an effort to combine Islamic conservative life-style with neoliberalism in order to legitimize the movement through the freedom and democracy discourse of neoliberal insight. If the discourse of *Homo Islamicus* is scrutinized deeply it can be seen that there is always a praise of the life of the Prophet Muhammed as an ideal model for Islamic businessmen. This praising contains the reference to Muhammed's working life as a merchant (Yavuz, 2003: p.93). The neoliberal project is against the efforts of social statist approaches

in terms of redistribution. Indeed, MÜSIAD is also against the redistributive role of the state (*Ibid.*, p.94), and they believe that state must literally be outside of all economic activities since *Allah* decides on everything. MÜSIAD also aims to create a business network among Islamic business circles in accordance with Islamist lodges. There are two ideological sources of MÜSIAD which come from Islamist lodges in order to engender *Homo Islamicus*. The first one is the doctrine of former Nakşibendi Sheikh Mehmed Zahit Kotku. Kotku claims that according to Islam, the pursuit of more profit has equal worth with religious practices like fasting, praying and worshipping (Kotku, 1987: p.51). The second one is the Neo-Nurcu approach of Fethullah Gülen. Gülen's understanding of *Hizmet* (service) is adopted into MÜSIAD ideological engagement. MÜSIAD believes that the association functions through the norms of Turkish society, and these norms include the call to "render one's service for the state and nation". This means that in order to become a good *Homo Islamicus*, one has to justify his economic activities with a reference to serving the nation and state (Yavuz, 2003: p.94). The rise of MÜSIAD could only be achieved by Özalian neoliberal perspectives. Because of this situation, Özal is a very important figure for MÜSIAD members. MÜSIAD now is the biggest business association of Turkey, and it should be noted that the ideological engagement of MÜSIAD cannot be overlooked.

Ayşe Buğra (1998: p.522) indicates that MÜSIAD operates with an ideological mission. "MÜSIAD largely draws on the East Asian model in a rival strategy in which a certain interpretation of Islam is used a resource to bind the businessmen whom it represents into a coherent community and to represent their economic interests as an integral component of an ideological mission." This ideological mission can be described as an effort to establish a conservative hegemony in the realm of political economy, and of society, together with neoliberal practices. This means that there is a reciprocal relation between Islamic conservatism and neoliberalism. On one hand neoliberalism needs Islamism in order to discipline labor power and to decrease labor cost by using the fatalist tendency of religion, and on the other hand Islamic neo-conservatism uses neoliberalism both for achieving their ideological mission which envisages the establishment of Islamic hegemony, and for increasing the wealth of Islamist people. This aim of increasing wealth is invigorated in the theory of *Homo Islamicus*. MÜSIAD's *Homo Islamicus* is the symbol of

coalition between ordinary Muslims and neoliberalism. This coalition has created its solid hegemony during the rule of AKP beginning in 2002. The ideological mission of MÜSIAD is a very good example to illustrate what the establishment Islamic bourgeoisie is in Turkey. This establishment is not only supported by conservative groups. It was strongly supported by liberal intellectual in Turkey. There are several reasons for this support from liberal intellectuals, but the main reason could be the rise of neoliberal globalization in the world, and this rise is perceived as an opportunity by conservative groups. This opportunity got the support of liberal intellectuals since it aims to construct free and competitive markets outside of state interventionism.

5.4.2 The Islamic Hegemony and Liberal Intellectuals

Besides the attempt of legitimizing the coalition of Islamic conservatism and neoliberalism under the name of *Homo Islamicus*, the 1980s witnessed another type of hegemony which has strengthened the establishment of Islamic hegemony in Turkey. This coalition appeared between Islamic groups and liberal intellectual groups. First of all, both of the factions are the supporters of civil society. This means that both of the factions supported Özal since they believed that the policies of Özal include a victory against the bureaucratic foundation of the Turkish state (Boratav, 2005b: p.19). Secondly, Islamic factions could not establish an intellectual growth within themselves. They could not produce an Islamic intellectual framework. Indeed, if we do not count Necip Fazıl, Ahmed Hamdi Tanpınar and Nurettin Topçu there is a scarcity of conservative intellectuals in Turkey (Sümer & Yaşlı, 2010: p.13). In the 1980s, during the neoliberalization process, the rise of Islamic groups has become the main issue of Turkish politics. However, this rise could not be supported by a very deep intellectual framework. In this case, Islamic groups needed the aid of other intellectual groups for overcoming this deficit. At the end of the Cold War, the discourse of end of history²⁰ has been interpreted in the world as the end of ideologies. Turkish liberal intellectuals supported this motto of the end of ideologies, and they became aware of the need for conservatism in order to perpetuate neoliberal principles. For these aims, conservative Islam must be

²⁰ See Francis Fukuyama, 1999, *Tarihin Sonu ve Son İnsan*, İstanbul: Gün Yayıncılık

moderated for coordinating with the values of neoliberal globalization. In order to create a moderate discourse for a coalition with liberal intellectuals, Islamic people had to give up the hostile ethos like blaming western ideologies for being a product of freemasons and Zionists against western world. (Sönmez, 2010: p.365). There need to be more moderate and intellectual ethos in order to examine what is going on in the world. This need entailed the support of liberal actors in Turkey.

Many liberal intellectuals such as Mehmet Altan, Ahmet Altan, Ali Bayramoğlu, Cengiz Çandar, Murat Belge and Mehmet Barlas supported Islamic movements intensively during the 1980s, 1990s and 2000s. It is another issue to scrutinize what those intellectuals understand by liberalism since they have never made an intellectual production which explains their understanding of it. Nevertheless, they identify themselves as liberal. These intellectuals mainly claim that there is a domination of military power in Turkish politics. The only political power which decides on everything is the army. Indeed, they also believe that the army is the only obstacle to Turkey becoming a real modern country. For Instance, Ali Bayramoğlu (2007) calls this situation militaristic custody (*Askeri Vesayet*). He always criticizes this issue, and he believes that army has always been a problem for Turkey in the process of democratization. Mehmet Altan also says that militaristic custody could not be overcome in Turkey. He calls this coalition as “second Republic” and he claims that the paradigm of first Republic (this means Kemalism) has to be deconstructed (2005: p.11). Mehmet Barlas has always been a very close friend of Turgut Özal, and Barlas always supported his neoliberalization policies. He praised Turgut Özal in a book called *The Memories of Turgut Özal* (Turgut Özal’ın Anıları). Murat Belge, as a former leftist, in his book called *Militarist Modernism* (2011) mainly suggests that Turkey was founded as a militaristic country. The main problem for liberal intellectuals is the existence of the Turkish economy as a political actor in Turkish politics. Liberal intellectuals supported Islamic conservatism after 1980, since they believed that Islamic people are overlooked by the army and the republican elite. This situation aggrieved conservative people in Turkey. Beginning from the Özal era, conservative people have worked both for the liberalization of the country and for the elimination of the power of military in Turkish politics. That is why they supported the rise of Islamic conservatism in Turkey. However, what they could not understand in this case was that the hegemony of Islamic discourse cannot

bring freedom to the society, since it only deals with economic liberalization. In the sense of social and individual freedoms, Islam has very solid rules that have to be obeyed.

This rise of Islamic hegemony with the support of liberal intellectuals has been clear in the Turkish media. Beginning in the 1980s, many Islamist media institutions such as *Yeni Şafak*, *Zaman*, *Samanyolu*, *Kanal 7*, *TGRT*, *Vakit* and *Milli Gazete* were founded. Liberal intellectuals have found good job opportunities in those media institutions. Many of them have become columnist in Islamic newspaper or commentator on Islamic TV channels. In a sense, they became chronicle intellectuals of conservative governments as Gramsci (2007) indicates in his formulation of hegemony. Gramsci points out that in order to create a hegemonic power, chronicle intellectuals are needed to gain the consent of people. Those intellectuals have also been supported by Islamic business circles. The main theory that those intellectuals has been following was formulated by Şerif Mardin, who is literally influenced by Edward Shils' theory of center-periphery confrontation. Mardin explains his theory in his famous article "Center-Periphery Relations: A Key to Turkish Politics?" (1973), and he mainly claims that in Turkish politics an authoritarian, Jacobin and highly secular bureaucracy, which is alienated from cultural values of people, exists as the center and there are conservative people in the periphery who constitute a type of civil society. The coalition of liberal intellectuals and conservative people elevates this theory of Mardin, and they believe that the establishment of this new hegemony is a march of conservative people from Periphery to the Center of Turkish politics.

All of these coalitions, the coalition of Islamism, neoliberalism and of Islamic factions, and liberal intellectuals have formed the hegemony of neoliberal bourgeoisie in Turkish politics. This totally changed all the economic structures in Turkey. The income distribution has totally changed, and the domination of capitalist groups has been supplied (Boratav, 2005b). In the 1980s, Özal's MP has been nominated by business circle as the only party for ruling the country without any alternative (*Ibid.*, p.79). During the 1980s and 1990s, TUSIAD circles have become the biggest capitalist groups of Turkey, and in the 1980s and 1990s MÜSIAD's small and medium-size firms have become another big capitalist group. The growth of the wealth of Islamic people pushed them to deal with civil society issues. Many of the MÜSIAD members started to open or to support charity associations and civil

society organizations. These associations usually have a religious-social dimension that plays a key role by offering education services, operating as publishing houses, operating TV channels, and staffing health clinics (Yavuz, 2003: p.96). This means that Islamic conservatism also uses civil society for upgrading its hegemonic discourses.

Finally, it is possible to say that the neoliberal hegemony of capitalism goes along with Islamic conservatism in Turkey. Neoliberalism has become the most dominant practice throughout the world, and it aims at the establishment of the hegemony of property owners and capitalist classes (Insel, 2004). It was not an obligation for Islamic people to make a coalition with neoliberal policies. It was totally a choice. This choice has become the main hegemonic argument in Turkey especially in the 2000s. The starting point of this hegemony was the introduction of neoliberalism through Özal's economic and conservative policies. Today, in Turkey there are two types of bourgeoisie. On the one hand there is the secular bourgeoisie, and on the other hand there is the Islamic bourgeoisie. What is interesting is that secular bourgeoisie strongly supported Özal even though he could not succeed in reducing high rate of inflation, but the Islamic bourgeoisie started to emerge in the same time period. This means that there is also a coalition between secular bourgeoisie and Islamic bourgeoisie after 1980 in terms of industrial and financial activities. In a sense, it should not be overlooked that both groups have created the domination of neoliberal capitalism in Turkey. The case for Islamic people was different since they were historically against the principle of western style capitalism. When Islamic people understood that they could become the hegemonic power in order to achieve their ideological mission – which includes the establishment of Islamic life-style – they have not hesitated to make a coalition with neoliberalism. Indeed, they were the best partner for neoliberal political economy in order to become dominant. Banu Eligüer (2010) refers to Ronnie Marguiles and Ergin Yıldızoğlu's analysis of Turkey in the neoliberalization process of the 1980s. They state,

The religious orders, particularly Süleymancı and Nakşibendi, were involved in a range of activities. Quran courses brought in the very young; university entrance examination courses, where students received free tuition and lived in hostels run by the orders, attracted the educated youth of the future; recruitment among students of the military academics was aimed at gaining influence within the armed forces. Mosques and their attendant religious association represented direct channels of neighborhood organization and recruitment. All the

tarikats were involved in these activities, often in competition with one another. (Marguiles and Yıldızoğlu, 149; Eligür, 2010: 123).

All the Islamist sects, with a naïve competition among them, supported the establishment of neoliberal and conservative hegemony in Turkey. What it is meant by Islamic hegemony in this case is not only the dominance of Islamic values it is also the dominance of global neoliberalism which supplies this opportunity for Islamic people. This hegemony founded several political parties and civil society organizations.

Table 5.4 Changes in the Platform and leaders of Islamic Parties from 1970 to the present

Abbreviation/Acronym	Party Name	Years	National Leader	Platform
MNP	National Order Party	1970-71	Necmettin Erbakan	National, Communitarian developmentalism, Islamism
MSP	National Salvation Party	1972-80	Erbakan	National, Communitarian developmentalism, Islamism
RP	Welfare Party	1983-1998	Erbakan	Social Justice, communally regulated markets, Islamism
FP	Virtue Party	1997-2001	Recai Kutan	Islamism, Democratization
SP	Felicity Party	2001-Present	Recai Kutan	Islamism, Nationalism
AKP	Justice and Development Party	2001-Present	Tayyip Erdoğan	Conservatism, democratization, market reforms

Source: Cihan Tuğal, *Passive Revolution: Absorbing the Islamic Challenge to Capitalism*, Stanford: Stanford University Press, 2009, p. 43

The Table 5.4 from Cihan Tuğal shows very well the transformation of Islamic mobilization, from its very beginning. When we look at today's Islamic mobilization, we can see that there is a reciprocal hegemonic power relation between neoliberalism and Islamism. Özal's MP is not seen in this table since it did not present itself as an Islamic party. The party was a symbol of neoliberalization in Turkey with a strong

reference to Islamism. The Islamic parties after the 1980s are the symbols of Islamization with a strong emphasis to neoliberal hegemony. This is the main coalition in Turkey, and the emergence of this coalition has been mainly witnessed in urban politics, especially after Islamic parties seized the power in municipalities. Cihan Tuğal calls this urban hegemony as Islamist takeover of urban space (Tuğal, 2009: p.49). In the final instance, the silence revolution of Islamic mobilization in Turkey contains many coalitions in itself, and the combination of those coalitions has literally changed all the political and spatial structures in Turkey.

6. ISLAMISM AS A DISCIPLINARY TACTIC AND GÜLEN MOVEMENT

This chapter focuses on how Muslim people started to support Özal's neoliberal policies. First of all it involves the Gülen Movement's economic affiliation. Secondly, it deals with Özal's economic and social approaches against his Naksibendi background.

6.1 Political Economy and the Gülen Movement

Özal came to power in November 1983, with his new party called the Motherland Party (ANAP) although the military regime supported Turgut Sunalp's party called *Milliyetçi Demokrasi Partisi* (Nationalist Democracy Party). Sunalp was a former member of the army. Özal's success was variously defined with many variations, but one of the basic reasons was the political ban on all politicians who were active before 1980. They could not enter into the political struggle, they could not found new parties and they lost all of their political rights. Under these circumstances, Özal with his nationalist and moderate Islamist profile, received many votes both from nationalists and Islamists. During his prime ministry (1983-1989), he continued the neoliberal adjustment programs and liberalization process. On the other hand, he continued to implement the cultural and educational policies of the junta regime. It is very well known that he prohibited the books of Voltaire, Camus and Moliere in the public schools since he found those books unfavorable. On the other hand, the structure of philosophy classes in the public schools has been changed to have more religious tendencies (Cemal, 1989: pp.164-165). In other words, he did not have a big difference in the sense of authoritarian cultural policies from the military regime. His policies, especially on the liberalization of Islamist business, received strong support both from Islamic sects and Anatolian Muslim businessmen. Although those people were historically against the elements of western capitalism, they found a common point in the profile of Turgut Özal. Indeed, the ANAP also claimed that they aimed to unite all of the political tendencies in Turkey (Ahmad, 1991: p.18). Özal did not face a serious opposition until 1987 and he acted as a successor of the

NSP²¹ but after the foundation of the Welfare Party in 1987 by Necmettin Erbakan, his claim of being the successor of NSP has come to an end (*Ibid.*, p.19). Nonetheless, until 1987 Özal got intensive support of Islamic sects in order to legitimize his neoliberal thoughts. One of the main Islamic orders which supported Turgut Özal's economic and educational policies was the Gülen Movement.

The educational strategy of the junta gave rise to the movement of the neo-Nurcu sect Gülen's followers. This is mainly known as the Gülen Movement, that is to say the followers of Fethullah Gülen, who was one of the founders of the Association for Struggling against Communism in the 1960s and 1970s. Gülen was an *Imam* and his speeches became very popular among his followers and this fellowship has become a very big political and economical movement which has crucial influence on daily Turkish politics. The Gülen Movement is publicly known as *Cemaat* (Community) and it has many important supporters from business people to journalists. *Cemaat* has three main areas of action in daily public life. First of all, it has an enormous network of private educational institutions, secondly many media institutions are owned by the members of *Cemaat* and finally, there are many businessmen and companies that support the Gülen Movement; that is to say, it has an economic organization. However, the most important organization of *Cemaat* is in the level of education.

Before examining the educational web of *Cemaat*, it is important to understand the main ideological background of this neo-Nurcu order to explain better their support for Özal's neoliberalism. Elizabeth Özdalga explains the functionality of *Cemaat* through Max Weber's theory of capitalism and religion and she also identifies the Movement as "the activist devoutness" (Özdalga, 2007: p.239). One of the main institutions which support the movement is the Gülen Institute founded through collaboration with University of Houston. On the website of the Gülen Institute, Fethullah Gülen's activism is identified as *Hizmet* (Service), and his activism is considered to be a service for intercultural dialogue, democracy against violence. On the other hand his services also include opening up schools in conflict-ridden regions such as the Philippines, Macedonia, Afghanistan and Northern Iraq.²² Those schools aim to expand Islamic ideology with a Turkish perspective. That is why the state authority supported Gülen Movement's schools until 1997 since those schools make

²¹ Özal was a candidate of NSP for the membership of parliament in the elections of 1977.

²² <http://www.guleninstitute.org/about-gulen/ideas-and-impact>

the propaganda of Turkish-Islamic Synthesis in different regions. On the other hand, the movement has a very strong range of supporters in Turkey. It is suggested that supporters give %5-%20 of their income to the groups affiliated by *Cemaat* (Stourton, 2001). The question is simple. How did this order become very successful in terms creating an intensive social mobilization which runs to centre of Turkish politics from the periphery? The answer is not easy but there are most generally economic interests of people in this movement.

There are a lot of western style companies, holdings, business groups and banks which are affiliated with *Cemaat*. The movement's basic understandings are considered to be against some capitalist instruments which are banned by Islam itself. Interest and the stock exchange are forbidden by Islam, and it is considered to be as *Haram* (which means forbidden by God eternally). However, *Cemaat* has banks with a different system. Indeed, there is still an interest rate in this banking system but it is called "profit share" and the system is mainly referred as "participation banking". This is a very clear indicator of the economic involvement of *Cemaat*. On the one hand, it wants to keep Islamic origins to attract more Islamic people but on the other hand it wants articulate itself into global political economy.

Economically, *Cemaat* controls huge sources of money and finance. It is mainly said that those sources are coming from the voluntary charity of participants. It can be true but the basic issue is the ambitious involvement of an Islamist group within economics and wealth. Most generally, Islamist Sufi sects are considered to be places for worshipping, and interpreting Islam with different studies for the hereafter. However, after the 1980s the Gülen Movement emerged as a sect with its worldly claims including generally political interests and wealth. Gülen Movement is called as a neo-Nurcu order which has a reference point to Said-i Nursi. Said was a *Nakşibendi* Sheikh at the end of Ottoman Era and at the beginning of Republican Turkey. His understandings were followed by many people although he was exiled by the state because of his mental problems and his followers disseminated his thoughts secretly. His thoughts have been collected under the name of *Risale-I Nur* and this book has become very popular among ordinary Muslims in Turkey and among Turks in Europe, especially in Germany (Zürcher, 2004). Fethullah Gülen is known as the most significant interpreter of Said, and his speeches became very famous. This neo-Nurcu lodge has succeeded in a large scale mobilization in Turkey.

Indeed, this sect has some difference from Nakşibendi orders since Nakşibendi orders have very strict duties and understandings of Islam. However, the Gülen movement has many dimensions including economical and political aspiration. It is most generally related to Max Weber's theory of religious worldly asceticism.

Max Weber, in chapter five of *The Protestant Ethic and the Sprit of Capitalism*, explains the relationship between asceticism and the spirit of capitalism. According to Weber (1905), the spirit of capitalism consists of Protestant ethics mainly covered by Puritan insight. Weber's explanation of the soul of capitalism is different than the Marxist understanding of ideological engagement. Marxist literature mainly claims that capitalism functions by using a basic instinct of people to push them into working and consuming with an animal impulse (Marx, 1843). However, Weber believes that capitalism is a system of regulating those irrational instincts or balancing those instincts with a rational way, he also believes that western capitalism is a unification of rational profit seeking and disciplinary working relations (Weber, 1905). That is why Foucault (2008) also says that liberal capitalism also acts with rationality by limiting itself for excessive profit. Weber also uses the Protestant Ethic to explain the origin of western capitalism. This origin entails the existence of puritan asceticism. This means that a person must work harder and harder in the world in order to realize himself (Weber, 1905). This aim of self-realization through working forms the basis of the capitalist approach. This literally shows how ideological engagements determine economic and financial life. Thus, the Gülen Movement is not very far from this Weberian understanding. The Gülen Movement describes itself as a mobilization of service to people. This identity of service entails working harder and harder in daily life instead of enjoying the profit of economic life (Özdalga, 2007).

Gülen depicts himself as a servant of the people and he believes that he has a duty to humanity. Elisabeth Özdalga also describes Gülen in this context by referring to Weber's idea of worldly asceticism. She also believes that the asceticism of the Gülen movement forms a new understanding of morality among Muslims since in its understanding of social relations. She also believes the inclination of Cemaat on the education system supports the explanation of social relations and this creates a more moderate discourse of Islam (*Ibid.*). However, this illustration of Elisabeth Özdalga is not enough to explain the activities of the Gülen Movement. Özdalga legitimizes

what Gülen assumes for himself. She presents Gülen as a type of Islamic guru who works for the benefit of humanity without expecting any benefit or profit. This also applies to the followers of Gülen. But, the reality does not show us the same. Indeed, during the military regime and Özal's era, *Cemaat* gained its best position both in economics and politics. On the other hand, *Cemaat* started have strong worldly desires in the field of economics and finance. At the beginning, it should be said that *Cemaat* has never had a problem with neoliberalism and in fact the economic liberalization process with neoliberal policies was strongly supported by the participants of *Cemaat*.

Gülen is also a supporter of the neo-Ottomanist Turkish-Islamic Synthesis but his *Cemaat* also supports liberal political economy, develops close relations with global capitalist groups, and emphasizes the importance of modern technical education for the well being of economic activities (Peköz, 2009; 106). On the other hand, Gülen sees democracy as an inevitable global trend but he never sees it as mandatory and claims that democracy cannot replace the words of Allah (Akman, 1995). He has always supported the policies of the Turkish state and he wants Islamic people to articulate to globalization and the global economy essentially in the field of technology and consumption (Gülen, 2000: p.107). *Cemaat* controls many political and cultural magazines such as *Zafer*, *Sızıntı*, *Köprü*, *Doğuş* and *Sur* (Peköz, 2009; 303). In October 1980, In *Sızıntı* (Leakage) Gülen wrote a short article which praises the military coup under the title of Son Karakol (Last Police Office) and he also states that the army would supply the possibility for them to reach their aims (Gülen, 1980). In the media, *Cemaat* also controls the newspaper *Zaman* (Time) and TV channel *Samanyolu* (The Milky Way). On the other hand, many companies and financial groups are supporting *Cemaat* and *Cemaat* always supplies them a good environment for economic activities such bank credits, investment and networking. This economic affiliation of *Cemaat* is endorsed with a strategy of education. Fethullah Gülen has a strategy to create a new generation of young people, and he calls this strategy as the Golden Generation (Altın Nesil). In 1978, he published a book called *Altın Nesil* and in that book he stresses the need for young Turks to learn about modern technology and science, and the combine this secular knowledge with Islamic ethics for the contribution of the financial power of the state (Atasoy, 2005: p.171). It can be seen that Gülen's aim of raising new generations has a strategy for

gaining financial impetus and for the contribution to state authority. That is why he strongly supported the military regime. He supported junta for the well being of the state against leftist factions and he also supported the neoliberal policies of the junta and Özal for creating Islamic financial power. That is to say, we cannot only claim that Gülen's only service is educational.

Cemaat's educational system is very important for the production of this economical power. *Cemaat* has more than 250 schools in 54 countries (Peköz, 2009: p.288) and several educational institutions in Turkey in the form of *Dershane* (Training Centers). *Cemaat* has two types of *Dershanes*, the first of which is official. Those institutions are officially allowed centers for the students who want to study for university entrance exams. There are also unofficial *Dershanes* which are mainly called *Işıkevi* or *Nurevi* (Lighthouses). These are secret houses for the participation of students in the movement and they are separated for both genders. The boys' houses are led by some experienced young participants of the movement who are called *Ağabey* (*older brother*) and for girls' they are called *Abla* (*older sister*). In those *Dershanes*, most generally, the *Risale-I Nur* of Said-I Nursi and religious morality are taught (Atasoy; 2004: pp.158-159). Indeed, *Cemaat* strongly focuses on education in order to develop new generations. In this case, the problematic is about the strategy of *Cemaat*. In the 2000s, *Cemaat* is considered to be the most powerful religious order in Turkey and it is generally accused of acting for capturing all the posts of state authority with energetic nepotism. Especially, beginning from 2008, the Ergenekon²³ case is alleged to be managed by *Cemaat's* participants in the state bureaucracy. That is to say, *Cemaat* has a very big influence on Turkish politics, especially after AKP came to power in 2002. How has *Cemaat* become so powerful? There can be many answers to this question but no single explanation can be the right one.

²³ For understanding what is Ergenekon case, please see Can Dünder, 2008, Ergenekon: Devlet içinde Devlet, Ankara: İmge; Hikmet Çetinkaya, 2011, Susurluk'tan Ergenekon'a, İstanbul: Cumhuriyet Kitapları; Nedim Şener, 2010, Ergenekon Belgelerinde Fethullah Gülen ve Cemaat, İstanbul: Destek Yayınları.

6.1.1 The Gülen Movement's Alliance with Neoliberalism

First of all *Cemaat* was considered to be a very good alliance for introducing both the Turkish-Islamic Synthesis and neoliberalism. Neoliberalism appeared in the world, especially in the United States together with neo-conservative ideologies and this ideological perspective has influenced world politics as well. Taha Parla (1995) claims that the Turkish-Islamic Synthesis is not a real nationalist movement, it is a US oriented perspective which has tendencies similar neo-conservative trends in the United States. He also claims that Sunni Islam has always been under the state control. Thus, TIS is a part of neoliberalization policies of Turkey with the alliance of Islamic orders. Gülen movement is the main order of this process and some other Nakşibendi orders like Iskerpasa Dergahi, Suleymancis and Kadiris supported this process. One of the main reasons for the emergence of this alliance between state bureaucracy and Islamic sects, mainly *Cemaat*, is to discipline labor power for the well being of neoliberalism through religious Sufi education and learning.

Foucault, in *Discipline and Punish* (1995), aims to demonstrate the formation mechanisms of a disciplinary society. Foucault illustrates that there are different types of disciplinary systems in modern society, used to create modern subjects for the modern political economy. He believes that modern mechanisms of power constitute new subjects and that these subjects are not formed through violence or authoritarianism. The subjection is formed via several institutions such as schools, military barracks, asylums, hospitals, clinics and jails and via the creation of freedom which is strictly related to self-subjection (Foucault, 1982). Disciplinary mechanisms have two main purposes to make people docile and to use them in economic activities. The first one is the normalization of discipline in the mind of the person and the second is the optimization of the human body for the well being of economic activities. Therefore, as Foucault indicates, the human body emerged for the disciplinary power as a machinery of power that explores it, breaks it down and rearranges it. This is a political anatomy which is also a mechanics of power (Foucault, 1995: p.138). That is to say, discipline functions over the bodies of people in order to tame people for the better functionality of the political economical system. Foucault also states

Discipline produces subjected and practised bodies, 'docile' bodies. Discipline increases the forces of the body (in economic terms of utility) and diminishes these same forces (in political terms of obedience). In short, it dissociates power from the body; on the one hand, it turns it into an 'aptitude', a 'capacity', which it seeks to increase; on the other hand, it reserves the course of the energy, the power that might result from it, and turns it into a relation of strict subjection. If economic exploitation separates the force and the product of labour, let us say that disciplinary coercion establishes in the body the constricting link between an increased aptitude and an increased domination (Foucault, 1995: p.138).

That is to say, on the one hand, the disciplinary powers create docile bodies with a perfect optimization of economic utility. It dominates people through mechanisms of discipline and surveillance in the several institutions and each disciplinary power injects the needed economic knowledge to the subjects in order to create its own docile and loyal bodies. For instance, military barracks develop their own loyal soldiers, hospitals and clinics deal with the optimization of bodies, educational institutions and workshops create the economical docile bodies through injecting the necessary knowledge of economic activities. This means it increases the abilities and knowledge of the body, for the well being of the political economy, but on the other hand, it starts a process of internalization of this disciplinary system. All of these limited disciplinary relations create a general system of discipline. That is to say, people start to articulate into the disciplines by themselves, what Foucault calls self-subjection. He also indicates that the discipline is not only a function of state authority. Discipline does not directly mean a state apparatus. Discipline appears in different forms with different exercises of power in the all levels of society but most generally in the lower levels of society (Foucault, 1982). Indeed, individuals, who are a part of discipline become more and more obedient in power relations (*Ibid.*, p.788). Foucault also adds that power exists only when it is put into action and it is not a renunciation of freedom since it works with freedom (*Ibid.*, pp.788-789). That is to say it allows people to make their rational choices in their life. However, as far as the life is surrounded by power relations, this freedom remains only as a system of rational choice among power relations, and it is not a salvation from power relations. Foucault believes that freedom can only be achieved by overcoming the power relations. Finally, Foucault points out the importance of the concept of Government for understanding disciplinary society. Government is not a restricted term which only refers to state authority and bureaucracy. Government has much broader meaning indicating the management of several organizations, groups or structures.

From the government, we can understand the government of children, of souls, of communities, of families, of the sick. This means that the concept does not only cover political and economic management, it also covers the rational calculations of individuals and communities for their well being (*Ibid.*, p.790). That is why he uses the term governmentality to refer to the governmentalization of the state in accordance with liberal art of government. Governmentalization of the state entails the rational calculation and arrangement of things and governmental actions (Foucault, 2007). In the final instance, disciplinary mechanisms function with very different power relations in society and each power relation determine its own government and discipline techniques and technologies. These techniques most generally make the bodies of subjects docile in order to engender a better functionality to the political economy of that discipline or to the whole society.

It is possible to say that Islamic sects are functioning as one of the mechanisms of disciplinary society. They are very different from schools or workshops. They have their own system of surveillance, education and domination. Gülen sect's unofficial educational houses have their own system of surveillance and discipline which is different from modern schools. Their system based on religious norms and practices. This also creates docile bodies for the sect. In Turkey, after the military coup, the bureaucracy and business circles understood the need for disciplining labor power in order to reduce labor cost and to compete more in the neoliberal competitive order. Islamic sects have become a wonderful tool for the state authority, in order to organize and discipline labor power with an approach of fatalism and the religious internalization of daily life. This means accepting the conditions of living and of working life and not opposing any regulations which are disadvantageous for the working class. Especially in Anatolia, many workers are pushed to enter a religious order instead of becoming a member of a labor union. Indeed, the junta closed all the labor unions because of the so-called danger of communism. But the unions were reopened after the junta's withdrawal from active politics. However, many of the unions are weaker than they were before 1980. Governments support the attitude of conservative and Anatolian businessman to push workers into becoming a member of a religious lodge. Indeed, this creates disciplined labor power. (Temelkuran, 2008). DISK also suggests the same issue of discipline by publishing a manifesto. The union mainly claims that the military coup in 1980 is an alliance with Islamic sects

and it aims to destroy class consciousness by using religious and conservative orders.²⁴

The Gülen Movement is one of the most popular and disciplinary religious sects in Turkey. This movement, including other main religious order, was a wonderful alliance for state cadres for disciplining labor in support of neoliberalism. This strategy, received the support of western world as well since during the Cold War communism was the basic enemy of NATO countries. The United States endeavoured to create a moderate Sunni Islamic block in the Middle East and The Organization of the Islamic Conference (OIC) prepared the political and technical ground for an Islamic economic union among the member states. The circulation of a huge amount of money in the Middle East strengthened Islamic movements as well (Atasoy, 2005: p.150). The creation of conservative generations, especially in Anatolia, serves the aim of religiously and economically disciplined people. As far as neoliberalism functions with the idea of competition and private entrepreneurship, this situation entails the reduction of production costs. The main production cost is the labor cost and because of this situation, many western multi-national companies have shifted their production units to the regions where labor costs are very low. China has become the manufacturer of the world and countries like India, Vietnam and Malaysia are following China as low-cost productive powers. Labor power is strictly disciplined in those countries. Especially, in China workers are practicing in very bad conditions with a very low wages 1 dollar per day.²⁵ In Turkey, after the military coup, in order to reduce labor cost, Islamism was used intensively through sects and this very action caused the increase of conservative and passive people. The increase of religiously passive people pushed the rise of AKP in the 2000, and the marriage between Islam and neoliberalism was completed after 2002 when the AKP came to power as an Islamic originated party.²⁶ That is to say, the Gülen Movement and other religious lodges have been functioning for the well being of an understanding of political economy. First of all, we cannot degrade its functionality as simply a system of servants. Secondly, they have been encouraged both by Turkish bureaucracy and

²⁴ You can see this manifesto; <http://www.disk.org.tr/default.asp?Page=Content&ContentId=1315>

²⁵ To understand well how labor power is disciplined in China, see Pun Ngai, 2005, *Made in China: Women Factory Workers in a Global Workplace*, Durham: Duke University Press.

²⁶ For better understanding this passive transformation, see Cihan Tuğal, 2009, *Passive Revolution: Absorbing the Islamic Challenge to Capitalism*, Stanford: Stanford University Press; Jenny White, 2002, *Islamist Mobilization in Turkey: A Study in Vernacular Politics*, USA: Washington University Press.

the United States (we can look at where Fethullah Gülen is living now and how he has become a citizen of US) to situate neoliberalism in Turkey. Finally, they have been perceived as the best tool in order to create a religiously conservative society in which people live with fatalism without investigating life conditions and working conditions. That is to say, this is a very successful strategy in itself for avoiding resistance and for marginalizing the resistance.

Besides being a wonderful tool to discipline people for the well being of neoliberalism. *Cemaat* has a very different strategy of education in order to increase its financial power. The financial institutions of *Cemaat* and their activities was investigated in the previous chapter, however the importance of educational organization for this economic and financial growth is very important. I made a short interview with a businessman which is affiliated with *Cemaat* to understand well this issue. Unfortunately, the businessman did not allow his name, and his company's name to appear in this thesis. I will use the initials of his full name. What F.D. emphasizes is very important how educational system of *Cemaat* works, especially in other countries. Most generally, *Cemaat* founds schools and educational institutions in the regions where there is a transformation, after a conflict or in post-war geographies. This means that the places where people experienced a trauma, a type of shock. In this case, *Cemaat* goes to those regions under the name of humanitarian aid, and it opens up schools which are supported by the Turkish bureaucracy as well, since in those schools children are taught both Islamic culture and Turkish language. This can be interpreted as being a missionary, missionary of the Turkish-Islamic Synthesis. F.D. also adds that after opening up educational institutions, financial institutions start to invest in those regions. There are two main reasons for this. First of all, those regions become very poor after the trauma, conflict or war and in this case people agree to work for very low wages. Secondly, in some cases, financial institutions go to those regions to open up new markets and *Cemaat*'s businessmen are encouraged both by the state and *Cemaat* to invest in those regions in order to exist in those new markets economically. In the final instance, he stresses the most crucial part of the interview. He states that the educational network of *Cemaat* in

those region functions for the well being of economical networks of Cemaat in worldwide.²⁷

This shows basically how *Cemaat* is working for the economical and financial growth and how it uses children from traumatized countries for this economic aim. This also illustrates how *Cemaat* is ready to operate in accordance with neoliberal political economy with Naomi Klein's theory of the Shock Doctrine. Klein, in *The Shock Doctrine: The Rise of Disaster Capitalism* (2008) mainly suggests that neoliberalism opens up new markets for its well being in traumatized areas after big disasters. She gives the example of Hurricane Katrina which happened in 2005 and tells the procedure of neoliberalization in New Orleans after the disaster. She also says that if neoliberalism wants to open up new geographic areas for itself states can go to war for this reason. She suggests that the US invasion in Iraq is a direct example of this situation and she nominates this invasion as capitalist disaster and she calls attention to the discourse of "rebuilding Iraq" (Klein, 2008: pp.325-326). After shock waves, neoliberalism starts the policies of privatization and of deregulation. General Pinochet engendered this trauma with his fascist coup d'état in 1973 and tortured many people from leftist factions. After the coup, consolidated adjustment programs including privatization and deregulation were put into effect in Chile (*Ibid.*, pp.75-79). The same trauma was witnessed in Turkey, with the coup d'état of General Kenan Evren, and the policies of neoliberalism put into effect through eliminating opposition and through creating new coalition partnerships both in Turkey and from outside of Turkey. Islamic orders have become the victorious part of this partnership especially after Özal's Motherland party came to power. This

²⁷ In the interview, F.D. states "Several months ago, I had to go to South Africa for investigating a possibility of investment. I want to shift a part of our production to a place where the labor cost is much cheaper than Turkey. Before I went there, I contacted a servant of our Cemaat and he said that he would arrange a guide there for me since I do not speak English. I went there and a South African boy picked up me from the airport and took me my hotel. First of all, I was surprised because the guy was speaking very good Turkish and he had basic knowledge about Turkey. He was a student at one of the high schools of *Cemaat* in South Africa. Indeed, he took me to the places that I wanted to visit and he arranged my meetings with important people in that country. After that, I decided to invest there since our *Cemaat's* network is very strong there and our economical activities would be secure."

does not mean that *Cemaat* is waiting for the disasters to happen. However, it is a specific strategy of *Cemaat* to take advantages from disasters or traumas. This is how neoliberal capitalism functions in the process of globalization, and *Cemaat* is prone to co-operate with neoliberalism.

As a consequence, the Gülen Movement is a mobilization which uses very well this traumatic capitalism both in Turkey and outside of Turkey. If we only believe that this order functions only for serving in this life in order to become a good Muslim, this means that we miss an important point. This point is *Cemaat's* ambition for political and economic power. For this ambitious aim, it constitutes many alliances, coalitions and institutional frameworks. Finally, it is possible to say that this enormous community is also a part of the neoliberalization process in Turkey.

7. CONCLUSION

Liberal capitalism and neoliberal capitalism are very well known with regard to their theoretical basis, which is generally known as individualism. However, in Islam, the communitarian understanding of Islamic sects operates with solidarity and cooperation. Indeed, this communitarian thought sometimes avoids people's wills of the man. Capitalism can be described as a rational choice of an individual with his/her own calculation for the end of his/her economic action. It is commonly known as an order in which individual pursuit of self-interest is dominant. This dominance does not cover different characteristics of humankind such as language, ethical identity, and so on. It only identifies humankind within an economic rationality. However beginning from the 1970s, the world witnessed the emergence of a coalition between conservative traditionalist values and capitalism. This coalition was formed within the structure of neoliberalism.

From the 1980s to today, the same coalition emerged in Turkey with a destructive military coup. Turkey has been witnessing the movement of Islamist people into neoliberal political economy for almost three decades. There can be several reasons for the emergence of this coalition. In the thesis, I suggest four main arguments for the rise of the coalition between conservative Islamists and neoliberalism. The first argument is the state bureaucracy and business circles' fear of communism and of other leftist oppositions. The second argument is that Islamic groups could be the best tool in order to create a conservative society. The third argument is that Islamic orders could be the best partner for the army, in order to discipline the labor power to implement the principles of neoliberal competitive markets. The fourth and final argument contains the volunteer articulation of Islamic groups into neoliberalism in order to achieve their ideological mission which is mainly theorized by MÜSIAD and by the Gülen Movement as an ideological hegemony with the help of liberal intellectuals.

First of all, the army and the businessmen acted together to situate neoliberal principles into Turkey. The aim was to open up Turkey to global competitive markets. This aim entailed the elimination of social and leftist opposition. The elimination happened through two ways. The first way is the authoritarian barbarianism of the armed forces to opponent people. Many people were tortured, killed or exiled. Some people's citizenship was revoked. Some people could not get a passport for several years to go abroad. This was a project of business circles and the army, since the constitution of 1961 supplied many social rights for laborers, and this situation limited the economic activities of businessmen. In order to deactivate the social rights of workers neoliberal adjustment policies had to be implemented. The process for this implementation was launched by the military forces. This means that it is the army which moved Turkey towards neoliberalism.

Secondly, as the second way of eliminating opposition, some cultural values and entire educational system have been changed. There are two main aim of this mission. The first of one is to create a conservative society and the second one is to engender a consumer society without social and historical memory. For the first approach, ideologically the Turkish-Islamic Synthesis was supported both by the army and Turgut Özal. For introducing the TIS as the main cultural and ideological reference of Turkish society, educational institutions were intensively used. On one hand, the curriculum was adjusted to the TIS with a very solid understanding of Turkish and Islamism, on the other hand the number of religious schools and course increased day by day. Religion has also become a mandatory course in moral education in the public schools. This indicates that the only moral source of Turkish people is Islam. Finally, Islamist sects are allowed, or benignly tolerated with regard to their activities in the field of education such as opening unofficial *Quran* courses or creating a network of *Dershanes* and hostels, as the Gülen Movement does. The second approach is to create a consumer society, which is a necessity for the well being of neoliberal political economy. Especially, young people were stimulated to American life-styles with the expansion of private media and financial companies in Turkey. Istanbul has become the city of consumption with the discourse of creating a global city. This consumer society was created for engendering people who live for their own daily concerns, this situation caused the appearance of deeply apolitical generations in Turkey.

Thirdly, the state bureaucracy and the army believed that the best partner for supplying conservatism and the control of the labor power is the Islamist orders. Especially *Nakşibendi tarikats* like *İskenderpaşa Dergahi* (where Necmettin Erbakan, Turgut Özal and Korkut Özal were members), *Süleymançis* and *Nurcus*. Nurcu sects have changed with neo-Nurcu approaches of Fethullah Gülen. The followers of Gülen constituted a very big Islamic mobilization which is very active in the sphere of economics and finance. However, this activeness has been legitimized under the name of *Hizmet* (Service) to the people and to the state. This understanding of service in the economic actions is perceived by some scholars like Elisabeth Özdalga and Taha Akyol, within the formulation of Weber's worldly asceticism. This means that those Muslims support worldly economic activities with asceticism for serving the people. The Gülen movement, for them, is the best symbol of this asceticism. In contrast with this view, I argue that Muslim lodges are used by the state bureaucracy to control the labor power. This is explained by Foucault's formulation of disciplinary society and of power relations. Islamic sects are the best ally for a neoliberal political economy that wishes to reduce labor costs and to impose discipline through the solid surveillance system of orders, and through the fatalism of religion in being thankful to income. This means that instead of worldly asceticism, Islamist sects attempt to have enormous wealth in this world, and this attempt entails Islam's coalition with neoliberal political economy.

Fourthly, the attempt to have more wealth by Islamist groups is formulated by MÜSIAD under the name of *Homo Islamicus*. *Homo Islamicus* is the attempt to unify ordinary Muslims and global neoliberalism in order to legitimize the will of Islamic people for more wealth. This attempt also contains an ideological mission that envisages an Islamic hegemony, especially in the urban life and management. There is a reciprocal relationship between Islamic hegemony in Turkey and global neoliberal hegemony. Both of them need each other to carry out their ideological missions. This means that Muslim people have accepted the insertion into global neoliberalism for more wealth, and global neoliberalism has legitimized itself by using conservative values. This reciprocity has established the Islamic hegemony in Turkey in the 2000s. This hegemony was also established by help of liberal intellectuals in Turkey since they have always supported Islamic groups against military even though military allowed Islamic group's coalition with neoliberalism.

As a fifth argument, it may be said that this coalition could only be established with Turgut Özal. Özal was the main figure both for wealth-seeker Islamists and for neoliberal principles. His educational background, religious story and admiration of American life-style enabled this coalition with an overwhelming mobilization.

Finally, I would like to indicate that the arguments of this thesis can be testified through examining the situation of Turkey in the 2000s. Beginning from 2002 Turkey has been ruled by AKP government and AKP's strategy of strengthening Islamic hegemony for eternity is the zenith of this coalition. That is why Tayyip Erdoğan, as a former National View supporter but a current neoliberal and neo-conservative, always praises Turgut Özal in many of his speeches rather than his former teacher Necmettin Erbakan. The 1980s is the key time period in Turkey that has changed many structures in Turkey but it also caused the emergence of many problems as well.

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