

AN ANALYSIS OF THE RISE OF THE NEW ISLAMIC  
ENTREPRENEURIAL ELITE AS AN ECONOMIC  
AND POLITICAL POWER IN TURKEY: THE CASES  
OF MÜSİAD AND TUSKON

Oguzhan Bilgin

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# ABSTRACT

This study explores the political, social and economic transformation of Islamic entrepreneurs in Turkey, their emergence and their progress into a large, politically and socially influential business elite. The focus of this historical analysis of Turkish political economy is on the relations between the state, business and the interdependent relations of the new entrepreneurship. Also, the way of the interaction of this new Islamic entrepreneurship with Turkish modernization, which is dominated by the Turkish state, is one of the important steps in the line of the theoretical analysis. The economic, social and political trajectory of Islamic business people in the last two decades is examined in terms of the commonalities and differences in the perspectives of members and executives of two Islamic business people associations: the Association of Independent Businessmen and Industrialists (MÜSİAD) and the Confederation of Businessmen and Industrialists of Turkey (TUSKON), with a focus on politics, religion, culture and business relations.

This research consists of a comparative analysis of the views, perceptions, and life-stories of the members of MÜSİAD and TUSKON, which were gathered through a field research based on the interviews conducted in the years between 2013-2014. The interviews sought pathways to extract the data on the emergence of a new, Islamic approach to business life, cultural change, political views, and governmental relations in both political and economic levels in a country that is constitutionally secular. The empirical and theoretical analysis of this study demonstrates that the over-generalizing reductions of Euro-centric and orientalist perspectives on Islamic business people are incorrect to a significant extent. The case of Turkish modernization was examined in this context by employing the multiple modernities approach to understand this phenomenon within the Turkish modernization process. It is concluded that the Islamic business is both a significant case for understanding the interaction of Islam with Turkish modernity and also it constitutes a social and economic background for the transformation of new conservative polity in Turkey.

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# DEDICATION

To my beloved family.

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# AUTHOR'S DECLARATION

Except where stated, all of the work contained within this thesis represents the original contribution of the author. I declare that this thesis is a presentation of original work and I am the sole author. This work has not previously been presented for an award at this, or any other, University. All sources are acknowledged as References.

# CHAPTER -1- INTRODUCTION

In this study, I shall attempt to explore the political, social and economic development and transformation of a new phenomenon, Islamic entrepreneurs in Turkey, since their emergence as small merchants and manufacturers, and their progress into a large, influential business class, social elite and political actor. Islamic entrepreneurship in Turkey has increasingly become the centre of attention of the media as these entrepreneurs have grown in economic and political power. However, as represented in the media they have been exposed to several political and cultural stereotypes and generalizations, irrespective of a number of academic studies more accurately capturing elements of this phenomenon's reality. This research aims to further elucidate parts of this relatively new phenomenon and offers an analysis of Islamic entrepreneurship in its various aspects.

The study will be based on a combination of historical and empirical analysis of this new economic and social movement. I will start with an historical and theoretical analysis of this phenomenon and will continue with the analysis of data extracted from qualitative research on Islamic entrepreneurship. My focus in the historical analysis will be on the relations between the state and business; the influence of, and reactions to Turkish modernization in terms of the political, cultural and religious perspectives of this group; and the interdependent relations of new entrepreneurs with conservative politics. I will also explore the changes in right-wing politics over the last two decades by examining the commonalities and differences in the perspectives of members and executives of two Islamic business people's associations: the Association of Independent Businessmen and Industrialists (MÜSİAD) and the Confederation of Businessmen and Industrialists of Turkey (TUSKON), focusing on their increasing influence on Turkish conservative politics.

The unique combination of Islamic values and principles with secular, modern business and politics will open a discussion on the possibility of the co-existence of modernization and Islamic conservatism, especially in the frame of modern capitalist development. The changes in their political and ideological standpoints, and the changing role and structure of their political identities through time will be considered. The function of the religious, core role in business life, and the advantages and disadvantages of the labels 'Muslim' and 'Islamic' for business people that emerged and developed in the period of secularist oppression of the 1990s will be evaluated, and

the similarities and differences between the progress of MÜSİAD and of TUSKON in the 2000s and onwards will be explored. Since Islamic entrepreneurship is an on-going process, this study will also cover the on-going changes in the associations, their memberships and their political positions.

This research will consist of a comparative analysis of the views, perceptions and pasts of the members of MÜSİAD and TUSKON, and analysis of the emergence of a religious approach to business life, political views and governmental relations in terms of both politics and economics.

First I will examine the organization of work, business networks, partnerships, and labour relations on the economic level. The functioning and importance of moral economy of kin in these business relations are highlighted. Capital accumulation and borrowed money for investments will be analysed from the perspective of the role of religion and kinship in Islamic business in Turkey. This religious perspective is very important to consider due to Islamic restrictions over interest (*riba*) in the context of Islamic finance. The central role of religion and its application and relevance to bank interest and trade with secularist parts of Turkish society and non-Muslim societies such as Western/ Israeli firms will provide a key for discussion of the relationship between Islam and capitalism in the frame of these new entrepreneurs. How does Islam function for them in their business and political networks? Is there a kind of commodification of religious symbols or materials? What is the role of 'Muslim' identity's emphasis in a constitutionally secular country?

Second, the dynamics of the socio-cultural transformation of Islamic business people is revealed. The changing lifestyles of Islamic entrepreneurs in the making of a new social elite where Islamic religious principles of social life, Turkish traditions and values confronting the social heritage of the Westernization policies of the Kemalist Republic, military interventions and the effects of globalization will all be investigated and discussed in the socio-cultural aspect of Islamic entrepreneurship.

Third, changing political standpoints and related ideological positioning are also very important. Specifically, their relationship with the conservative AK Party (Justice and Development Party) government, which has been ruling the country since 2002, will be a pivotal point in this analysis. Their political pasts and the reasons for these

entrepreneurs evolving into proponents of new conservatism (politically represented by the Justice and Development Party, hereafter, AK Party<sup>1</sup>), and how this new conservatism underlies democracy, pluralism and a liberal economy in combination with Islamic and national references in political discourse will be explored. The influence of the Gulen Movement<sup>2</sup> on TUSKON will be discussed in context of the TUSKON-member business people. This analysis will be based upon a historical analysis to provide a theoretical framework upon which to interpret the field study, which is composed of in-depth interviews with both MÜSIAD and TUSKON members, and observations in their workplaces and associations.

### **1.1. Conceptual Framework**

The assumption that the only way towards modernization should necessarily be acceptance of the Western cultural programme of modernity is open to debate, considering the modernization processes in non-Western countries like Japan, China, India, and Singapore. This assumption was widespread among classical theories of modernity until 1950, as seen in Marx, Durkheim, Weber, and others. “They all assumed, even if only implicitly, that the cultural program of modernity as it developed in modern Europe and the basic institutional constellations that emerged there would ultimately take over in all modernizing and modern societies; with the expansion of modernity, they would prevail throughout the world” (Eisenstadt, 2000, p.1).

Is Westernization the only way to become modernized? This question is central in the ‘multiple modernities’ approach that is articulated by discussing and comparing the basic parameters of Western modernity and ‘non-Western modernization projects’. The ‘multiple modernities’ approach (adopted by scholars like S.N. Eisenstadt, G. Preyer, and M. Rosati) presents a challenge to the mono-civilizational narratives of Western modernity. “It attempts to re-introduce some of the pluralistic features of Western modernity that were repressed, marginalized, or simply forgotten on the side

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<sup>1</sup> The “Adalet ve Kalkınma Partisi” is generally translated into English as the “Justice and Development Party”. Though the party officially uses the “AK Parti” shorthand, “AK Party” in English, some scholars prefer “AKP” rather than “AK Party”, due to the controversial usage of the term of “ak”, which means pure, white, and clean. However, as the party chose to use “AK Party” as the official shorthand, the “Justice and Development Party” has been abbreviated as such throughout this study free from any political bias.

<sup>2</sup> Gulen movement is officially recognized as a terrorist group (named as FETO – Fetullahist Terrorist Organization) by the Turkish State in 2014. In this study the economic and social activities affiliated by TUSKON is analyzed rather than the criminal activities of the Gulenist terrorist organization (FETO).

paths of modernity's historical and intellectual trajectory. It also attempts to open up readings of the modernization of other civilizations and cultures" (Gole, 2000, p.91). Instead of binary oppositions, exclusions or 'clashes of civilizations', this approach brings synthesis, cross-fertilization and cultural relativities into the discussion.

The cultural, traditional and religious foundations of Islam are often excluded in Euro-centric analyses of modernities in different parts of the world. Orthodox secular methodologies presume the idea that religion cannot exist within the political arena. Religion is often seen as a reason for being reactionary, deviant and backward. According to this view, religion cannot survive in the modern era. However, this strict secularist assumption of the 19th century is falsified today by the fact that religion still plays a very important role in every sphere of social life. Religion may have lost some of its institutions and leading figures in the Middle Ages, but has not lost its power or commonality (Bayraktar & Durgun, 2011, p.19) Weber's theory of *The Protestant Ethic and the Spirit of Capitalism* demonstrates the continuing influence of religion in social and economic progress. What about the compatibility of modernity and Islam as a religion and civilization? (Weber, 2002)

It has been argued that Islam is incompatible with the development of modernity and modern capitalism. Even though he thinks that the Protestant Ethic played an important role in the development of modern capitalism, Weber thinks that Islam's concepts of predetermined fate caused a war-like, fatalistic culture, which is not suitable for the emergence of capitalism (Weber, 1968, pp.574-575). To develop modern capitalism, Lerner invited Muslims to choose between mechanization and Mecca (Lerner, 1958, p.405). These concepts influenced Muslim intellectuals in their views of modernization.

Maxime Rodinson, in his book *Islam and Capitalism* (1974) targeted the refutation of Max Weber's reputable arguments about the relationship of Islam to Capitalism. Rodinson cites verses from the Quran that give relevant principles: The Quran says nothing against private property, wage-labour or commerce – "One must not forget one's portion of this world" (Quran, 28:77) – and it also suggests that trade is important and should be continued even during the pilgrimages (Rodinson, 1974, p.14). Also, the life and words of the Prophet Muhammad contain no single obstacle to the principles and progress of capitalism. Rodinson adds that the society where Islam was

born and developed was already a centre of capitalistic trade (Rodinson, 1974, p.28). He later states that:

We have seen that there was always a capitalistic sector in the countries of Islam, and this was even very extensive in certain periods. One cannot, however, speak of a capitalist socio-economic formation existing in the middle ages. Such a formation presupposes a capitalist economic system as its basis – that is, a system in which the capitalist sector plays a predominant role, influencing the other sectors without being influenced by them to any important extent. This was far from being the Muslim Middle Ages (Rodinson, 1974, p.118).

Rodinson concludes that there is no correlation between Islam and any particular economic system, nor any evidence that Islam did not create any commercial activity or opposed it. The leaders of the Islamic expansion were traders, and the spread of Islam into three continents happened mostly via trade. Also, in the last 200 years, no strong opposition or hesitation to trade occurred in any Muslim country (Rodinson, 1974, p.186).

Rodinson not only considers the material aspect of capitalism, but also opposes Weber's opinion that Islam is an obstacle to rationality. It is worth quoting Rodinson at length to have an insight into his claims that rationality dominates Islam and Islamic texts.

The Quran is a holy book in which rationality plays a big part. In it Allah is continually arguing and reasoning... It is said again and again that the prophets have brought 'the evidences'... The Quran continually expounds the rational proofs of Allah's omnipotence: the wonders of creation, such as the gestation of animals, the movements of the heavenly bodies, atmospheric phenomena, the variety of animal and vegetable life so marvelously well adapted to men's needs (Quran, 3: 187/190)... Repeated about fifty times in the Quran is the verb 'aqala' which means 'connect ideas together, reason, understand an intellectual argument'. Thirteen times we come upon the refrain, after a piece of reasoning: 'a-fa-la ta'quling, 'have ye then no sense?' (2:41/44). The infidels, those who remain insensible to Muhammad's preaching, are stigmatized as 'a people of no intelligence', persons incapable of the intellectual effort needed to cast off routine thinking (5:63/58, 102/103; 43:42; 22:45/ 59:14). In this respect they are like cattle (2:166/171; 25:46/44)... Allah particularly detests those who are unwilling to subject their fundamental ideas to re-examination: such people are the worst of all in his eyes (8:23)...All that Allah can do, given the existence of human free will, is to set down these signs, which are conclusive pointers to the truth, if only men will set to work their senses and their faculty of reasoning (24:61; 57: 16/17) (Rodinson, 1974, pp.79-80).



In debates on the relationship between Islam and modernity and modern institutions like progress, rationality and capitalism, basically, three approaches emerged. The first approach suggested that the only way to become modernized is being culturally Westernized, because Islam and the traditional values of Islamic countries are obstacles to progress, as Weber and Lerner argued above. The second approach suggested that Islam should be reformed and made compatible with modernity. The third view is an Islamist reactionary view and is in total opposition to the first two approaches. This third, Islamist reactionary view holds that Muslim countries should be against anything coming from the West – even capitalism itself – and should seek the welfare of the Muslims in the roots of the Islamic Golden Age of the Prophet Mohammad’s time.

Historically, the Islamic world started to interact with modernity through experience of Western colonialism, which included economic, technological and military expansion. All the Muslim countries (except Turkey and Iran) witnessed “modernization projects” externally enforced by Western colonialist occupations. The appropriation of modern themes and institutions led these non-European societies to actively participate in the new modernity, but a modernity initially based upon the Western tradition, which took the hegemony of the Western formulations of the cultural programme of modernity for granted (Eisenstadt, 2000, p.14). In many of these countries, groups of political, economic and social elites accepted Western cultural programmes of modernity and formed local agencies of the cultural, political and economic colonialism of the West. However, in most Islamic countries, which had colonial pasts, there have materialized strong reactionary Islamist movements that oppose and reject whatever ‘others’ bring. Struggles with the issues and the trauma of colonial heritage often lead to strict fundamentalism. Islam affects all spheres of life from faith to gender relations, private and public boundaries, scientific knowledge and governance principles. The Islamic history of civilizational antagonism is manifested in attempts to make a past-oriented change (returning to the Islamic golden age of the Prophet), a ‘top-down Islamization’ of society, submission of the individual to religious precepts, and a rejection of the dominant features of modernity (Göle, 1997, p.93). In this sense, Islamists equate modernity with Western culture just as orthodox modernist theorists do, by considering the acceptance of Western cultural programs as a prerequisite for modernization. As a result, these two opposite poles share similar perspectives on modernity.

However, this was not the only response to Western Imperialism: There is a 'third way' among Muslim intellectuals who approach the issues of colonialism, modernity and colonialist dominance. This third group of scholars and politicians suggests the idea of a reformism in the cultural, political and economic institutions by aiming to improve the Muslim society and to reach the development level of Europe without accepting the precepts of Cultural Westernization. Such figures include Saiyid Ahmad Khan, who tried to found a new educational reform process for the Muslim community in pre-partition India by founding a modern university called Aligarh College, and Muhammad Abduh, in Egypt, who advocated the compatibility of rational, capitalist entrepreneurship with the Islamic religion, and offered the establishment of modern educational institutions in Egypt to make this possible (Malik, 1963, p.221; Tripp, 2006, p.41; Hourani, 1962, p.131). On the other hand, the intellectual and political figure Muhammad Iqbal suggested the reformation of Islamic law by saying that Islamic law is capable of evolution, and tried to prove that Islamic principles were not obstacles to the development of the Muslim community in pre-partition India and that this reformation is not against the essence of Islam (Malik, 1963, p.253). This third way of reformist thinking was criticized from advocates of both the first two approaches: by the Westernists, who thought that the religion of Islam or the culture itself are obstacles to development, and by the Orthodox Islamists, who viewed this reformism as heretic and accused them of trying to harm Islam.

## **1.2. The State, Modernization and Religion in the Turkish Republic**

Turkey provides an ideal case study for a discussion of the duality of Western modernity and Islam. Historically, as the centre of one of the largest Islamic civilizations, Turkey is a primary figure in the Islamic world. Turkey is also unique because it has never been colonialized, and the Turkish modernization process began without colonial influence. Even so, Turkish modernization shares much in common with Islamic countries that faced forced Western modernization experiences, and Turkey even went beyond these Islamic countries in this culturally Westernizing and secularist modernization.

From the time Ataturk founded the Republic of Turkey, the official ideology of the state was called 'Kemalism' after his death. Kemalist modernization had some basic premises: 1) accepting cultural Westernization as the only way of

modernization; 2) viewing religion as an obstacle to modernity and progress, and limiting religion to the private sphere rather than the public, using the state as the only agent of political, cultural and economic development and rejecting the possibility of a multiplicity of modernities as seen in the cultural plurality of modernization projects in different parts of the world. Denying its historical, traditional, cultural and religious heritage, from its foundation in 1923 the Turkish state has maintained a revolutionary process by trying to change the overtly religious nature of Turkish culture.

The establishment of the Turkish Republic in 1923 and its strictly implemented secularist policies and Western cultural values changed all spheres of society as part of modernization. Cultural revolutions during the 1920s and 1930s were examples of the authoritarian secularization and Westernization of the country. Notable changes include the replacement of the traditional Ottoman script with Latin script, the legislative enforcement of wearing Western clothes, the forbidding of Turkish classical and folk music and encouragement of classical Western music, the banning of religious orders and brotherhoods, and the creation of a constitutional basis for state power and control over religious institutions in this process. This Westernized secular modernity caused a duality between the secularist centre (the state) and the religious periphery consisting of rural Anatolia and urban peripheries. However, the secularist Euro-centric approach to discussing the alleged antagonism between modernism and religion in Turkey ignores the fact that the cultural aspect of Western modernity was established in a European Christian context which has significant differences from the social and historical conditions and development of Turkish society (Bayraktar & Durgun, 2011, p.19). The false assumption that the emergence of modernity will necessarily be the same for both Christian and Islamic societies led to an over-generalized and Euro-centric outlook.

Not only religion, but also all the traditional values and ideas were assumed to disappear in the modern era. This assumption led some ‘modernists’ to apply Westernization policies besides anti-religionism.

“While Western modernization came out as a result of its historical-social conditions and within its own tradition, Turkish modernization was shaped as a kind of imitation, perceiving another history as if its own and being irrespective of its own historical accumulation” (Bayraktar & Durgun, 2011, p.23). Rather than a change in socio-economic structure, changes in cultural and political systems were considered to be the path to modernization in the Republican period of Turkey.

In this study, both the state-centred Western and secularist modernization project of Kemalism and the fundamentalist religious approach of Islamism that rejects modern progress and universal values are criticized and will be explored and discussed.

‘Islamic’ is a generic name employed by the media, some academics, and entrepreneurs to describe the new type of entrepreneurial class in Turkey. One of the crucial questions that can be raised about Islamic entrepreneurship is the choice of the labels ‘Islamic’ and ‘Muslim’, disadvantageous terms in a period of strict secularist authoritarianism in which legal and juridical obstacles were placed against Islamic political and religious backgrounds. As a concept, Turkish Islamic business people’s principles prioritize Islamic work ethics in the labour process, in capital accumulation and in financial policies, but do not address certain specific areas, such as consumption. Their daily routine, in which Islam is embedded, is not visibly the opposite of others’. Secularist capitalism has depicted the function of religious communities in networking and partnerships in the process of the growth of Islamic business as being part of a secret agenda since the financial and social growth of these entrepreneurs. This growth has been connected with the strengthening of the Welfare Party in the 1990s, which was labeled as Islamist, and, since 2002, with the government party of the AK Party, which identifies itself as conservative democrat.

The labels ‘Islamic’, ‘Islamist’ and ‘Conservative’ have been used to define a group of people in different time periods interchangeably as if they have the same or similar meanings in the literature of politics and sociology, especially in the case of Turkey. This study will examine these labels and explore how these entrepreneurs define themselves and how they function in the economic, social and political spheres of their lives. In a preliminary discussion before analysing the data from my fieldwork, the term ‘Islamic’ will be used to identify this group of people, to indicate religious and cultural background rather than political or ideological connotations.

The concept of ‘conservative’ as used in this study is a composition of attitudes, mostly related to being religious, traditional, and protective of the pre-secular cultural values prior to cultural Westernization. Since the Republican state ideology defined itself as ‘revolutionary’ in terms of Westernizing the society, those who wish to protect their traditional and religious values, lifestyles and principles position themselves as ‘conservative’ in terms of resistance to this cultural revolution. So the conservatism in Turkish political discussions refers to a cultural conservatism rather than a political one.

The nuances between the terms of ‘Islamic’, ‘Islamist’, ‘Muslim’ and ‘Conservative’ in this work are functional in understanding and describing the contemporary social and political developments in Turkey, especially within the Islamic business class. ‘Muslim’ is a concept to identify people believing in Islam without claiming any social or political goals, whereas Islamism indicates a radical top-down Islamization of the society in a revolutionary way. ‘Islamic’ refers to a social and cultural viewpoint in which public space is determined by symbols, by lifestyles, and a way of doing business and presenting religiosity without necessarily promoting radical change and while benefiting from the opportunities of the liberal-democratic system (Yankaya, 2014, pp.24-26). ‘Conservative’ and ‘Islamic’ are sometimes used interchangeably in this work, however ‘conservative’ mostly refers to the political reflection of this Islamic social realization in terms of culture and lifestyle. Conservatism arises from the desire to protect Islamic national and traditional values of the society from cultural Westernization and secular authoritarian anti-religionism. In order to ascertain whether modernity, including capitalism as a modern institution, is compatible with Islam, I will focus on the ways in which the conservative/Islamic part of Turkish society interacts with modernity.

The new entrepreneurs may be defined as ‘new’ and ‘challenging’ in terms of undermining the economic power structure through religious motives. These reformist features do not contradict their conservative features since these entrepreneurs can be reformist in terms of business and political economy, but conservative in the cultural-political arena. In contemporary Turkish political debates, the term ‘Islamism’ in this sense symbolizes being radical, revolutionary, and categorically anti-Western and anti-secularist whereas the term ‘conservative’ is characterized by moderation, tolerance, and open-ness to democracy and to a global market economy. This combination of attitudes manifests both in the private sphere of religious practices, lifestyles and fashion, and in the public sphere of participation in religious movements or communities, in their supporting the AK Party (Justice and Development Party) which defines itself as “Conservative Democrat” in its party programme in terms of business life, and in their way of making business networks or partnerships with people with similar traditional and religious values and attitudes.

Yalcin Akdogan – who was the chief advisor of Erdogan when he founded the AK Party in 2001, became Vice-Deputy in 2013 and is known as the ideologue of the party – defines conservative democracy thus:

Conservative democracy does not propose revolutionary but evolutionary change while protecting traditional values and achievements. The political establishment should have been saved from extremism, radicalism and social engineering. Conservative democracy is based on the culture of dialogue and agreement of social differences (Akdogan, 2004, pp.15-17).

According to the AK Party, Turkey should replace its less-developed democracy with a democracy relying on pluralism, multiplicities of ideas and voices and mutual tolerances. The ideal democracy is an organic democracy that spreads to all administrative, social and political spaces; not only reduced to the election (Akdogan, 2004, pp.15-18).

“We are cultural conservatives. We refer to conservatism by emphasizing the traditional and cultural heritage of Turkey” (Akdogan, 2004, p.111). The strengthening of freedoms and human rights, democratization of the state, removal of obstacles to the operation of the free market economy, full membership of the European Union, and opposing religious extremism and militarist hegemony are the main headlines that Akdogan emphasizes. He adds that, in a country like Turkey where different religions and sects exist, if a party defines itself as ‘Muslim’ that will cause polarizations and exclusions (Akdogan, 2004, p.111). By saying “we are cultural conservatives” Akdogan attempted to separate them from ‘political reformism’ by adding that they defend reformism in Turkey. In a country where deep cultural revolutions have occurred, the reactions to these cultural revolutions becomes identified as ‘culturally conservative’, and Turkey is a unique example both where this kind of strong cultural revolution happens, and where reactions to these revolutions have gained a political identity, cultural conservatism.

In the literature it is argued that ‘the centre’ and ‘the periphery’ can be used as key concepts in explaining Turkish politics. It has been suggested that the duality is between the authoritarian secularist, Republican, Westernized elite, with its bonds to the large Turkish capitalists as ‘centre’, and the broad Islamic masses conserving traditions as the ‘periphery’ (Göle, 1997; Gellner, 1981; Heper, 1985 Mardin, 1973, 1995; Öniş, 1997, p. 744; Toprak, 2006) This Islamic ‘periphery’ is deemed to be the primary social base of Islamic resurgence in Turkey (Cemrek, 2004 p.90). Heper analyses the state-religion relations in Republican Turkey by referring to the impacts of ‘Cultural Revolution’ in the 1920s and 1930s and concluding that the Islamic resurgence has much to do with the psychological and cultural consequences of the secularization process pioneered by the Kemalist regime (Heper, 1985).

The core of Islamic entrepreneurship has been in Anatolia. Anatolia provides a stark contrast to the cosmopolitan outlook of Istanbul, which can be defined as representing the centre in terms of economy and society. The vast Turkish interior is seen as impoverished and ‘non-European’ in its values, and Anatolia, with its rural economy and Islamic culture, is seen as the heartland of this ‘peripheral’ Turkey (ESI, 2005). On the other hand, the traditional centres for commerce and industry in Turkey are located in the Western part of the country, primarily in the cities of Istanbul, Ankara, Bursa and Izmir. These cities are the heartland of economic activity as well as the secularized, Westernized social life and culture in Turkey, which suits the principles of the founder of the Republic, Kemal Ataturk.

The change towards liberal, moderate conservatism in the periphery has a socio-economic context. With the help of the shift from the East, and an import-substituting economic policy that supports and protects the large capitalist group that were created by the state and designed to control business on the axis of Kemalist Westernization towards a neo-liberal, exporting based economic policy that started to support small or middle scale entrepreneurs, a new group of entrepreneurs emerged in Turkey. This new group is different not only in terms of the scales of their businesses, but they also represent the cultural majority of the country who are religious, conservative and traditional. Because of its religious and cultural background this business is named Islamic Business.

Anatolia has witnessed a huge transformation starting from the 1980s, and especially from the 1990s onwards, which turned the fortune of the region from being an economic and political periphery to having a more centralized role. With its rural, patriarchal and Islamic social settings, Anatolia was the core of backwardness, with limited industrial and commercial activity and extreme support of political parties who defined themselves as conservative. After the 1990s, Anatolia witnessed an economic miracle that has turned a number of former trading towns into prosperous manufacturing centres (ESI, 2005). Both the number and capacity of these new entrepreneurs rose dramatically after the middle of the 1990s.

The change was not limited to the Anatolian rural periphery; much of Turkey went through a massive urbanization process that changed all the sociological and economic conditions of the country. In 2011, about three persons out of four lived in urban areas in Turkey, up from around 20% of the population in 1950. This change in

numbers means a change in society as well. Besides this social change, the new entrepreneurship has driven the emergence of a new middle class which is different to the previous one in that it relies upon civic identities, which have much less to do with state intervention in conserving the national, religious and traditional values.

This social and economic transformation did not only occur in the Anatolian periphery. It also happened in the urban areas. The demographic and cultural structure of big cities like Istanbul and Ankara changed because of the internal migration from rural areas. The expansion was seen not only in population and geography, but also in the lives of the people affected, and this transformed the secularist, Westernized cultural and political structure. This can be observed in election results in municipalities that since 1994 have had a strong Islamic discourse and conservative opposition to the Kemalist-Westernist governments in both Istanbul and Ankara.

The studies on Islamic entrepreneurship mostly focus on its emergence and influence on the Anatolian periphery (mainly Central Anatolia), and underline their changing nature: “we are no longer faced with a space and living, which is identified with ‘underdevelopment’, ‘traditionality’ or ‘periphery’ (Keyman & Lorosdagi, 2010). According to the 2005 ESI report, “a number of Anatolian trading centres that once ranged along the old silk routes have undergone an industrial revolution which has turned them into major manufacturing centres and players in the global economy” (ESI, 2005). They were “loyal to religious values, but open to change” and had a high degree of economic rationality (ESI, 2005).

However, if we look at the whole picture, Islamic entrepreneurship cannot be limited to the Anatolian periphery; it should include the Islamic business at its core, i.e., in the big cities of the country like Istanbul, Ankara and Bursa. Even the Islamic business in this region should be the primary focus, since in terms of numbers and scale, the Islamic entrepreneurs in this region are larger and more influential than the Islamic business enterprises on the periphery.

Especially after the governments of the Welfare Party (RP, 1995-1997) and the Justice and Development Party (2002-present), this newly emerged entrepreneur group transformed into an important economic and political power in the country. The owners of large media groups, being members of the top-100 largest Turkish businessmen list, gained political power by becoming MPs or sponsors in the government party, and transforming into a large capitalist group that is able to compete with and challenge the



secularist, Westernized capitalists' hegemony in the Turkish economy. These are the features of these new Islamic entrepreneurs who grew to a large-scale. These features signal a recent change in Turkey that also has political dimensions, which can be seen with the huge electoral power of the AK Party that is supported by the majority of new Islamic entrepreneurs in terms of finance, media promotion and campaigning.

### **1.3. The Factions of Islamic Business**

The social, economic and political representatives of the Islamic entrepreneurs are the business associations: MÜSİAD and TUSKON. These two associations aim to represent Islamic entrepreneurs by forming both networks of mutual trust and solidarity in the situations of economic or political uncertainties or crises, and a new entrepreneurial ideology as well, but they also differ among themselves. Business associations like MÜSİAD and TUSKON are very important in terms of making business networking and collective identity possible. TUSKON has about 50,000 individual members and MÜSİAD has almost individual 11,000 members in total. These associations help their members to share information about the opportunities and difficulties in several spheres of business. These associations also give opportunities to business people to meet new people in business, bureaucracy and cultural networks that help them to access higher status people and to build connections and partnerships. Moreover these associations help business people to gain status and consciousness of identity by emphasizing political standpoints and religious-political identities. Furthermore, the spread of ideology as a bridge between the political party of the government and the business community is very influential. These are not simply solidarity organizations of business people; these organizations also have an important political role in spreading and supporting conservative politics in Turkey.

MÜSİAD members are individuals; kinship networks or business partners who prioritize religious and traditional values and who mostly openly support the conservative AK Party government. This group of entrepreneurs refers to Islam as an identity and a label firstly by connotation to the word 'Muslim' in the name of the association, its abbreviation beginning with the letters 'MÜS'. This abbreviation forms a kind of duality with the largest, oldest business association, TÜSİAD, whose name is the abbreviation of "The Association of Turkish Industrialists and Businessmen". Also,

the name of the association includes the Turkish word '*müstakil*' (meaning independent), which emphasizes being independent from state support and ideology.

On the other hand, TUSKON is a formation of business people who are claimed to have some ties with Gulenist movement. This movement is known to describe itself as a so-called moderate religious movement. Members of the Gülen movement are known by their business solidarity and intense global network in terms of exporting and investing in education and private schools, and being part of missionary efforts to spread the so-called principles of the Gülen community. By the way, Gulen movement is officially recognized as a terrorist group (as FETO – Fetullahist Terrorist Organization) by the Turkish State in 2014. In this study the economic and social activities of TUSKON is analyzed rather than the criminal activities of the Fetullahist Terrorist Organization.

#### **1.4. The Content of the Study**

In this study, the emergence, development and transformation of Islamic business people on the path of their interaction with modern Turkish business life will be analysed by comparing the attitudes, self-interpretations, and life-stories of the members of the two largest factions of Islamic business: MÜSİAD and TUSKON. The analysis includes the following three dimensions of the development of Turkish Islamic business and its way of interacting with modern capitalism in Turkey:

First, the economic emergence and development of Islamic business people from small-scale business into middle and large-scale business by interacting with the disadvantages of constitutionally secular and economically monopolistic structure before the rule of the AK Party in 2002 will be the starting point. While tracking this interaction, the approaches of the MÜSİAD and TUSKON members to adapt their their business activities will be evaluated. There will be discussion of: ways in which these entrepreneurs deal with disadvantages – like the authoritarian secularist limitations on Islamic business people and the monopolistic structure of business life before 2002; the effects on economic and political uncertainties in their business life by benefiting from the religious and kinship networks based on trust and business relationships; and how they merge their Islamic moral

principles regarding such parts of modern capitalism as bank interest, labour relations and foreign trade, with the necessities of the cost and benefit paradigm of business life. In short, the economic trajectory of business people coming from the economic periphery towards the centre as an entrepreneurial power will be the focus of analysis.

Second, the socio-cultural dynamics behind the emergence of Islamic business people as new urban elites by synthesizing their religious and traditional values with the high-class urban lifestyle – in terms of education, changing consumption culture, participation in religious networks, repositioning of women in Islamic business and inter-generational differences between the Islamic business people and their children – will be analysed. Traces and interactions of the confrontation of Western lifestyle and Western cultural influences with the cultural baggage of new Turkish Islamic elites will also be taken into account at this point.

Third, understanding will be sought of the political attitudes and political relations of Islamic business people, from exclusion towards interdependency with the government, especially while a ruling government party that defines itself as conservative might reveal the political identifications of Islamic business people. What are the commonalities and similarities in their approaches to government influence on their political and economic aspirations? Their way of thinking regarding the place of Islam in political life in a secular country – towards religious extremism and towards people from different religions, sects or irreligious people – will help to demonstrate the level of Islamic entrepreneurs' tolerance and perceptions of social and political pluralities. During the research, the interaction with the past and present of Turkish modernization and modern Turkish business life is going to be focused upon not only in terms of their economic life but also for their political behaviours.

This three-dimensional analysis – economic, socio-cultural and political – will form three sections of each analytical chapter.

After the introductory chapter, Chapter Two will introduce the methodological concerns and background of the research. In this section, these questions will be

answered: How was the research planned and applied, what were the research techniques used, and why did we follow that methodological pathway? The timing, place, strengths, weaknesses and limitations of the research will be discussed.

In Chapter Three, the historical background of Turkish modernization that led Islamic business to emerge and to develop into a powerful economic, social and political power will be discussed by analyzing the trajectories of state-society relations, the development of Turkish capitalism and its interdependent relations with the state, the past and present of conservative and Islamist political movements, and the associational histories of the Islamic business associations of MÜSİAD and TUSKON.

The data from the field study will be analysed in the fourth and fifth chapters of this study. In Chapter Four, the data collected on MÜSİAD will be analysed and discussed. In Chapter Five, the data collected on TUSKON will be analysed.

In the sixth chapter, Islamic entrepreneurship in general, and MÜSİAD and TUSKON in particular, will be discussed in a comparative way. In this comparative analysis, the similarities and differences between the two associations will be examined. Also, the differences and similarities between Islamic business and secularist business (as represented by TÜSİAD) will be explored in a wider context as a part of the comparative analysis. Finally, the seventh and final chapter will offer some conclusions as well as some future projections.

# CHAPTER 2 - METHODOLOGY

## 2.1. The Focus of the Research

In this study, the emergence, development and transformation of Islamic business people and their interaction with capitalism and Turkish modernization will be analysed by comparing the attitudes, self-reflection and real-life accounts of some of the members of the two largest Turkish Islamic business associations: MÜSİAD and TUSKON.

This research focuses on rise of new Islamic entrepreneurship by making a comparative analysis of the transformation of the social, political and economic background of Islamic business people and by examining the perspectives of the members of MÜSİAD and TUSKON. The role of Islam in business, the reason for, and function of the Muslim identity in business networks and in work ethics, the growth of these businesses, the ways in which their political relations and affiliations are changing, and the influence of their upper social mobility on their new socio-political positions will all be explored.

For both groups of entrepreneurs, religion has an important role in providing capital resources, and in labour and partnership relations, as well as in influencing and changing political and economic behaviour and moderateness from religious and political perspectives. This research follows the relationship between Islam and modern economic, social and political relations in Turkey. The role of religious values and networks in the rise of Islamic businesses in a constitutionally secular country has three perspectives that should be examined and evaluated: economic, socio-cultural, and political.

The economic perspective analyses the emergence and development of Islamic business and examines the relative benefits of religious and kinship networks, the importance of Islamic values in business, and the integration of Islam with modern capitalist business relations.

The socio-cultural perspective on Islamic entrepreneurship explores the dynamics of the transformation of a rural, peripheral, illiterate and traditional people

into a new elite whose transformation is visible in their new lifestyles, consumption habits, education, and participation in the public space.

The political perspective of this analysis explores the inter-dependent relationship of this new ‘economic elite’ and the ‘political elite’, which is the AK Party, the conservative democrat government party.

## **2.2. Research Question(s)**

There are both major and minor research questions posed by this research. The main research question concerns the ways in which religious and political connections and values have contributed to the process of transformation from small scale, peripheral economic and social actors into a significant economic-social elite with the power to influence Turkish politics. Also, how did this transformation occur differently for MÜSİAD and TUSKON?

In order to understand the larger political and social transformations of these new entrepreneurs, other questions must be asked and answered: 1) What factors of the Turkish periphery lead to the emergence and development of the Islamic Entrepreneurs in Turkey?

2) How were the capital resources for beginning their businesses obtained? Did the business owners and/or their partners borrow from a bank, from an Islamic financial institution or from a kinship or religious network? Are any partnership relations involved in these transactions? How do family, religious and/or political networks affect business? What are their employment policies, and what are their positions on labour relations and unions?

3) What does the label Islam mean in economic terms such as bank interest and partnerships? How do they define themselves politically: as conservative, as Islamist, or as something else? How do social factors such as kinship and networking function? Why did they form MÜSİAD/TUSKON?

Numerous questions shall be posed concerning their business people associations as well: What does their association represent and mean for them? Do they support the political views of the association that employs them?

Also of interest are religious and political organizational issues. Why and how do both of these associations support the ‘democratic-conservative’ AK Party? How do

these associations approach Gulen movement's illegitimate political activities and also the question of doing business with non-Muslims and secular Muslims? How do they approach the European Union and political relations with the West? How does the label 'Islamic' affect their business relations? Do they believe that Turkish secularism is against Islam? What are the main issues of secularism in Turkey for them? How was business affected during the governance of the Islamist Welfare Party from 1995 through to 1997, and how did the secularist military intervention influence them economically and socially? Were they blacklisted by the military after 1997? What were their political affiliations before the foundation of the AK Party, and what are their opinions of the AK Party's governance?

What are the differences in the approaches to the role of religion in business and politics between MÜSİAD and the centrally led and systematically organized TUSKON?

How has their consumption culture changed through time? Are changes in consumption related to intellectual and/or artistic life? How do the members of these two associations (MÜSİAD and TUSKON) interact with secularists and non-Muslims in social life and in business interactions? What is the role of women in the workplace and within the associations? How does secularism affect conservative women according to them?

Comparing their past and present political, cultural and social standpoints, how do association members see themselves? What has changed for them and how do they define themselves politically? What are their attitudes to the concept 'Islamist'? What does secularism mean for them? What about the concepts of democracy and pluralism in social and political life and their attitudes towards these in the 1980s and 1990s? Which political parties did they support before these changes occurred?

All these questions will be investigated through reviewing the literature and by examining the executives' and members' perceptions and insights.

### **2.3. The Pathways of the Research: Epistemological, Ontological and Methodological Considerations and Research Design**

One of the primary concerns of social research is to explore cause-effect, or interdependent relations of political and social changes by examining several factors. Socio-economic backgrounds often support change, especially in democratic political

regimes. Business elites and associations of entrepreneurs are important for political parties and movements for support. Thus it is reasonable to expect the influence of entrepreneurs on political and ideological changes. Close relationships with political elites have obvious advantages in the business sector.

While most studies about new Islamic business elites in Turkey connect the rise of Islamic business with the influence of the conservative AK Party government, this study proposes that the surge in both Islamic businesses and in conservative politics (AK Party) is based on an interdependent relationship that supports and aids in each other's growth. In most of the studies, the research is based on the Marxian assumption that Islamic business people benefit from their religious identities and exploit labour by using the 'opium of religion' to impose cheap wages (Tugal, 2009). There is an important gap in research based on interviews and life-story analysis of Islamic entrepreneurs. There are a few studies that have combined theoretical approaches with field study to analyse Islamic business people (Ozdemir, 2006; Durak, 2011; Yankaya, 2014). However, these pieces of research focus only on the faction of MÜSİAD. As MÜSİAD and TUSKON are the two largest factions of Islamic entrepreneurship in Turkey, any analysis that does not cover both factions is misleading. And also, especially after the political polarization between the Gulen movement and the Turkish Government, revealing the diversity among business associations is more crucial, and is attempted by this study.

In order to understand the ideological and political empowerment and change of today's AK Party, it is important to uncover the roots of this change among the Islamic entrepreneurs within a sociological framework. How have the new Islamic entrepreneurs organized, developed and evolved in terms of their business goals and their political viewpoints? What is the function of religion in the workplace? Why and how have the political and ideological priorities of the entrepreneurs changed? Answers to these questions are sought and evaluated by comparing the two associations of Islamic entrepreneurs: the Independent Businessmen and Industrialists (MÜSİAD) and the Confederation of Businessmen and Industrialists of Turkey (TUSKON).

From an epistemological standpoint, in order to understand the emergence of the new entrepreneurial group, we must examine the entrepreneurs' own perceptions and insights. This research is based on interviews to ascertain the self-perceptions of Islamic business people. The data extracted from interviews will help us to discern elements of



the reality. However, as is the case for all social research, it is impossible to reach a universal reality by any particular study. Thus the data gained through the interviews will enlighten on some parts of social fact concerning Islamic entrepreneurship in many aspects. Thanks to the positions of the interviewees, the sample of interviewees might be considered as representative because it includes high level Islamic business associations' executives and members who have witnessed different stages of this phenomenon. The sample also includes representatives of the youth branches of both associations. This research is based on Istanbul and Ankara, which are the economic and political centres, and attempts to include business people from different sectors, such as construction, medical equipment manufacturing, retailers, small scale merchants, the middle level outsourcing firms of large chains, medical hospital owners, large scale owners of several companies in various fields. Also, those represented are from higher education graduates to lower; from people born in cities to the villages; from managing the family company founded by older generations of the family to business people who founded an enterprise and started in business life recently.

The interviews present the fact that members of both MÜSİAD and TUSKON helped, supported and participated in the foundation and the political campaigns of the AK Party, and at the same time the AK Party Government removed barriers to the business opportunities of Islamic business people, especially in public bids, and helped ameliorate the secondary social position of Islamic people in general and business people in particular with the help of its political power. This is a good example of how the interdependent relationship of Islamic business people and the AK Party Government works. Focusing on the interviews and analysing the business lives of business people with the help of life-story analysis reveals this interdependency. The growth of their economic and social power goes in hand with the increasing power of the AK Party, and there are many arguments that might be seen in the interviews. This analysis will finish with the influence of conservative politics on Islamic business people.

The nature of social research is that it is mostly based on the analysis of the self-interpretations and discourse of people without trying to investigate whether they are true words or not, which is often impossible to find out. There are ways to find out controversies or inconsistencies by asking similar questions in different ways to crosscheck ideas or attitudes, and such questions were used during the interviews in this research. In some parts, such inconsistencies are highlighted in this study. Relying on

the opinions, attitudes and feelings of the interviewees is the main pathway for many studies in the social sciences. For example, on Islamic Business people, Dilek Yankaya's PhD research at the Sorbonne on MÜSİAD members benefitted from the same technique, and many other similar studies' main sources are the words of the Islamic business people (Yankaya, 2014). As in most of the social studies, this research's main axis of analysis is based on the analysis of thoughts, attitudes, self-definitions and life-stories.

How do the entrepreneurs themselves approach the concept of conservatism? How did they do so in the past? Have they changed their perceptions of the Islamic banning of interest? How does Islam function for them in the world of business?

All of these questions are best answered through examining the subjective perceptions and insights of the entrepreneurs themselves, rather than relying on objective data alone. Political self-identification is important to understand the changes in the political landscape. It is important to understand how these people themselves view the present in terms of the past, which is needed for the construction of a coherent political identity.

A theoretical context will be formed by critically discussing the literature. In order to form a cohesive analysis composed of a combination of theory and practical findings, data collection and analysis will be conducted in the next stage of this study. I will analyse the literature on new Islamic entrepreneurship by conducting the research and analysing the data. Because this study is about the social and political change, the use of qualitative methods will also be appropriate and important.

The most important problem, as declared by the interviewees in the study, of Islamic Enterprises in Turkey is the low level of institutionalization. This reflects on the low quality or non-transparency of archives or official data. The only sources for the official data for MÜSİAD and TUSKON are the periodicals of the associations or public declarations of the Presidents of the associations; nevertheless, these periodicals or speeches mostly do not consist of statistical data, information about the scales of the firms or any other beneficial data for this research. These documents are ideological material, the goal of which is to both motivate and unite association members and also to establish the association itself as an important political and economic actor in country. The manner in which they interpret their data and the determination of which concepts have been emphasized in their interpretations will provide background for this

research. The terminology that association members themselves use to discuss religion, business, politics and the economy will serve to form the conceptual framework of this discourse analysis. The discourse analysis will help us to understand the motives, attitudes, and cultural and religious backgrounds of the business lives. The problems concerning institutional archives and the sharing of data with researchers caused a lack of benefit from official data gained from associations. The most important official data used in this research is the data obtained from The Union of Turkish Chambers' annual Top-500 lists. This gives an opportunity to crosscheck the success stories told by the interviewees and the declarations of MÜSİAD and TUSKON. And as a result, these lists show the validity of the arguments presented by MÜSİAD and TUSKON: First, Islamic business is growing every year as reflected by presence on the 500-Company list in increasing numbers every year. Second, Islamic business existed on this list before the AK Party government, and this shows that Islamic business was not born with AK Party rule; instead they had a certain role previously, even if at lower levels. Also, we may see that TUSKON members are almost as numerous as MÜSİAD members on the list, and this leads us to the importance of TUSKON in Islamic business, which has not been investigated in any study before.

Interviews with the presidents, the vice-presidents and other members of the boards of MÜSİAD and TUSKON will be quite beneficial for comparisons of these two associations in terms of accurate representation of their approaches to politics, religion and work organization.

In addition to structured interviews and the secondary data sources mentioned above, a thorough analysis of the evolution of Islamic business is the key: formative concepts in the public discourse of MÜSİAD and TUSKON will shed further light in this analysis, especially if there have been any changes in their political standpoints. According to Potter (1997; 146), "Discourse analysis emphasized the way versions of the world, of society, events and inner psychological worlds are produced in discourse". From this perspective, language constitutes and creates the social world so language is an important agent of social change and I shall benefit from the analysis of the language in interviews in the research.

#### **2.4. Interviews**

The primary aim of this research is to examine the perceptions of the entrepreneurs themselves about their emergence and about their approaches to political

institutions and to ideological, cultural and religious values. In selecting my sample, I sought out interviewees who became involved in Islamic business life at different stages of the development of Islamic business, from different generations and sectors that can show the trajectory of their changes and differentiation in time.

The associations of MÜSIAD and TUSKON are political entities as well as economic and social, and therefore the views of their members are important to track the changing trajectories of their political outlooks. Thus, I conducted interviews with members in the leadership roles in the associations. Among my interviewees there are former presidents, members of executive boards and presidents or vice-presidents of the Ankara branches of both associations. Simultaneously, and to see the full picture, I also interviewed more 'ordinary' members who do not have much to do with the executives of association. Among ordinary members that have no official title in the association, there are pioneering figures with great power within their association and inner circles. Participation in the daily, informal conversations and observations of the employees in the workplaces were planned to have an important place in this study in the beginning; however, there were busy working hours, ethical concerns stated by the employees who feel extremely grateful to be employed and paid, and a common unwillingness of the employees towards being involved in this type of research. This absence in this research should be recovered in further studies to reach a more general picture of Islamic business in Turkey.

In this research, snowball sampling has been implemented. Snowball sampling is the preferred sampling methodology when connections are limited into closed communities. While investigating the Islamic business groups where religious and kinship connections are strong, the access for a researcher definitely requires a primary link. Business people have busy schedules, and often tend to have arrogant personalities, so arranging interviews with them for an academic researcher can be quite a challenge. This challenge also requires strong and reliable primary contacts that are good references for multiple possible interviewees.

Through snowball sampling methodology, I made initial contacts with a group of people, first by using personal connections with the chair of the association and by reaching people who are relevant to the research topic, and then by establishing contacts with others. "This is referred to metaphorically as snowball sampling because as more relationships are built through mutual association, more connections can be made

through those new relationships and a plethora of information can be shared and collected, much like a snowball that rolls and increases in size as it collects more snow” (Bryman, 2012, p.204). Contacts with influential and important people increase the credibility of the researcher.

Since I had prior experience researching some of the entrepreneurs during my Master’s study, I felt capable of making initial contacts, which enables further access to additional contacts. Moreover, my personal connection with the head of the associations has been useful in enabling me to reach different segments of the associations and to grasp the internal diversity among member entrepreneurs.

I am aware that there are some potential risks in using the snowball sampling methodology. Since this method is practiced through personal connections, there is a possibility of not reaching a broader variety in the sample because of the limited nature of personal connections. However, having previous fieldwork experience in that circle as well as having connections in different associations and different cities seemed to mitigate this risk in the research.

To clarify the terms of my selection criteria, I did not have access to a large number of potential interviewees. In order to grasp a more complete picture, I included different levels, groups, networks, sectors and regions of the entrepreneurs in my study. In the end, ten MÜSİAD members and five TUSKON members were interviewed. Among these interviewees, there were high-level association members including presidents and branch presidents, as well as other association members. Therefore, this methodology provided a satisfactory sample of data.

The ways in which the entrepreneurs interpreted their own pasts, their changes in time, and their approaches and attitudes towards different concepts or institutions is very important to the success of an interview, even if there is a risk of losing objectivity. However, subjective interpretations can also be read as parts of the developing of a new ideology. As an interviewer I avoided being critical and taking positions during the interviews. Instead, I asked open-ended questions in my interviews in order to explore the political, ideological and cultural positions of my subjects.

In the approach of interviewer to interviewee, it is important to make the interviewee feel secure enough to be willing to share personal thoughts and perceptions. Being a researcher working abroad can create both advantages and disadvantages.

Living abroad for a researcher can be an advantage because, as an outsider, the researcher may be considered as being somehow removed from domestic issues, conflicts, prejudices and suspicions. A disadvantage for this researcher can occur when an interviewee believes that a stranger could not possibly know about certain specific and internal phenomena. However, as a researcher living abroad but speaking the native language and sharing the Turkish culture, I tried to combine the advantages of being insider and outsider of the region and to avoid the potential disadvantages.

During the interviews, as a researcher, I avoided expressing any critical statements and opinions. My goal is to understand the political views, thoughts and attitudes of entrepreneurs, their manner of conducting economic interactions, business networking and labour relations, as well as their approach to the role of religion in business life. At the same time, I am fully aware of the possible influence of my own prejudices or opinions on the responses of my interviewees. I minimized this possibility by asking mostly open-ended questions.

The language of interviews is very important. As a researcher and interviewer my mother tongue is Turkish, so it was most advantageous to conduct my research in Turkey. However, since this study is written in English, there are always issues associated with translation. In this study I attempt to objectively present main ideas, keywords, local phrases, idioms and attitudes, even while recognizing that these are all influenced by my own perceptions.

## **2.5. Research Location**

The research was conducted in the two biggest cities of Turkey: Istanbul and Ankara. The interviews were made at the headquarters of the associations, at Ankara branches or at workplaces of certain members of these associations in Ankara and Istanbul. Throughout the history of the Turkish Republic, these two cities had been known as the core of secularism in Turkey. As the centre of culture, arts, industry and commerce under secularist/Westernist hegemony, Istanbul has long been the window through which Turkey views the West. And Ankara – as a capital city that was selected and created as a political centre of the secularist republic and Kemalist political ideology – has been a major centre of secularist culture and politics.

However, these two cities faced social and political transformations in recent decades. The intense migration from the Anatolian periphery to urban centres affected

the cultural life in these cities and that caused a diversity of secularist/Western lifestyles and traditional conservative Islamic Turkish-Anatolian lifestyles. This cultural change and contradiction reflect inherent political contradictions as well. Conservative parties that have won all local municipality elections since 1994 now govern Istanbul and Ankara.

Islamic business people are the new social, economic and political elites of the conservative part of the society. Most research about Islamic business people in Turkey was conducted in Anatolian cities where conservative Islamic culture and politics are dominant and where the Islamic business people are locally stronger in the business lives of these cities. Conversely, I conducted my research in Istanbul and Ankara, where the interaction of Islamic businesses with a secular, Westernized cultural and political environment is both active and apparent. This interaction is important to fully grasp the polarization and confrontation of these two social and economic segments on Islamic business people in the same urban space. In addition, most of the largest Islamic business enterprises are located in these two cities, a fact which allows us to both trace the trajectory of the development of these large enterprises and also to focus on the small, middle, as well as large-scale enterprises that are mostly concentrated in the industrial zones of these cities.

Among the member-entrepreneurs, there are representatives of many different business-sizes and different sectors in the country. The reason for choosing these two associations for research (instead of choosing only one) is due to the important differences in the organizations in terms of business. TUSKON has about forty-five thousand members and MÜSİAD has almost sixty-five hundred members in total in the country.

## **2.6. Timing of the Research**

The timing of this research was remarkable. The interviews were made from June 2013 to December 2013, when Turkey faced some significant social and political incidents. In June 2013, Turkey witnessed the widespread ‘Gezi Park Protests’ against the conservative AK Party Government, which lasted weeks and gained the support of significant part of the opposition. These protests sharpened the social and political conflicts between the secularists and conservatives. Second, on 17<sup>th</sup> December 2013, Gulenist policemen and prosecutors initiated an alleged corruption investigation against the AK Party Government. Then, starting from 25<sup>th</sup> December 2013, tape

recordings of key ministers were leaked to social media by Gulenists in order to cause the collapse of the AK Party Government. This was a juridical coup attempt by Gulenists against the legitimate Turkish Government. This was a turning point in the relationship between the Gulen community and the AK Party politically, and between the Gulen community and other conservative Islamic groups socially. The formerly alliance between the Gulenists and the conservatives was broken and war ensued.

These remarkable incidents expectedly affected their economic elites: MÜSİAD and TUSKON. First, the Gezi protests increased the polarization in the country and affected Islamic business people in terms of their position towards secularists. This reaction will be seen in the interviews. Second and even more importantly, the conflict between the Gulenists and the AK Party caused a war between TUSKON and the AK Party and its economic base, MÜSİAD, in the economic sphere. This incident influenced almost all of the TUSKON members' perspectives. Also, as an outsider and non-Gulenist person, it became harder for me as a researcher to access TUSKON members because of the fear of being stigmatized. Due to these complications, the research was limited to only five interviewees from TUSKON and ten from MÜSİAD.

## **2.7. Limitations of the Research**

This study combines the theoretical and historical background of Islamic business in Turkey with data extracted from the interviews with members of the Turkish Islamic business community. This means that the data of this research is only about the Islamic business people interviewed. Thus, no matter how representative the sample is, over-generalizations about thousands of people by looking at a small sample are likely to be misleading. However, the comparative analysis of other studies and data, combined with theoretical discussion, will provide general background for analysis of the data of this field study.

One of the main limitations of snowball sampling is finding the interviewees. There is always a risk of finding similar interviewees with this technique because of inadequate connections. However, having influential connections within the business associations MÜSİAD and TUSKON enabled me to reach different sections of business people. In terms of the selection criteria, I have to admit that I conducted interviews with every businessperson that I could find who would talk to me. Unfortunately, it is not easy to find and convince business people to take part in a research study because of



the potential risks and the time involved. It is for this reason that the number of elite interviewees may be lower, comparatively speaking.

Second, the timing of the research is crucial in terms of the findings. Recent political developments and popular debates can be very influential on the interviewee's views, which can lead to inconsistencies even within the same sample, whose opinions and views can differ from one moment to the next depending on context and current events.

Third, as a PhD candidate interviewing business people, it can be challenging for the academic to get business people to open up about their business networks, their political connections and their religious affiliations. Business people prefer to talk to the mass media to make their success stories and thoughts known to the people. Business people can be unwilling to give their opinions and perceptions to a dissertation-writing PhD candidate, even one with influential connections and well-organized introductory questions. As a researcher, I tried to utilize all of the connections and networks that I had at my disposal.

Fourth, as a researcher coming from Ankara and carrying a secular impression, the interviewees may tend to label me as 'the other' and might be reluctant to answer my questions honestly and openly. To overcome this obstacle, I would often rephrase my questions in order to achieve greater candour.

# CHAPTER 3- HISTORICAL BACKGROUND OF STATE – BUSINESS RELATIONS ON THE AXIS OF TURKISH MODERNIZATION

## **3.1. The Roots and Emergence of Turkish Modernization**

### **3.1.1. Reformist Movements in the Islamic World and Ottoman Modernization**

In the 19<sup>th</sup> Century, when modernity had been becoming widespread in significant parts of the world, the Islamic world was made up of the Ottoman Empire which encompassed South Eastern Europe, Anatolia, the Middle East and North Africa; the Qajar Empire which is now Iranian land, Central Asia from the Caspian Sea to the Great Wall of China that witnessed the struggle of Turkic Khanates with the Russian Invasions; the Mughal Empire that ruled India, Pakistan, Bangladesh and South Eastern Asia; and also some African colonies in Central and Eastern Africa. This huge sum of lands and nations started to face the concept of modernity brought by Western colonialism and expansionism. This military expansion caused three main reactions in the Islamic world:

First, strong, fundamentalist, anti-Western reactionary movements and opinions gained strength. These movements opposed the idea of modernity totally, including political reforms like democratization; the development of capitalism; progress in human rights like the rights of religious minorities and the participation of women in the public sphere; and any type of cultural influence carried by the Western political and economic dominance.

The second reaction in the Islamic world to the modernity brought by Western colonialism is the adopting of Western political and economic institutions in addition to the adoption of Western culture as a superior background for economic and political power, thus suggesting transformation of native cultures. This trend became widespread in the new political, economic and intellectual elites of the dominated Islamic countries, elites that gained power both in countries like Turkey and Iran that had no colonial pasts and in some former colonies after they gained independence.

Third, a number of intellectuals and politicians sought a ‘third way’ for overcoming the problems of the first two approaches and the backwardness of the Islamic world. These intellectuals could be called reformists and modernists for defending the idea of economic, social development and political reforms without any radical, holistic opposition or acceptance. This group of thinkers and practitioners could have been founded in Ottoman Turkey, Egypt and pre-partition India starting from the 19<sup>th</sup> century.

In this section, first modernist approaches in the Islamic world will be presented by starting from pre-partition India and Egypt, and then the focus of the chapter will shift to Turkish modernization approaches starting from the late Ottoman period towards the recent past Republican period.

Pre-partition India is an interesting case in which Muslim and non-Muslims lived together in a country ruled by Muslim Emperors for centuries and faced British invasion. As a part of British colonialism, Pre-Partition India faced economic, militaristic and political expansionism that also included cultural dominance and influence over the native population. Muslim intellectual and political figures like Saiyid Ahmad Khan and Mohammad Iqbal offered new means of improvement of Muslims to end the backwardness, weakness, poverty and defeats of Muslims. The people of India especially noticed these after going through colonialism and the political, economic control of the foreigners. They offered several reforms in political institutions, educational activities and cultural reasons for the backwardness (Issawi, 2004, p.178).

Saiyid Ahmad Khan is one of the first intellectuals who realized the importance of the need for achieving technological changes but also cultural and conceptual reforms like progress in science and education; and the important role and compatibility of rationality with Islam and its influence in the development of Muslims, particularly Indian Muslims. He opposed the Orthodox Islamist views as well as the British colonial enforcements on the Muslim population in India, and tried to found educational institutions like colleges and universities for Muslim students so as to afford intellectual and scientific improvements as well as adoption of the national language, Urdu (Malik, 1963, p.219). He founded a college named Aligarh College, which was to become entitled to work as a university after some time. This university offered both scientific and Islamic sciences both in English and Urdu (Malik, 1963, p.221).

There are people who hold the opinion that our national cause will be promoted by discussing political affairs. I do not agree with that, but regard the spread of education to be the only means for the promotion of the national cause. In these days our nation should not strive for anything other than the spread of education. When in our country, education will be sufficiently propagated, then we shall have sufficient means to arise from our backward condition (Malik, 1963, p.222).

Saiyid Ahmad Khan thinks that commentaries on the Quran should be reformed and that false and fabricated tales should be excluded. He thinks that Muslims should adopt a new legal and social code, which states that the traditional Islamic code is not compatible with the requirements of the present time (Malik, 1963, p.220). Ahmad Khan defended the idea that usury (riba) prohibition should be applied only to poor people, not to all people, and that this reform would contribute to the public good so cannot be against religion (Baljon, 1970, pp.255-260). He was criticized by the clergy and the Islamist majority of the elites among Indian Muslims and branded 'an infidel'. However, his ideas and contributions made an impact on Indian Muslims towards the foundation of Pakistan.

Mohammad Iqbal, also, was an important reformist intellectual and political figure in the Pre-Partition Muslim community. His ideal was the unity of the Muslim community but adapting it into a contemporary, modern international community. Iqbal accepted the idea that Islam, as a religion, cannot be separated from social order because it brings legal codes. He was against secularism and nationalism; Iqbal stresses that Islamic Law is capable of evolution in terms of adapting to changing needs and conditions (Malik, 1963, p.242). Iqbal's priority was the modernization of Muslim society and Islamic laws, both in the cultural and economic spheres (Malik, 1963, p.253).

Iqbal's priority was to reach the level of the Western Colonialist countries without sacrificing Islamic values and principles but adapting them to the requirements of institutional, technologic and philosophical development. He offered the idea of the unity and independence of Muslims in India, and established the idea of the foundation of Pakistan; however his idea was of neither a theocratic nor a secular system.

While talking about Muslim reformism, other than in pre-partition India, Ottoman modernization composes an important segment. In the 19<sup>th</sup> Century, the Ottoman Empire ruled large and important parts of the Islamic World, both through a ruling Sultan and a government, as well as through The Caliphate. Not only Turks but

also most Middle Eastern and North African Arabic speaking people, Bosnians, Albanians and other Muslim groups were under Ottoman control. Before talking about the Ottoman heritage of Turkish modernization, the reformist and modernist movements within the borders of the Empire should be revisited.

Even though Tunisia and Egypt were ruled by the Turkish Ottoman Empire as Ottoman lands, and even though they were ruled by the dependent Turkish dynasties autonomously as provincial governorships, Tunisia and Egypt went beyond the central Ottoman government in terms of efforts for the adoption of European modern administrative and private property legislation (Hourani, 2004, p.8).

Cuno states that the origins of private ownership in Egypt can be found before 19<sup>th</sup> Century reforms. But due to the fact that the central power and control of the Ottoman Empire weakened, private ownership was legalized in the 1854 land reform. This reform, made by Muhammad Ali Pasha, was aimed at increasing state revenue and control (Cuno, 2004, pp.195-196).

One of the important figures that pioneered reformism in Egypt is Muhammad Abduh. Abduh's idea is about reforming and improving Egyptian society in moral, scientific and political aspects. He argued that religious and scientific educations are not incompatible and that they should both be reformed in Egypt. He aimed to develop Egypt in economic, political and moral ways in the struggle against colonialism by benefiting from the reforms he argued for (Hourani, 1962, p.131).

The Orthodox Islamists and Islamic clergy criticized him, as happened to many of the other reformist thinkers in the Islamic world, even though an important part of these reforms was to oppose foreign invasions of their homelands. Abduh does not support fundamentalism; instead he offers some reforms and adaptation of practices to contemporary problems and conditions. He underlines the idea that rationality is part of Islam, and that there is no contradiction between the religion Islam and modern rationality (Hourani, 1962, p.132).

Abduh thinks the integration of Islamic ethical and social codes with capitalist development by achieving wealth for Muslims while avoiding the negative effects of capitalism and education plays a crucial role for this reformation. He adds that the Islamic ban on interest should be re-considered and that new ways should be found to

overcome this problem for the capitalist development of the Islamic world (Tripp, 2006, p.41).

In the early 1900s, Tal'at Harb in Egypt and 'the virtuous capitalists' (as opposed to foreign capital investors, referred to as 'sinful capitalists') of Sarekat Islam in Java stressed the dominance of the non-Muslim identity of modern capitalists and its effect on Muslims' social and political life, and tried to start a new Islamic entrepreneurial movement (Tripp, 2006, p.6). Harb founded companies and banks and made links with foreign capital; however, he was against foreign control over the national Egyptian economy (Tripp, 2006 p.31).

Before the wave of modernization reached the Middle East, the region (except Iran) was under the control of the Ottoman Empire. The cities were the centres of international trade, craftsmanship and the ulema – the intellectual elite who dominate religious, juridical and intellectual activity. All these urban elites were connected and linked with political power: the Sultan, the government, local governors, the military and the bureaucracy (Hourani, 2004, p.4).

After the weakening of the central power of the Ottoman Sultan and the government with the reformation period (Tanzimat), beginning in the 19<sup>th</sup> century, the bureaucrats increasingly gained important power in mediatory positions between the Sultan, the government and the social elites (Hourani, 2004, pp.8-9).

In 1858, the Ottoman Empire established a land law, which led to some merchants and local chieftains forming large estates. But before this law, in Ottoman provinces like Egypt, Muhammad Ali Pasha had given the right of private land ownership (Hourani, 2004, p.9). In Turkey during the Ottoman period, up until the land law in 1858 private property had been predominantly forbidden.

In the Ottoman Empire, the first response to the beginning of failures against European powers was the adopting of European military technologies. The 1838 Commercial Treaty between the Ottoman Empire and Great Britain caused the opening of the Turkish economy to foreign trade and capitalization of agriculture and industry, which led to European dominance in the Ottoman market and semi-colonialization by capitulations (Tripp, 2006, p.14). Khair-al-Din al Tunusi thought that Ottomans should adopt European institutions of Governance (Tripp, 2006, p.27).

This continued with the sending of young students and intellectuals to Europe to understand European modernization and adapt it to the Empire. The returning intellectual elites were so much influenced by European modernity that they started to advocate that economic or political modernization is impossible without exchanging traditional, religious social codes and culture for those of the West (Tripp, 2006, p.23).

The social and political history of Turkey depended upon the basis of the power of the Sultan and the centralized bureaucracy organized around the palace in a society without any nobles, feudal landownership or private capital ownership among the Muslim population as a balancing power in any layers of the social sphere. It was mostly the non-Muslim minorities that owned the private capital; private capital or property ownership was the exception until the reforms of the 19<sup>th</sup> Century, first in Egypt and then in Turkey. In order to understand the roots of conservatism and what its proponents wanted to 'conserve', we should go back to the beginning of Turkish modernization and the cultural, political revolutions. Until the nineteenth century, during the empire, the members of Turkish society were subjects: people with none of the rights of modern citizenship, lacking economic ownership and political rights. They were also identified by their religious identities. This led the state to be the only source of power in the empire period without any social differentiation of classes or strata. In this period, the Sultan also had the title of Caliph, the religious leader of all Sunnite Muslims in the world, which added unquestionability to the political power of the Sultans, and the only remaining power was the bureaucracy that was first appointed and then sacked by the Sultan.

The reorganizational reforms of 1839 (*Tanzimat*), through their establishment of some modern laws of citizenship on the basis of rights and duties, are regarded as the starting point of Turkish modernization. These reforms narrowed the authority and power of the Sultan, but this authority transferred mostly to the state bureaucracy of the Empire (Ortayli, 1983). Even if laws guaranteed citizenship, political and social power remained within state authority due to the lack of any civil society power in the country.

This historical background evolved into the foundation of the National Assembly and then into the highest power of the government besides the Sultan, the Order and Progress Party (*Ittihat ve Terakki*). Since the most important source of the power of the state was the military, because of non-stop wars and military oppression over the government, the military used to be the third segment of the centre, especially

from the beginning of the nineteenth century. This political situation led the country to the continuation of the duality between the political, economic, and intellectual elites organized around the state (i.e., the dynasty, bureaucrats, military, scholars, businessmen, etc.), and the rest of the society on the periphery. The Sultan was overthrown by Kemal Atatürk, the head of the military who won the National War (1919-1922). The president was officially called the national chief afterwards, but the power of the state and bureaucracy did not change substantially. To sum up, even though the regime had changed, the relationship between ruler and ruled did not essentially change.

### **3.1.2. Etatist Policies of the Republic and Single Party Regime: Creation of a New Capitalist Class, Social Engineering and Westernization (1923-1950)**

In order to understand state–society relations in terms of the relations of business and state in Turkey, the metaphor of centre–periphery is useful for understanding the duality in society and politics in Turkey. Turkish republican modernization, starting from its foundation in 1923, took place as a top-down, state-based transformation project towards Westernization, secularism, and positivism by taking up the heritage of the modernization reforms of the imperial period. But until the end of the one-party government in 1950, this transformation caused a dualistic social structure: as a social engineering project, the new state perhaps managed to transform social life in the central districts of big cities like Istanbul, Ankara and Izmir. A new urban, Western, secularist elite population with economic and political power emerged. However, the much larger rural population remained at the periphery in this duality in cultural, social, political and economic terms until the 1950s. Mardin puts the centre–periphery relation in Turkey as the basic division axis. ‘Centre’ is defined as the power groups of bureaucratic organization of politics, economics and even culture. Anatolia, not only in terms of culture and political attitude but also in terms of industrial and commercial investments, was the periphery of Turkey in comparison to Istanbul, Ankara, Izmir and some Western parts of the country (Mardin, 1973).

The distinctive feature of the Single Party Period was that there was no political party to be founded until 1946 except for the Republican People’s Party (CHP), which was founded by Kemal Ataturk in 1923. The Kemalist Revolution period (1923-1950), as seen in previous modern reformations in Turkey, was a political and ‘cultural revolution’ rather than a change to the economic base of the society. After changing the



political regime from Monarchy to Republic, the revolution continued through strict Westernization policies. Starting from Atatürk's presidential era (1923-1938), these Westernization policies were, first, the change of dress code in the country by introducing 'The Hat Law' of 1925, which introduced the use of Western style hats instead of the fez (traditional Ottoman hat). Next, in 1926, the Swiss Civil Code replaced the previous civil code, and in 1928 the Latin alphabet replaced the Ottoman-Arabic alphabet, which had been used for more than 1000 years by Turks. Moreover, Turkish folk and classical music was banned in the 1930s for a period of time and the *azan* (call for prayers in Islam) was compulsorily to be called in Turkish instead of Arabic. Thousands of people were sent to jail for being in opposition to these laws during the single-party period (Tunçay, 1987).

By considering the centre-periphery duality in Turkish social and political history, these Westernization policies and Western acculturation were internalized and actualized by the political, intellectual and economic elites in the 'centre'. The periphery remained conservative of the traditional Turkish-Islamic values inherited from history. These laws encouraged the tension and polarization of the centre-periphery in this manner. This duality evolved into an economic as well as a cultural differentiation between the centre and the periphery in Turkey for decades.

In the economic dimension, during the first few years of the Republic until 1928, the new regime tried to implement a liberal economy, but their efforts were not influential on development of investments because of a lack of private capital and the Great Depression of 1929. Then Etatism replaced this liberal policy. In the programme of the Republican People's Party (Single Party), Etatism was accepted as a principle that could be understood as "the emergence of the state as a pioneer and director of industrial activity, in the interests of national development and national protection in a country where private enterprise and capital are too weak to do anything effective" (Sayan, 1968, p.1). The new Republic, as many late developing countries tried to do, intended to create a national bourgeoisie and national capitalist classes by supporting and giving incentives to certain people close to the new regime in terms of personal and political links. Especially during World War II, new commercial businessmen emerged and started to support investments in the country.

There were four major mechanisms of the Etatist economic policies of Turkey used to create a 'national capitalist class'. First, the public bank gives credit with

negative interest rates to support the new investments of these business people in times of hard economic conditions in the country. Second, foreign currency that was supplied by the government to importer-business groups was cheaper than on the open market because the government was subsidizing these foreign currencies. Third, there were strict and high barriers imposed upon the imports of foreign goods in many sectors to protect domestic production, but this policy led to poor quality production, without renovation or competitiveness of Turkish industrial outputs. This monopolistic structure resulted in very interesting price policies being implemented by the private sector. An example was the price of the poor quality, locally produced car, the Fiat Murat 124 (the lowest standard model of Fiat car), which was sold in Turkey at the same price as Mercedes in European markets due to high protection and support to the producers. Fourth, the products of State Economic Enterprises were provided to these selected capitalists at much lower prices than their actual costs.

In a country where the state has autonomy, businessmen seek to secure connections with politicians in order to win their support. This goal necessitated the securing of state patronage through possessing a contractor, a buyer or a rent provider (Demiralp, 2009, p.320). Remembering that the monopolistic nature of the Turkish economy has been consolidated, especially during the planned economy and ISI (import – substitution – industrialization) periods, Mustafa Ozel, a scholar favouring Islamic entrepreneurship and critical of the historical relationship between the Turkish state and business, accuses the Turkish economic regime of creating a bourgeoisie that is completely dependent upon state, and that can never mature enough to gain its independence. Since nurtured in a safe economic environment, which is free from the pressure of market competition, this Turkish bourgeoisie lacks the urge for invention or innovation according to Ozel. This idea leads us to the role of new Islamic entrepreneurship for the economic development of Turkey (Ozel, 21 July 2002).

Despite the support of the state for these few business groups in order to found a strong national capital, these policies resulted in the emergence of parasitic groups who did not become an engine of development for the country nor for a radical growth of the country's economy. This state support was not enough to create a national capital that could be competitive in international markets and that could transfer economic value to the country by profits and employment. At a time when Turkey was at the same level as Southern European countries and East Asian countries in terms of economic development, in the first half of the twentieth century, these efforts and policies to

develop Turkish capitalism failed and Turkey remained behind in the economic competition for decades. These four methods of providing subsidized rent and support by the state for this monopolistic business group constituted almost three-quarters of all national income (Karakas & Yildiz 2012). The bourgeoisie depended upon the state and the state ideology that created and supported it, including during the coup d'état periods, in order to perpetuate itself. As a result, Turkey was not able to break the chains of poverty, unemployment, and backwardness for a long time because of the economic problems caused by these structural policies.

### **3.1.3. The First Democratic Era and Social Change: Hegemony of Power Bloc versus Governance of the Periphery (1950-1960)**

The single-party regime ended in 1946 and political parties were allowed to be founded as a result of the pressure of the international community on the Turkish government, but the CHP (Republican People's Party) government continued to rule until the 1950 general election. In the elections, the Democratic Party gained the majority of seats in the parliament and was elected to govern the country. This governance took place between the years of 1950 and 1960. The government of the Democratic Party was important because it was first time in the history of the republic that an elected government dependent on the votes of the people was governing the country. The single party regime had been a period of political hegemony in the alliance of the power groups organized around the state in the political and economic centres, but in 1950 the periphery managed to take the political power of government.

The government of the Democratic Party started in 1950 and caused massive change in the country in terms of economic and social change. Mechanization in agriculture, large industrial investments with foreign credit, and the Marshall aid of the USA led the DP government to have a more liberal approach to the Etatism of the single-party regime. The rates of foreign trade increased dramatically. Although the Democratic Party tried to implement a liberal policy, the public sector and public enterprises continued to expand in the 1950s (Aktan, 1993, p.64). In economic terms, the 1950s did not witness a break from Etatism, rather, a continuation with many similarities remaining.

During 1950, as a result of rapid urbanization in the aftermath of the industrialization policies, mass migration from rural to urban areas began. This migrating population joined the urban poor in squatter districts of urban areas and urban

peripheries. The peripheries began to have an urban aspect as well, whereas before, the periphery had been the rural part of the society.

Since the Democratic Party failed to remove the structural hegemony of the republican regime, the bureaucratic, economic and militaristic elites continued to be powerful and hung as a sword of Damocles over the elected government of the Democratic Party. This influence became apparent in regard to certain of the Democratic Party's policies, such as allowing the traditional call to prayer (the *azan*) to be practiced in the traditional way, opening the mosques that had been closed during the single party regime, allowing private religious schools to be re-activated, and softening some restrictions about the dress code and Turkish music. These allowances were enough to disturb the Westernized bureaucratic, intellectual and business elites, and led them to support the military intervention in 1960.

#### **3.1.4. Re-consolidation of the Praetorian System of the Historical Power Bloc: Militarism as a Way of Politics, Roots of Right-wing Politics (1960-1980)**

The 27<sup>th</sup> of May 1960 is a remarkable date for the history of Turkish democracy. The first elected government in the history of the Turkish Republic was overthrown by a military coup and the first elected Prime Minister, Adnan Menderes, was executed afterwards. Symbolically, the hierarchy separating the elites and people, the centre and periphery, the hegemonic power and the elected government, was re-established. It was emphasized again that whomever the people vote for and elect should obey the rules established by the regime and the principles of Kemalism. Members of the Democratic Party and the Prime Minister paid for this with their lives, and the majority of the people who voted for them were punished.

After the coup d'état, a new government and a new constitution was established by putting various mechanisms and institutions in place to decrease the authority and power of elected governments. These changes included the foundation of the Senate above the elected Parliament and the founding of the National Security Council to determine policies and to set limits on the policies of the government. This period was a hegemonic period of Kemalist militarism over the people's will through militaristic bureaucracy and the institutionalization of a hegemonic structure in all parts of the state. In this era, the elected government's authority and ability was limited, and the trauma of the coup d'état and the execution of the prime minister influenced the parliament and the government.

Even though the Islamist movement in Turkey had intellectual and theoretical roots back in the late nineteenth century, the first Islamist political party, the National Order Party, was founded in 1970. But this party was banned just one year later in 1971 for “being against the secular regime and Kemalist revolutionary principles”. In 1972, Islamists founded another political party, the National Salvation Party, and it too was closed in 1980 by the coup d’état of the government.

One of the most significant aspects of a new constitutional era influenced by strong military power within the political system was the beginning of central planning in the economy. The State Planning Organization was founded in 1960. The role of the state, as an investor and supporter, was increased in the Turkish economy. The state started to support the private sector by ensuring price stability and by minimizing the deficiencies of price mechanisms through indirect means such as tax, credit, money and foreign trade policies (Aktan, 1991, p.65). The state remained as the main actor and director in economy until the economic crisis in late 1970s, when the oil crisis emerged and Turkey was under embargo because of Turkish military intervention in Cyprus.

### **3.1.5. Concluding Remarks**

Until the 1980s, Turkish society was predominantly an agricultural society, both in the population and in the socio-economic structure, which used to have dominant rural community relationships. The urban population was composed of government officials, a small population of workers, and a few entrepreneurs or businessmen that had been supported and chosen by the state. There is evidence that a difference between these government officials, businessmen, and the rural population existed in terms of not only economic, but also political backgrounds. The urban population that was formed by the state through business and bureaucracy was mostly Westernized and secular, in contrast to the rural population’s more traditional, so-called ‘oriental’ values.

We can describe Turkish politics as having three legs before 1980. The state ideology can be defined as Kemalism, with militarism as the dominant influence on the political system and Etatism as the economic policy. Because the reforms before 1980 were only within the borders of the paradigm of state-centred social and economic projects in the context of Etatism, the social or political features can barely be defined as having an aspect of structural change. The date 1980 is important for the whole change in the socio-economic and political paradigm. Within the framework of state-

centred economic policies, “the road to money and wealth had passed through government until 1980” in Buğra’s words (Buğra, 2002, p.191).

The period until 1980 was characterized by the involvement of the state in inward-looking development. The state took the initiative to create an entrepreneurial class and also supported and protected them, which caused a monopoly in Turkish capitalism. The fixed rate currency that caused overvaluation of the Turkish lira made exports expensive and imports cheap. The state was largely responsible for the unproductive and non-competitive nature of import-substituting industries and import restrictions, while quotas and prohibitions decreased competitiveness, which created a comfortable, monopolistic structure for entrepreneurs and, furthermore, high tariff walls, import quotas, low interest rates, and preferential exchange rates for private entrepreneurs had reached such proportions that these industrial interests did not have much incentive to invest in higher technology in order to develop competitiveness of industry (Aydin, 2005, p.36). “Through overvalued currency and high protective tariff walls, Turkish industry was protected against outside competition. As a result of these measures, a group of rent-seeking Turkish business people went from strength to strength, to such an extent that monopolies in certain areas emerged” (Aydin, 2005, p.37). These businessmen were given opportunities to borrow from government sources at rates much lower than the rate of inflation, which created an accumulation of capital and wealth aided by cheap inputs provided by State Economic Enterprises (Boratav and Türkcan, 1993).

The important effect of this state support to businessmen was to keep them affiliated to state ideology and to persuade them to support the continuation of the power bloc system that had economic, political and ideological legs. Even if most of the governments were composed of right-wing parties during the 1960s and 1970s, the structure of businessmen remained in the axis of Kemalism, Westernism and militarism, since it was already known by them that the government could be overthrown by militarist interventions, and that the real power in the state organization is the civilian or militaristic bureaucracy. In other words, businessmen sought to maintain the power bloc, and those with Kemalist or Westernist tendencies were chosen to be supported and to be empowered.

### **3.2. The Shift from Etatism to Neoliberalism, from State to Civil Society: The roots of Islamic entrepreneurship and the 1980 Coup D'état**

After the long political and economic crises of the 1970s and massive political and urban violence, the coup d'état took place on 12<sup>th</sup> September 1980. The leaders of political parties were sent to jail, all associated political parties, trade unions and political associations were banned, and 'the state of emergency' was declared. Thousands of socialist and nationalist political activists were sent to prisons, some of them were tortured and a few were executed. Furthermore, the new government appointed by the military prepared a new constitution, known as the 1982 Constitution.

The era after 1980 was characterized by the implementation of neo-liberal policies in the country. The remarkable aspect about the start of neo-liberal economic policies is that they were started in the state of emergency after the military coup in 1980. It is difficult to claim that any governing political party which came into power by election could try to implement and lead this kind of shift in economy in terms of advocating privatization, decreasing real incomes, policies of de-unionization and harming social security by institutional re-organization. Otherwise they would not have been re-elected by the people in Turkey.

#### **3.2.1. From Inward-Oriented Etatism to Outward-Looking Liberal Strategy**

After the coup d'état and under the auspices of the army, Turkish policy-making began to have a powerful influence on the IMF and the World Bank. Soon after the coup, the government signed a three-year stand-by agreement in 1980 (Aydin, 2005, p.43). During almost the same time period of Thatcher's and Reagan's economic policies in the UK and in the USA, neo-liberal economic policies were starting to be adopted and implemented by the several governments of Turkey. The earlier protectionist policies targeted the development of domestic industry by using the tools of tariffs and quotas transformed into trade liberalization. The neo-liberal reform policies began with the 24th January Pack Programme, a set of Structural Adjustment Policies, and involved the liberalization of the foreign trade regime, then the liberalization of the financial sector, and then finally, in 1989, the liberalization of capital accounts (Satoğlu, 2008, p.151). After 1980, the import-substituting economic model was abandoned and an export-based economic model was chosen following the series of long political and economic crises of the late 1970s.

For this transformation that took place throughout the 1980s, the state system was replaced with a market system through the opening of the economy, the restructuring of public expenditure priorities, and the liberalization of the financial sector as privatization and deregulation were implemented. For Zulkuf Aydin, despite its immediate intention to solve the foreign currency problem of the crises, the Structural Adjustment Programme of 24<sup>th</sup> January 1980 introduced structural transformation measures to integrate the economy into the world capitalist economy (Aydin, 2005). For this purpose, priority was given to the design of a programme that would lead to export-oriented industrialization. Subsequently, foreign trade and the foreign exchange system were liberalized and other fiscal and monetary measures were also adopted (Aydin, 2005).

In this period, the protectionist policies over the Turkish lira were removed, and Turkish currency was made convertible. More outward-looking economic growth policies were sought. The state actively encouraged the establishment of industrialization by creating incentives for small-scale and medium-scale manufacturing entrepreneurs. Three types of industrial zones were founded: first, small industrial zones; second, organized industrial zones; and third, industrial zones, moving from the small scale gradually up to larger investments. These industrial zones made an agglomeration of the industrial entrepreneurs to found a network of sectors and sections of manufacture.

The Motherland Party government that came into power in the 1980s after the coup d'état tried to support small-scale and medium-scale manufacturers after witnessing the monopolization and lack of innovation of technology and development of industry in the country, and also the troubling alliance of the larger capitalists of Turkey with the militarist layer of the state. Furthermore, under the leadership of Ozal, the Motherland government made bank credit available for the importation of industrial machinery from Germany. The export rates as well as the industrialization rates developed remarkably in this era, and this went hand-in-hand with the urbanization process in the country. The high speed of urbanization increased the development of services and commerce in the country. Also, the outward-looking economic policies affected this progress in terms of a transformed foreign trade regime.



### **3.2.2. Right-wing Politics in the late 1980s and early 1990s**

The beginning of right-wing politics in Turkey could be identified with the foundation of the Democrat Party in 1946. The Democrat Party won the first ever democratic elections of the Turkish Republic in 1950, and ruled the country until the 1960 military coup, accused of “being backward and opposing Kemal Ataturk’s revolutions”. The Prime Minister and two ministers of the Democrat Party were executed. After the coup, the Justice Party was founded by some of the former Democrats, and won and ruled Turkey until 1971. This rule was ended by another coup in 1971. After this coup, the political situation became tumultuous and unstable, a situation which continued until another military coup in 1980. The military coups were against right-wing governments, and these coups destroyed the civil society and democratic politics before they could become institutionalized and powerful. This means that even though right-wing parties formed the elected governments, they could not but fail to breach the boundaries of the Kemalist state ideology. This failure caused a lack of representation of the will of people on the governance level.

After the mid-1980s, the right-wing parties formed coalitions with the left to establish governments, the political strata gained more power against bureaucrats in terms of decision-making concerning rent distribution, and bureaucrats began to be appointed on the basis of their political links with the governing party more than ever before (Aydin, 2005, p.35). The patron-client relationship was the main way of making policies in this era. Also, with the help of neo-liberalism, the economy was becoming liberated from its previous hegemonic relationships, and this made a space for the collapse of the monopolistic structure of entrepreneurship in Turkey. It could be claimed that these changes created a more equal territory for new entrepreneurs. However, as the politicians and governments gained more power, the hegemonic structure of these governments failed to change or to evolve, and they were unable to make decisions that opposed the ‘suggestions’ of the National Security Council, which consisted mostly of generals of the Armed Forces. This failure made the conservatives who were subordinated by this system unhappy and dissatisfied with the right-wing political parties of the 1990s, which caused a slump in electoral results for these right-wing parties, i.e., the Motherland Party and the True Path Party. This disappointment led, later on, to the rise of an Islamist party: the Welfare Party.

### **3.2.3. The Expansion of Exporting Networks: Customs Union and Collapse of the Soviet Union**

Turkey changed its development strategy and started to seek export-based development strategies. In addition to changing its development strategy, Turkey found a very suitable space for improving its export networks. First, the collapse of the Soviet Union, and then the liberation in 1989 of the Turkic countries of Azerbaijan, Turkmenistan, Uzbekistan, Kazakhstan and Kyrgyzstan all helped this improvement: Turkish entrepreneurs found great opportunities for the re-structuring of these countries due to the sympathy for and cultural similarities with Turkey in these countries. Moreover, Turkish entrepreneurs started to invest in these countries in the branches of construction, textiles, mining and services.

The European Customs Union membership of Turkey in 1996 was a turning point in the increasing of export rates. Free customs helped Turkish entrepreneurs to enter the European markets, and this was one of the most important factors for the rise of Turkish entrepreneurship in Europe, and especially for the rise of new entrepreneurship in Anatolia.

Exports have become the driving force of economic development in Anatolia. The Anatolian capital is mostly comprised of small and medium sized enterprises that are outward (export) oriented. Anatolia was formerly excluded by the Istanbul capital and *Türkiye Sanayici ve İşadamları Derneği* (TÜSİAD) has become more dynamic and diverse, as its cities have integrated with the world while globalizing and developing their middle classes (ESI, 2005). The influence of export-based trade is so high upon these new entrepreneurs that their growth is parallel to the growth of exports of the entire country. The share of manufactured exports in total exports rose from 36% in 1980 to 92% in 2010, that is, since the structural adjustment in 1980 shifted the economy from ISI to export-oriented economic policies.

### **3.2.4. The Rise of the Islamist Movement**

Islamists formed a new political party, the Welfare Party, in 1983. Previously in the history of political elections in Turkey, none of these Islamist parties could have received a significant proportion of votes, and they stayed marginalized. However, for the first time in municipality elections, in 1994 the Welfare Party won the municipalities of many big cities including Istanbul and Ankara and became a significant actor in political life. In 1995, the general elections resulted in the victory of

the Welfare Party, and for the first time in history, the majority of the government and the position of prime minister belonged to an Islamist party in Turkey.

Ideologically, the Islamist parties were relying on some reactionary principles against Kemalism, secularism, and the policies of Westernism, as well as the cultural, economic and political aspects of globalization and Turkey's potential membership of the European Union. The political agenda of these Islamist parties was identified as 'National Outlook' by suggesting Islamic values as the basis of the society and culture, by representing traditional values instead of Westernism, by advocating the Islamic Union instead of the European Union, by opposing neo-liberal economic policies and emphasizing strong and well-established social welfare provisions to deal with poverty in the country. The rural population of Turkey and the newly migrated poor of the urban periphery, especially in big cities, mostly supported Islamist parties.

However, the Islamists did not gain the support of all so-called religious movements or communities at that time. During this period, Gulen Movement had avoided all connection to the Islamist Refah Party, while at the same time pursuing ongoing dialogue with secular parties. In its early days, the movement had presented its ideology as one that was in opposition to political Islam (Veren 2007).

The major reason for the rise of the Welfare Party specifically, and the Islamist movement in general, was the failure of centre-right politics to satisfy the demands of society. These demands mostly concerned the perceived victimization of religious-conservative people by strict secularism, such as by the prohibition of wearing headscarves in universities or public buildings for civil servants, strict limitations on learning the Quran for children, insufficiency in the level of democracy, and the lack of authority of the elected government in the state structure. The collapse of centre-right politics and the weakness of left-wing parties in terms of gaining the trust of the people concerning traditional or religious peoples' issues led to a huge rise in votes for the Welfare Party. In the literature there is a consensus that the deliberate usage of 'Islamic justice' (also known as 'Just order doctrine') by the Welfare Party appears to have been one of the major factors in mobilizing the masses through Islamic politics in the era of Neoliberalism (Aydın, 2005; Buğra in Balkan and Savran, 2002; Güllalp, 2001, 2003; Öniş, 1997; Yeşilada in Heper and Rubin, 2002). The Just Order programme (Adil Düzen), developed by Erbakan, the leader of the party, clearly rejected Westernism and

presented all other parties in Turkey as the imitators of the West. It opposed capitalism in rhetoric and called for the establishment of an Islamic common market (Yeşilada, pp.172-73 in Sayarı and Esmer 2002).

The government formed by the Welfare Party tried to follow the principles of National Outlook in the government until the military intervention in 1997. Within this period of government, conservative entrepreneurs were supported and the monopolistic structure of capital in Turkey was diminished. These new entrepreneurs started to use their connections with this governance and municipalities to their advantage and grew in these years, especially in Central Anatolia.

### **3.2.5. The Rise of New Entrepreneurs: Their Roots, Background and Development**

The new entrepreneurs began to find more equality in the economy for themselves, especially with the governance of the Welfare Party from 1996, in terms of the state's more equal approach to business.

It can be explained that what is new about the Turkish entrepreneurs is their conservative background, which can be observed in religious lifestyles, cultural values and tendencies towards political conservatism, that differs from the previous tradition of Turkish entrepreneurship. Previously, entrepreneurship in Turkey had been characterized by Western lifestyles, mostly without religious references. "The concept of secularism has become a designation for the ruling groups" (Yavuz, 1997, p.64). This caused an overlapping with the cultural cleavages in the society and the political struggles based on these cleavages. In addition to lifestyles, the most significant feature of the previous entrepreneurship had been being 'created' and 'shaped' by the state, which was dominated by a secularist, Westernized Kemalist perspective. Conversely, the new entrepreneurship has been based mostly on small entrepreneurship and the cooperation of small entrepreneurs that have evolved into a new large capitalist elite in recent decades without significant support from the state and without the negative reactions of the state ideology.

"Some religious codes are more compatible with economic growth than others. If a religion lays stress upon material values, upon work, upon thrift and productive investment, upon honesty in commercial relations, upon experimentation and risk bearing, and upon equality of opportunity, it will be helpful to growth; whereas in so far as it is hostile to these trends it tends to inhibit growth" (Lewis, 1955, p.105). A famous Kemalist social scientist, Niyazi Berkes, linked every social advance in Turkish history

to the retreat of Islam, which he saw as supporting a social system lacking the capacity for innovation. According to him and many other Turkish scholars, the problem with Islam is that, unlike Christianity, it has never made its peace with modernity – never underwent its own Reformation (ESI, 2005).

Newly-rising Islamic capital and the so-called new entrepreneurs became the driving force for the periphery, which was outside of state support and also outside of the cultural and ideological framework of the state and state ideology. Aided by the shift from import-substitution industrialization policies to export oriented industrialization strategies in 1980, the Anatolian small or middle-sized entrepreneurs – with the help of cultural and social peculiarities that are suitable for flexible organization of work and the developed business network integrating different sectors or branches together through contracting or outsourcing – found themselves in a highly profitable and dynamic environment. ‘Anatolian Tigers’ did not only grow due to export strategies and through their cheaper manufacturing prices, they started to grow in the domestic market as well. The term ‘tiger’ is an analogy indicating the similarities of Anatolian industrialization to the experiences of Taiwan, South Korea, Singapore and Hong Kong known as the Asian Tigers, where the export-driven model of economic development with the exportation of manufacturing goods succeeded especially between the 1960s and 1990s, with high industrial growth and development rates. Post-Fordist forms of flexible organization of work meant a rise in smaller-scale manufacturing, subcontracted production, outsourcing and piecework. The informal communitarian bonds increased the organizational flexibility of small and medium-scale firms, and helped them respond promptly to rapidly changing market parameters. The new entrepreneurs organized mainly in the industries of construction, textiles and furniture manufacturing, and in the manufacture of various industrial mediatory goods: wheel producing, plastics, etc.

With regard to flexible organization of labour in terms of time and space, it is hard to tell where society (in the form of family and school ties or community belongingness and political identity) ends and where economic organization begins (Buğra, 2002). Keyder contends that after 1980, “market liberalization unleashed entrepreneurial energies at every level... [and] as Turkey exports gravitated towards labour-intensive manufactures a number of smaller Anatolian cities with craft traditions and nonunionized workforces, where households could be incorporated in

subcontracting deals, began to emerge as regional industrial centres” (Keyder, 2004, p.68).

The new Islamic enterprises are not located only in the hinterland of any traditionally industrialized provinces, nor are they developed with the help of entrepreneurial groups or capital from outside. The development of new Islamic enterprises is based on provincial entrepreneurs, local sources, and also the conjuncture of open economy (Satoğlu, 2008, p.159). The majority of their training is based on apprenticeship with either a family member or near kin. Also, the first generation who started their own businesses are mostly rural people without higher levels of education. These factors made this type of entrepreneurship even more interesting for social research in terms of exploring dynamics.

Agglomeration is also said to have additional advantages for new entrepreneurs resulting from social ties of trust, loyalty and solidarity among enterprises that share a common cultural milieu. Agglomeration is the clustering of firms together in the same urban zone, which decreases costs of production because of the facilities of networking, chain production, division of labour, subcontracting or outsourcing. Also, clusters attract more suppliers and customs than a single firm could alone, even when rival firms gather in the same zone. In this framework, since small or middle scale entrepreneurs are concentrated on industrial zones and have close sub-contracting networks, they utilize the advantages of agglomeration.

Nadir Sugur argues that the cooperation and collaboration of small or medium sized enterprises in the same zone results in a collective efficiency for each of these firms, and flexibility is achieved on a collective basis. For him, the networking of small firms helps flexibility by “borrowing and lending equipment, sharing their own technical knowledge, exchange of their own skilled labour force, financial assistance, distribution of subcontracting work, exchange of networking, marketing and organizing knowledge and the availability of second hand machinery” (Sugur, 1997, pp.99-100).

One of the most remarkable advantages of the new entrepreneurs that has been suggested is low labour costs. Some Islamic entrepreneurs in Kayseri claim that the labour-costs in Turkey are too high to be competitive in the market against Chinese products that are produced with lower labour costs (Satoğlu, 2008, p.100). Islamic entrepreneurs benefit from short-term labour by offering three-month training periods without social security and by frequently changing workers, not being included under

legal restrictions regarding labour rights. Lack of collective bargaining is undoubtedly a big advantage for the new entrepreneurs in comparison to traditional entrepreneurs.

Paternalism is also very important. Satoğlu quotes Saffet Arslan, owner of the İpek holding company, as saying, “I should behave to my employee as a father, thus even in recession I abstain from lay-offs, and reciprocally an employee should protect the employers’ rights by providing maximum productivity” (Satoğlu, 2008, p.103). Family bonds and political networks are the major obstacles for labour unionism. Because employment procedures are mostly dependent upon these kinds of personal networks and after this hiring process, many employees could find it very hard and even ‘shameful’ to demand unionization or any other labour rights.

One of the main characteristics of the new Islamic entrepreneurship in Turkey is the multiple ownerships of enterprises. These entrepreneurs are concentrated in industrial manufacturing – from automotive engines to petro-chemical production, and from furniture manufacture to construction and textiles – and they have mostly tried to adapt themselves for export. Also, the influence of some of the workers’ accumulation in Europe should be taken into consideration because the money collected for the foundation of this kind of ‘multiple owned’ companies was mostly from workers settled in Europe.

Before being influential actors in big cities, Islamic entrepreneurs first became dominant economic and social actors in Central Anatolia. Since the 1990s, Central Anatolia has witnessed an economic miracle that has turned a number of former trading towns into prosperous manufacturing centres (ESI, 2005). Central Anatolia is the heartland of ‘other’ Anatolia, which was perceived as being characterized by backwardness, the dominance of village culture and community life, and economic activity based on wheat and sheep. The majority of companies are owned by conservative people who manage family businesses employing mostly family members or kins in Central Anatolia. Some of the conservative holding companies radically differ from these family businesses in terms of ownership structures, being based on capital outlay for the mobilization of the savings of thousands of people.

In the 1990s, the largest and the most popular Islamic holdings were Kombassan and Yimpaş, which were founded with the investments of the many shareholders. Kombassan, a Konya-based Islamic holding, collected billions of euros from thousands of people in Germany alone in the 1990s. Kombassan started business opening a small

printing company and within ten years it became a giant industrial conglomerate. The holding had more than 30,000 shareholders/owners, the majority of whom lived in Europe and were Turkish migrant workers. Under the holding company there were forty different firms producing machinery, automotive engines, petro-chemical products and construction materials, and involved in mining, leather, textiles and so on. The holding also operated a small airline company and owned advertisement and film subsidiaries (Adas, 2006, p42).

Another well-known example of new entrepreneurship based on multiple ownership was Yimpaş, a conservative holding company, established in the 1980s as a small commercial company but grown into a giant holding in a short time, employing more than ten-thousand workers, and owning diversified areas of investment ranging from food production to construction, textiles to services, and so on. “This remarkable growth of the holding was due to its ability to incorporate more than sixty-thousand small investors in both Europe and Turkey on Islamic principles of profit and loss sharing by preventing bank interest” (Adas, 2006, p.43). The fortune of the new entrepreneurs started to change in 1997 with the harsh criticisms and the anti-propagandist discourse of the mass media owned by the large capitalists of Turkey, and their encouragement for a military intervention against the Islamist government and the economic and social bases of this government.

### **3.2.6. The Discourse of Entrepreneurial Conservatism and Organization of Conservative Businessmen: MUSIAD and TUSKON**

New Islamic entrepreneurs founded two large business associations: the Association of Independent Businessmen and Industrialists (MÜSİAD) in 1990, and The Confederation of Businessmen and Industrialists of Turkey (TUSKON) in 1993. One of the major characteristics of these new entrepreneurs is that they mostly have strong conservative approaches in terms of politics and tend to support traditional centre-right, nationalist or Islamist parties. Each of these right-wing political movements has defined themselves as conservative. These conservative entrepreneurs founded their businessmen’s association named MÜSİAD in 1990. MÜSİAD is the abbreviation of ‘The Association of Independent Industrialists and Businessmen’ (Müstakil Sanayici ve İşadamları Derneği), a name which pretty much connotes the word ‘Muslim’, and the Turkish word ‘*müstakil*’ (meaning independent) was used to imply this similarity.



There are some discussions about these conservative entrepreneurs, about their attitudes towards rational capitalist business relations. Ayşe Buğra notes that in spite of their clear stand against western rationalism, the MÜSİAD ideologues have in no way proposed mysticism as an alternative socioeconomic strategy (Buğra, 2002). The first president of MÜSİAD, Erol Yazar, discussed the issue by explaining that the mystical motto ‘one mouthful of food, one short coat’ was misconceived and opened the way to sluggishness and, as a result, a complete lack of motivation towards the world. He tried to form a new ideological framework by using the concept of “homo-Islamicus” by adopting the concept of Adam Smith, “homo-economicus”. According to Yazar, Islamic societies will rely on this homo Islamicus that combines economic rationality with Islamic morality. Different from the concept of homo economicus, which limits ‘benefit’ and ‘satisfaction’ with individual/selfish and material dimensions, homo Islamicus can be satisfied by helping others, and his understanding of benefit has eternal aspects (Yazar, 1996).

There is a tendency in the literature about new entrepreneurs, especially in the literature of Marxist scholars, to label the new entrepreneurs’ pasts as Islamist or as radical (Tugal, 2009 Aydin, 2005; Atasoy, 2009. But the past of the new entrepreneurs was mostly concerned with supporting centre-right political parties in the 1990s. They mostly did not choose to define themselves as Islamist or radical, nor did the majority of them become official executives or MPs of Islamist parties like the Welfare Party.

There is a significant wave in academia to evaluate the new conservative entrepreneurship in the context of Max Weber's theory about the relationship between the Protestant Ethic and the rise of capitalism. The former metropolitan mayor of Kayseri, Sukru Karatepe, compared his fellow 'Kayserili' (people from Kayseri) with hardworking 'Protestants' and explained that "to understand Kayseri, one must read Max Weber" (a reference to Weber's celebrated 1905 essay, "The Protestant Ethic and the Spirit of Capitalism", which argued that the "this-worldly asceticism" of Calvinism provided the spark for the rise of modern capitalism). Also, C.H., the owner of a textile company and a branch chair of the Independent Industrialists and Businessmen Association (MÜSİAD), stated: "the rise of new Anatolian capitalists is due to their Protestant work ethic: No personal waste, no speculation, reinvest your profits" (Interviews in ESI, 2005).

With the help of global relations and incentives for export, Turkish entrepreneurs grew dramatically. This went hand-in-hand with the processes of industrial investments, urbanization and enrichment, which led to the emergence of a new middle class rising in cities (mostly Anatolian cities which were poor in terms of entrepreneurship). This new middle class is composed of enriched entrepreneurs, their educated children, and also their educated, white-collared employees.

The discourse of MÜSİAD was not supported by Islamism or by the Welfare Party government. MÜSİAD was suggesting more openness to global relations and the European Union and decreasing the role of the state in the economy more drastically. The discourse of MÜSİAD publications was more moderate, democratic and pluralist than the discourse of the Welfare Party.

### **3.2.7. Antagonism in the Capitalist Class: Secularist versus Conservative Business**

This division of entrepreneurs or capital owners was expressed as two separate and opposing associations of capital owners and businessmen, the Association of Turkish Capitalists and Businessmen (TÜSİAD) and the Association of Independent Capitalists and Businessmen (MÜSİAD). TÜSİAD is the representative of the secularist

capital owners and entrepreneurs that had been the most powerful civil association in Turkey for many years. These capitalists had been supported by the state subsidies.

MÜSIAD is much younger than TÜSIAD and is mainly composed of new, relatively smaller Anatolian entrepreneurs that have emerged in the last few decades without substantial subsidies or other types of state support, and that have evolved into middle-size or larger capitalist enterprises. MÜSIAD has not only been influential for being a union for conservative entrepreneurs, it has also been a hub for spreading the ideals and political discourse of the new conservative entrepreneurship in Turkey (Adas, 2006, p.123). This can be defined as the making of a new middle-class ideology.

The antagonism between these two associations emerged especially in the government of the Welfare Party government after 1995. MÜSIAD criticized TÜSIAD as being developed by state subsidies and not being the authentic bourgeoisie of Turkey, and also accused it of being a monopoly in the market and avoiding developing innovation and technology for the country. On the other hand, TÜSIAD blamed MÜSIAD for being reactionary instead of being progressive and being against secularism and the 'values of Western civilization'. This debate evolved into a political struggle. TÜSIAD supported the military intervention against the Welfare Party government and the 'Islamic Capital', and started to wage a public campaign through their big mass media facilities such as newspapers and television channels. This process led the country to the military intervention of 1997.

### **3.2.8. Militarist Resistance to Islamism and to New Entrepreneurs – 28 February**

#### **1997 and the Power Bloc: Five-Members-Gang**

The Welfare Party won the elections and became the primary partner of the coalition government in 1996. This governance helped the new rising conservative companies and entrepreneurs to be strengthened. Both the rise of Islamism in politics

and the growing role of Islamic entrepreneurs in economic life led the Nation Security Council (the militarist structure oppressing elected governments until recently) to declare Islamic fundamentalism as “the most serious threat to national security and the secularist political regime”, and the government called for effective measures to block and weaken the activities of Islamic groups. With the initiative of the military and secularist groups, organizations such as business groups and trade unions (the traditional power bloc) organized and campaigned against the Islamist-led coalition government. All this militarist pressure caused the collapse of the Islamist coalition government. Furthermore, the Constitutional Court banned the Welfare Party for its ‘anti-secularist’ activities.

The state not only targeted Islamic political actors but it actively intervened in both the domestic and transnational sphere to disrupt and undermine the economic basis of Islamic groups.” Because they see the conservative entrepreneurs as the meeting point of Islamist groups with the masses, as shareholders or consumers, this can be perceived as a primary danger in the growing civil power against the militaristic Kemalist power bloc that was constructed around the state and state-supported capitalism. “For instance, newspapers published a list of Islamic companies handed to them by the military. Some of the companies in the list became afraid of prosecution and economic loss and complained that they were mistakenly included in ‘the list of Islamic companies’ and tried to clear their names by running full-page advertisements in the newspapers pledging their loyalties to Atatürk and the principles of secularism and the republic” (Adas, 2011, p.632). Also, the state froze the assets of some Islamic holding companies because of their illegal money-collection practices and their capital-generating activities in Turkey and abroad. The state took out advertisements in the Turkish newspapers published in Europe warning Turkish migrant workers in Europe not to give their money to these companies.

The most remarkable aspect of the military intervention is making the historical power bloc concretely real. Major NGOs gathered together and declared their support openly and publicly towards the military intervention. These associations were the Turkish Confederation of Employers Unions (TİSK) that was mostly influenced by TÜSİAD), the Turkish Union of Chambers and Commodity Exchanges of Turkey (TOBB), the Confederation of Labour Unions of Turkey (Türk-İş), the Confederation of Revolutionary Labour Unions, and the Turkish Tradesmen and Artisans’ Confederation (TESK). This formation could be called a power bloc because they were linked with

military groups that wanted to prepare the country for the military intervention. This totally resembles the alliance between the large capitalists of Turkey, the militarist bureaucracy and the Kemalist elites, which control some ‘non-governmental’ organizations, like employer or labour unions.

On the other hand, Fethullah Gulen and the media channels of the Gulen Movement openly supported the military intervention against the Welfare Party Government by demanding the resignation of Prime Minister Erbakan, accusing him of being the reason for the chaos (Hale & Ozbudun, 2010, p.50). But somehow, later the military and supporting judges and prosecutors perceived Gulen also to be a threat to secularism, and opened a case against him. This process resulted in the fall of the government and the emigration of Gulen to the USA.

The consent shown by these groups presented an ideological hegemony of Kemalism and its military apparatus in Gramscian terms, wherein whoever is the elected government is whatever the will of the people says.

### **3.2.9. Dissolution of Islamist Politics and Time for Separation**

After the military intervention on 28 February 1997, massive changes occurred. After the closure of the Welfare Party, its leader and Prime Minister of the Government Erbakan, and the mayor of Istanbul, Erdogan, were banned from politics, and the government collapsed. The rest of the cadre of the Welfare Party that was not banned from politics founded the Virtue Party and remained as an opposition party.

The people of Turkey – including conservatives and almost all of the people supporting right-wing politics – were dissatisfied with the weakness of the Welfare Party and other centre-right political parties in terms of their reactions to the military intervention and the Kemalist elites. Significant criticisms against these politicians and parties caused a notable decrease in the votes for the new party of Islamists, the Virtue Party, and the other two centre right political parties, the True Path Party and the Motherland Party, in the general elections of 1999. In the general congress of the Virtue Party, for the first time in history, there were two candidates for the presidency. One of them was Recai Kutan, who was a symbol for traditional Islamism, and the other was Abdullah Gül, who presented himself as a reformist. This congress ended in victory for the traditional Islamists, but this division continued in the movement in a growing trend. After this election, and as the process of the 28<sup>th</sup> February military intervention continued, the Virtue Party was also closed in 2001. This closure ended in the Page | 69

foundation of two separate political parties: The Felicity Party and the Justice and Development Party (AK Party). The Felicity Party was the representative of traditional Islamists and the AK Party has represented the reformists, conservative-democrats in their own words.

### **3.2.10. Concluding Remarks**

Decreasing state intervention in the economy under the influence of neo-liberalism has caused a space for the participation of civil society in the economy without the intervention of the state, as, for example, in small-scale entrepreneurship. Why was this free zone for civil society utilized by Islamist or conservative entrepreneurs? There might be multiple answers, but the first reason that can be claimed is that the conservative people have composed the majority of the society in numbers. In other words, there had been a strict differentiation between the social centre and political centre until recently in the conception of Shils (1961). Also there are several advantages for the new Islamic entrepreneurs in the networking and organization of their work, which also benefits the export strategies of Turkey.

The resistance of the power bloc bureaucracy, the military, traditional capitalist monopoly, Kemalist political party and Kemalist elites to the Islamist government and conservative entrepreneurs included waging campaigns against these enterprises and banning them. 28<sup>th</sup> February 1997 was a turning point in the fortunes of both Islamism and conservatism, and both in political and economic spheres. In the political sphere, it accelerated the transformation of Islamism and centre-right politics into the new conservatism and also revealed the resistant alliance to the conservative entrepreneurs.

This period might be analysed as witnessing the differentiation between the social centre and political centre, as the demands of the social centre were not satisfied because of the failure of political parties. In addition, there is significant evidence to argue that this failure of politics had internal and external causes. The internal cause could be the lack of a new discourse and principles to effectively diagnose social change and the rise of a new urban, middle-class society. The external cause could be the historical power bloc that struggled to block the impact of the social change on the political sphere through militaristic means.

### **3.3. The Emergence of New Conservatism: Politics, Ideology and Business**

#### **3.3.1. The Foundation of AK Party (Justice and Development Party)**

New conservatism became a political position after the foundation of the Justice and Development Party (AK Party), and its coming to power as a government party from 2002 onwards. Turkey has been dominated by this new conservative political party (the AK Party), and Turkish intellectuals – who are open to democracy, plurality and a market economy – criticize traditional Islamism for being closed and reactionary to the rest of the world. The AK Party defined itself as the ‘new conservative democrat party’, and its leader, Erdogan, criticized the Islamists openly for the first time and declared that they are changed and different now from how they were in the past. He also rejected the concept of ‘Muslim Democrat’, underlining their preference for the concept of ‘conservative democrat’ (Hale & Özbudun, 2010, p.57).

The AK Party put some major economic, interior and foreign policy principles into its party programme, such as prioritizing the market economy by privatizations, increasing the efficiency of production and services, and the resulting rise in export levels. The AK Party placed European Union membership as the main goal for the country, and the Copenhagen political criterion, which necessitates the development of democracy in the country, suggested accepting and implementing European Union membership in the country. Moreover, the USA was defined as a strategic ally, and a relationship with the USA was declared to continue in the programme. The AK Party’s party programme suggests “religion as one of the most important institutions of the society, but at the same time claims “secularism as the prerequisite of democracy”. In order to understand the secularism of the AK Party, we have to make a distinction between the oppressive secularism that forces religion to be limited to the private, individual sphere and the ‘passive secularism’ that is the neutrality of the state towards religion and that permits the visibility of religion in the public sphere. The AK Party’s understanding of secularism is more compatible with that passive secularism that rejects both the secularist oppression of religion in society and politics, and also the top-down Islamization of the society (Hale & Özbudun, 2010, p.59). All these were major changes from the traditional Islamism that had been represented by several parties previously.

### **3.3.2. The Relations of the AK Party and Conservative Businessmen in the Early Period of the AK Party**

The process of transformation of the new entrepreneurs into the new conservatism has some accelerating historical turning points. There has been a solid relationship between the AK Party and MÜSIAD since the foundation of the AK Party. Ten members of MÜSIAD were among the founders of the AK Party, and twenty MÜSIAD members were elected as AK Party parliamentarians in the 2002 elections (Jang, 2003 pp.214-217). This fact reveals the interdependent nature of the relationship between the conservative party and conservative entrepreneurs, contrary to the belief that there is a hierarchical relationship between the politicians above and the entrepreneurs below, and that the new entrepreneurs are just following the political party.

At the same time as changes on the political level were occurring, in Central Anatolia, the core of new entrepreneurship, interest in the new conservative politics gradually grew. Parallel with the economic changes in Central Anatolia, the political situation also changed. The electoral strength of traditional right-wing movements, the centre-right, nationalists and Islamists evolved into the only route for the new conservative party, the AK Party. The Justice and Development Party (AK Party) of Recep Tayyip Erdogan (Prime Minister) and Abdullah Gul (President Kayseri's most prominent politician), and its political philosophy of so-called 'democratic conservatism' are very popular in Central Anatolia. In the general election of 2011, the AK Party received 65% of the votes in Kayseri and 70% of the votes in Konya, which are the highest for any political parties in the history of these cities. Similar change was also seen in big cities like Ankara and Istanbul; however, the dominance of secularists in business life made it less noticeable in those large urban centres.

### **3.3.3. New Discourse: From Traditional into Modern Conservatism**

There is a tendency to discuss political Islam or conservatism in the Middle East – specifically in Turkey – within the framework of identity politics. However, without understanding socio-economic dynamics, identity politics have little meaning. In his study of the "Islam of the Market", Haenni asserts that Islamism becomes moderate by interpreting Islam as compatible with market economics. According to his view, this moderateness is not about secularization or decreasing religiosity, but is about the emergence of the 'individual' in Islamist social groups. The image of the 'virtuous



businessman' become more and more highlighted each year, and 'virtues' are about making more money through business, and also a kind of image-making of a Jihad through peaceful means and businesses in his terms. "Mecca Cola" in France or "Cola Turka" in Turkey are examples that he cites to support his claims (Haenni, 2011, p.10). Discussions about the "Arab Spring" are also part of this global trend of change from 'radical' Islamism into the new type of conservatism. The changes in the Muslim Brotherhood in Egypt and their separation from radical Salafi groups can be considered a remarkable example of this change. In comparison to the Muslim Brotherhood's past, the discourse about freedom and democracy is significantly upheld by Muslim Brotherhood today.

Social change is reflected on the ideological level as well; political Islam itself has also changed. The political viewpoints of rural-communitarian societies will eventually disappear as the society progresses into urban, middle-class societies. But a reflection of this social change in politics could take more time because of the distance between the social centre and political centre, and also because of the hegemony of the political-social-economic power bloc in Turkey.

The anti-capitalist and anti-modernist confrontational Islamic discourse of the Islamic revival was to be replaced by what Asef Bayat calls "the post-Islamist turn" in the last decades of the century (Bayat, 2007). This was a period in which a new generation of Islamist intellectuals – together with the old ones who started to re-position themselves – began to re-consider the established perception of concepts of Western-origin such as globalization, modernity, human rights, democracy, civil society and multiculturalism.

An analysis of the Islamist or conservative intellectual production in this period will show us that the novels, Islamist idioms, concepts and concerns of the late 1990s and the 2000s were actually discussed, elaborated and debated by and within the Islamist or conservative journals and the periodicals of MÜSIAD. The ruling party for ten years, AK Party that has political Islamist roots is argued to be the representative of this new entrepreneurship and new middle class (Tugal, 2009). This change in the political parties of political Islam can be seen easily. These parties are remembered for their discourse of anti-Westernism, anti-globalization, blaming Western capitalism as 'causing inequalities' and promising to form a 'just order', using anti-Israeli slogans, and being against Turkish membership of the European Union. But the AK Party, which

has governed Turkey since 2002, denied the label of ‘Political Islam’, and began to challenge all of the former Islamist parties’ principles listed above. They preferred to identify themselves as ‘conservative’. Also, this term has latterly been preferred by most of the intellectuals who identified themselves as ‘Islamist’ previously. We have to say that the conservatism of centre-right parties and today’s AK Party is more a ‘cultural conservatism’ than a political one as in European examples. Turkish conservatives try to conserve their cultural/national/traditional values against strict Westernism and oppressive secularism by also being critical of the political institutions and power bloc.

In the literature, there is a trend towards considering the change in ideology of the Islamists as the absorption of Islamists by Neoliberalism. In his study of passive revolution, Cihan Tugal articulates this change as being a result of the struggles between radical Islamism and Western capitalism, and concludes that these Islamist groups were transformed into a moderate, secular and neoliberal conservatism which is suitable for the integration of these people into capitalism in terms of production, services and consumption (Tugal, 2009). But this kind of objectification and forming of external relations between Islamism and capitalism without taking the sociological change into consideration could lead us into a one-sided analysis. Furthermore, this kind of analysis also holds Neoliberalism as an active subject and approaches Islamism as a passive object, but as we know in social science epistemology, this could mislead the analysis of politics and ideology, and result in underestimation of sociological change.

#### **3.3.4. Militarist Resistance to the AK Party and the Victory of Civil Society**

The collapse of the power bloc and hegemonic ideology did not occur quickly and easily after the governance of the AK Party began. Even though the AK Party came into power by having the majority of the votes, in 2007 the military intervened in politics by accusing the government of being against secular rule, but the government did not step back and took the country to the elections. In the election, the AK Party increased its votes and showed the people’s support, and started some investigations and trials concerning the military interventions. For the first time in the history of Turkish democracy, the will of the people determined who would be governing the country without any influence of the military or anti-democratic power group. The influence of the military over politics has been claimed to continue until 2010. The influence of the National Security Council was significant until this date, when the elected government

forced the top-level general to resign from the military because of his opposition to the government.

### **3.3.5. Governance of the AK Party and the Strengthening of Conservative Businessmen**

Some of these entrepreneurs have Islamist roots, and were initially advocating to take control of state power and to form an Islamic economy and ‘just order’, as in their Islamist past. But then the conservative entrepreneurs’ associations (i.e., MÜSIAD) started to change their approach towards state intervention in the economy in the mid 1990s, especially after the military coup in 1997, and they started to adopt similar premises to those of neo-liberalism. This change was regarded as the absorption of Islamists by the neo-liberal-capitalist hegemony in the majority of the literature (Tugal, 2009; Keyder, 2004; Atasoy, 2008). In other words, some Marxist-oriented views interpreted Islamism as having an anti-capitalist standpoint, and regarded their evolution to a position which is open to market economy relations and discourse of democracy as being reliant on the absorption of Islamism by hegemonic neo-liberal trends.

Initially the conservative entrepreneurs were not supportive of state intervention in the economy, since the state itself was considered to be the natural ally of large Istanbul business. But it is hard to say that this reaction against state intervention is the consequence of being committed to neo-liberal premises because, as we can see in the government of the conservative Justice and Development Party from 2002 onwards, the new entrepreneurs have become economically and politically linked with the state apparatus. Some of the privatized state enterprises and some construction and service facilities have begun to be implemented by the new conservative entrepreneurs. Thus, the declared reaction apparently was not against the state as an institution, but it was against the Kemalist state favouring the secular bourgeoisie. To some extent, there is evidence in the literature that they prefer states having an incentive and directive role in the economy, but not dominating and determining it. There is a need to question the approach of the new entrepreneurs and their associations towards state intervention when considering the changes in their attitudes towards the state across time.

In sociological terms, the changes in networks of businesses, families, political groups or communities can be influenced by changes in worldviews and through the attainment of an individual consciousness and different ways of conceptualizing rationality, democracy and human rights. The businessmen who founded MÜSIAD and

who later evolved into proponents of conservatism can be listed as the most influential category of new entrepreneurs. It has been claimed that during the 1990s, mosques were used for networking and for the organization of businesses in the beginning of this new entrepreneurship (Tugal, 2009). This does not mean that religious clergy or any other officials in mosques were involved in this organization of business networks, but since the mosques are the most suitable places for socialization amongst conservative-religious people, these entrepreneurs utilized these places as a space for networking. In some cases, some religious sects and communities strengthen their social and political power by using the businesses and the entrepreneurs, but these are mainly some traditional religious communities that are concentrated in a very few and specific neighbourhoods. In addition to religious communities, multiple ownership of businesses by conservative people creates communities that more than a few people join and in which they begin to do business together by producing and exporting. They have started to employ large numbers of people, but their hiring preferences depend mainly on shared family/religious/political backgrounds – in other words, on personal relationships.

Recent studies on Anatolian cities underline their changing nature: “we are no longer faced with a space and living, which is identified with ‘underdevelopment,’ ‘traditionalist,’ and ‘periphery’” (Keyman & Lorosdagi, 2010). As has been underlined by the 2005 ESI report, “a number of Anatolian trading centres, ranged along the old silk routes, have undergone an industrial revolution which has turned them into major manufacturing centres and players in the global economy” (ESI, 2005). They were “loyal to religious values, but open to change”, and had a high degree of economic rationality (ESI, 2005).

This new entrepreneurship has started to grow very quickly, and the increasing industrialization and widening service sectors in the economy accelerated the urbanization process after the 1980s. In 2011, about three persons out of four lived in urban areas in Turkey, an increase from around 20% sixty years ago. This change in numbers means a change in society as well. Besides this social change, the new entrepreneurship specifically has driven the emergence of a new middle class or bourgeoisie.

Islamic business is very dominant in Central Anatolian business life. The cities of Konya and Kayseri, especially, are the cores of Islamic entrepreneurship. The city of

Kayseri has grown from sixty-five thousand inhabitants in 1950 to about six-hundred and fifty thousand today. There has been a migration from rural areas to urban centres. Migrants from rural areas utilized the advantages of rapid industrialization. The new industrial zone of Kayseri is one of the largest in Kayseri, and started with the construction of one-hundred and thirty-nine new businesses in a single day, which was recorded in the Guinness Book of World Records. There are a number of case studies concerning how industrial capitalism emerged from a predominantly rural or merchant society within a single generation, such as studies on the rise of Orta Anadolu, producing one percent of the world's denim, and on the impact of the Kayseri sugar refinery and its effects on local agriculture (ESI, 2005).

The sector of furniture manufacturing might be a good starting point for understanding the change in Kayseri. Twenty-five thousand pieces of furniture are being produced in Kayseri each day, which is almost half of all production in Turkey. This production requires the employment of around fifty thousand people in Kayseri. This furniture includes high quality sofas, beds, kitchen tables, etc., and some of these products are being exported to Middle Eastern and European countries.

A producer of high-quality denim (the fabric from which jeans are made) is also a part of the industrial production in Kayseri. Orta Anadolu, Kayseri's fabric giant, has been among Turkey's twenty-five most profitable companies. More than one percent of the world's denim output was produced by Orta Anadolu in Kayseri, and exported to the USA, the UK, Japan and China, and used to manufacture the primary brands of jeans in the world.

“The development in Central Anatolia has caused a birth to a new class of entrepreneurs, engineers and urban workers. The traders and artisans, which made up of the local economy of the late 1970s have now shifted to mass production. Product catalogues; sophisticated branding and franchised sales outlets have replaced the tradition of haggling over the price of unique, hand-made items. Kayseri's industrialists have now business horizons which stretch beyond Turkey, west towards Europe and east towards Middle East and Central Asia” (ESI, 2005).

As seen in the literature, Islamic entrepreneurship is identified with Central Anatolia because Anatolia is the dominant actor in the business life in this region. However, most of the largest and most influential Islamic business people are located in

big cities like Istanbul and Ankara, which are also where the headquarters of MÜSİAD and TUSKON are located.

### **3.3.6. Change and Diversification in Conservative Businessmen**

The literature mostly discusses the new entrepreneurship as if it consists of a homogenous group of people of Islamist past. It would be wrong to identify the new entrepreneurs as a homogenous social group and as sharing a common past. Instead they can be categorized in three main groups; the former (or still) Islamists, the strictly hierarchical religious communities, and the multiply-owned business organizations of ordinary people.

In the context of EU enlargement studies, in 2005, after spending six months in Kayseri, the European Stability Initiative used the term ‘Islamic Calvinism’ to define the mentality and the life styles of Anatolian businessmen. The ESI report, entitled “Islamic Calvinists in Kayseri”, looks closely at a small town in Kayseri, the industrial district of Hacilar, whose twenty thousand inhabitants have given birth to nine out of Turkey’s top five hundred companies (ESI, 2005). In the statistics for 2011, this number increased to fourteen out of Turkey’s top five hundred companies (ISO, 2011).

While discussing the theories of Max Weber, Werner Sombart and Karl Marx in the context of social change, Özel assumes that ‘rationalistic’ drives for economic success are not enough to provide adequate impetus for capital accumulation and economic expansion. The economy in general and entrepreneurs in particular are in need of cultural and spiritual drives for successful economic performance (Özel, 1993). In addition to the periodicals and reports of MÜSİAD, independent intellectual circles (mostly Islamist economists and scholars of business administration) gathered around journals or publications of MÜSİAD, such as “İktisat ve İş Dünyası Bülteni” (Economics and World of Business Bulletin) and tried to develop an enabling spiritual and ideological framework for conservative entrepreneurs’ success. What makes Islamic business associations (MÜSİAD and others) unique is the ways in which they combine an Islamic work ethic with the need for high technical educational attainment (Atasoy, 2008).

As Ziya Öniş states, “the professionals, the businessmen, and the intellectuals whom we would classify as the rising ‘conservative bourgeoisie,’ are clearly benefiting from globalization. However, as we will see in the MÜSİAD case, while integrating themselves to global networks, the new economic, political and cultural

intellectuals/elites, defining themselves as conservative, develop a genuine articulation. The conservatives argued that while Islam was globalizing it was globalizing in its own way” (Onis, 1997). Rather than submitting themselves to the homogenizing effects of neoliberal globalization, they claimed to have established a synthesis, which protected the ethical core of Islamic societies.

The changes, through time, became reflected in symbolic or cultural priorities such as changes regarding ownership of multiple cars; most Islamist movements, communities or intellectuals did not appreciate multiple houses, investing money in interest-paying bank accounts, and participation in art exhibitions, opera, theatre or cinema. For example, the famous Islamist intellectual Sevket Eygi blames a new generation of conservative rich people for “wasting money on expensive cars and houses, and acting like Westerners or secularists” (Eygi, 10 June 2009). Conspicuous consumption has become one of the major topics of discussion in conservative journals.

The culture is also changing in terms of urbanization, education and increasing progress. There are big differences in the generations of entrepreneurs, both in the perceptions of consumption and also in social relations. Individual consciousness and the sense of belonging to the community are important areas for social research to explore. For example, in her study on a conservative clothing company, Navaro- Yashin asserts that through the use of modern production techniques and marketing strategies, the female image is constructed for the conservative upper classes (Navaro-Yashin, 2002).

### **3.3.7. The Conflict among AK Party -TUSKON**

TUSKON is mostly characterized with its affiliation to Gulen Movement. The Gulen Movement, one of the strongest and largest Islamic groups with its educational institutions, business people, media channels and followers, had supported the AK Party since its foundation in 2001. This continued for 11 years until 2012. Some Gulenists became MPs and bureaucrats of AK Party governments, and Gulen and many Gulenist figures openly declared their support for the AK Party until 2012. And then this broke.

Three remarkable incidents caused the break. The first incident that caused tension between the AK Party, other conservative social groups and Gulenists happened in 2012. Attorneys who were Gulenists prepared a case against the Chairman of the National Intelligence Service (MIT) and an important member of Prime Minister Erdogan’s team, Hakan Fidan, and tried to arrest him. Prime Minister

Erdogan accused these attorneys of committing treason and of being a part of foreign intelligence services (CIA and MOSSAD were implied).

Second, the AK Party government's plan for closing the private courses that prepare young people for university entry exams was beginning, and since the Gulen movement has many private education institutions, they reacted and vigorously opposed this plan. The Gulen movement perceived this policy as a declaration of war.

And lastly, the most important turning point of the breakdown of the relations between the AK Party and the Gulen movement occurred during the preparation of corruption cases against four ministers in the cabinet on 17<sup>th</sup> December 2013. These cases were prepared by the Gulenist prosecutors and were taken to the courts by Gulenist judges. Since the end of 2013 there has been a cold war between the AK Party, the rest of the religious brotherhoods and conservative groups that support the AK Party (i.e. MÜSİAD) and the Gulen movement. The AK Party government initiated a programme of detection and stigmatization of Gulenist government officers, and began removing them from important government positions in 2013. Also, the government opened some financial investigations into the activities of some Gulenist business people and the bank of the Gulen movement: Bank Asya.

### **3.3.8. Concluding Remarks**

Two significant factions of right-wing politics in Turkey – Islamism and the centre-right – evolved into a new conservatism, which is more integrated into democracy, pluralism and the European Union membership process. This change had causes related to global trends, such as struggles with rigid secularism within the country, and this type of change should be examined in terms of its social base. The rise of new entrepreneurs and the social change towards urban, middle-class society in general encourages this type of ideological and political transformation.

The political demands and viewpoints of rural, agrarian, communitarian societies are different from those of urbanites and the middle-classes. Middle-class societies are composed of individualistic social relations where the individual seeks freedom and human rights, thus veering away from radicalism and supporting moderation. Since Turkey became an urban society with increasing individual consciousness rather than communitarian relationships, the change in the demands of the society could be expected to move towards democracy and human rights. Also, the decline in communitarian relationships could increase the religious consciousness that there is no



necessary mediatory between the individual and God, and this type of rationality could lead to the formation of the separation of economic and political behaviour from the religious. This could create a secularist drive among the people.

One of the most important aspects of conservative politics is that the most successful political actors saw the social change and benefitted from it. First, they perceived the importance of the rise of new Islamic entrepreneurship and made close connections with it through the establishment of interdependent relationships. Second, the huge growth in urban poverty, which is the result of the rapid urbanization and the migration from rural to urban life, caused a social welfare problem in large cities. Conservative political parties – with the help of the local municipal administrations that were won by their parties – started to apply significant social welfare provision by the distribution of social aid. Charitable organizations of conservative parties also provided support for the needy through the donations of Islamic business people.

On the other hand, not only conservative political parties, but also Islamic business people benefitted from this relationship with politics by securing prestige, status and credibility, and also by establishing further business links with the help of the government and municipalities. The rise of the new entrepreneurs was based upon this social change, and they in turn accelerated this change even more. They had a power to influence politics, and the transformation that they demanded would be seen in conservative politics later.

# CHAPTER 4 - MÜSİAD: ANALYSIS OF AN ECONOMIC, SOCIAL, AND POLITICAL MOVEMENT

In this chapter, the background, processes and consequences of the empowerment of MÜSİAD and MÜSİAD-member business people will be discussed by analysing the perceptions and opinions of MÜSİAD members in the interviews. I will evaluate the conditions that made MÜSİAD's emergence possible, the mechanisms that enabled the MÜSİAD members to grow dramatically and that transformed them into important economic, social and political actors, and the self-interpretations of their economic, social and political story of this transformation.

I will begin this chapter by introducing MÜSİAD with a historical-contemporary overview and general information concerning my field study of MÜSİAD. MÜSİAD, as an association of business people, will be regarded as a social and a political movement as well as an economic movement. MÜSİAD's emergence, empowerment, change and identity will be analysed in terms of its three dimensions: economic, social and political.

It is not easy to separate these three dimensions of MÜSİAD, since all of them have closely interacted with each other. However, in order to analyse and explain the interception of the line of change of Turkey and MÜSİAD, categorizations and subdivisions are the best ways to touch upon the pieces of the whole concrete reality.

The first category is the economic dimension of MÜSİAD. This is chosen as the first category because MÜSİAD's most distinctive feature, more than any other conservative or Islamic social or political actor, is being an economic movement that consists of business people. MÜSİAD is the largest and most well-known representative of conservative, Islamic business. As an interest group, MÜSİAD is an organization of business people who share common interests. Included in this analysis – by applying the self-interpretations and life-stories of the MÜSİAD-member business people – will be: the ways in which MÜSİAD-members started their business lives, made business partnerships and established trust networks; the role of religiosity in business relations; the stages of change in their economic activity and priorities; in what features they conform to the role of a modern, secular business person type and how they differ in this role; the influence of global economic trends on export opportunities; and their

approaches both to the relations of capitalism and Islam in the frame of Islamic finance, and to the concepts of interest, wealth, social justice and labour unions. In this analysis, the main aim is to trace the line of economic change and the dynamics of forming a new business elite based on conservatism and Islam.

In this research, beside the perceptions, interpretations and opinions of MÜSİAD members, the role of MÜSİAD as an institution in making the new elite through publications, activities, events and public visibility will be another focus. The opinions of the MÜSİAD executives, including the former chairman, are important in order to see the institutional view as well as the individual views of the members. Also, the economic mechanism that made conservative business possible is partially formed by MÜSİAD as an institution. So the economic trajectory of conservative business goes hand in hand with the trajectory of MÜSİAD. It is important to include the perception and identifications of individual members and executives of MÜSİAD cohesively in order to see the line of change and development of Islamic business.

Moving on to the second category, MÜSİAD is not just an interest group; it is much more than that. MÜSİAD is also one of the most important social movements in Turkey. Social self-realization was required as the new elite established a social and cultural sphere in terms of literature, music, popular culture, consumption culture, leisure, education and daily life. As an expected consequence of successful and flourishing business, all of these social and cultural routines and identities have transformed into a new, conservative elite. In this chapter I will examine the ways in which this social and cultural change happened, how the business people see and explain their own change, and what kind of cultural backgrounds are being established in the dualities of traditional versus modern, Islamic versus capitalist, and peripheral versus central.

To understand the transition from the acquired status of traditional people in the social periphery to their adopted status towards the social centre it is important to see the line of change and to explore how business people integrate themselves to modern society with their religious and traditional values. Also, the ways in which inter-generational differences are viewed in terms of the changing educational levels from older generations to younger, and interpretations by business people are important. These dimensions serve to identify the line of the transformation of a rural-based, non-Westernized and barely-modernized, traditional, religious group into a group of modern

business people without sacrificing their social values and maintaining a unique character.

Starting from the military intervention period in the mid-1990s, MÜSİAD became one of the most important and visible conservative civil representatives of conservative society in Turkey. Almost as much as conservative political parties, MÜSİAD had been one of the most important entities in social and political discussions.

Coming to the third category, the political character of MÜSİAD has also transformed since its foundation in 1990, particularly after the trauma of the February 28<sup>th</sup> Process in 1997, and also with the coming into government of the AK Party, which is widely accepted in the media as the political representative of the members of MÜSİAD. However, MÜSİAD itself was a political actor in the 1990s and partially in the 2000s, as it challenged the government and military intervention of the 1990s and transformed into a partner of the government from 2002 onwards.

The transformation of MÜSİAD into a political movement will be analysed in this last section. The change affected MÜSİAD's relations with political parties and figures, the attitude of the association during the turning points of the recent political past in the country, the political identities of MÜSİAD members and their political position in foreign relations, how they see 'the others' in the society, and how the governance of the AK Party influenced the members' political and economic lives. Also, as an association, MÜSİAD works as a political indoctrination centre for conservative business people by organizing seminars, conferences and political discussions through their publications. The key concepts used to define themselves and the change in the way they perceive politics will be analysed in this part in order to understand their position on the conceptual debates about political Islam, moderate conservatism, liberalism, secularism and modernity.

#### **4.1. The Institutional Background of MÜSİAD**

In order to analyse the economic, social and political dynamics of MÜSİAD as an association and its members as a movement, it is important to know the historical background of MÜSİAD. Islamic entrepreneurs founded the Association of Independent Industrialists and Businessmen (MÜSİAD), the first large business association, in 1990. Islamic entrepreneurship emerged in Anatolia and in the most populated cities like Istanbul and Ankara as a new phenomenon after 1980, triggered by the arrival of

neoliberal policies that cut the state's organic relationship with the large Istanbul capitalists and liberated the Turkish business and market from interventions of the state. During this period, MÜSİAD emerged as an economic movement as well as a social and political movement.

MÜSİAD is the largest and most influential social, economic and political representative of Islamic entrepreneurs. However, defining MÜSİAD only as the association of entrepreneurs can be misleading as an underestimation of the association. Islamic businesses in general and MÜSİAD in particular comprised the social and economic bases of the political transformation of Turkey in the past two decades. The rise of conservative politics and changes in the political and economic structure of the country went hand in hand, and was spurred by Islamic businesses and newly-rising conservative elites, including economic, intellectual and political elites.

Recep Tayyip Erdogan (Prime Minister 2002–2014, President 2014–present), Abdullah Gül (Prime Minister 2002, President 2007–2014) and Ahmet Davutoğlu (Foreign Minister 2009–2014, Prime Minister 2014–present) have been the most important political actors of Turkey since 2002. They founded the AK Party and won every election and governed the country from 2002 to 2014. There is another commonality amongst these names: they were all members of MÜSİAD. Even Davutoglu, the Consultant for Foreign Affairs in MÜSİAD, became Foreign Minister from 2009 to 2014 and Prime Minister from 2014 onwards. These facts can be used to explain the importance of MÜSİAD as a social movement and as a base for the political change in the recent history of Turkey.

The aim of the association is to represent a new entrepreneurial ideology as well as a strategy. MÜSİAD is very important in terms of business networking and building collective identity. MÜSİAD has almost eleven thousand members and represented forty-five thousand workplaces that employ 1.6 million employees in total across the whole country. “Turkey’s Largest 500 Firms List” (2009) presents thirty-one MÜSİAD-member firms whose success made them eligible to be included in this prestigious list (ISO, 2009).

MÜSİAD helps its members to share information about opportunities and difficulties in several spheres of business. These associations give opportunities to business people to meet new people, thus expanding their social and economic networks through building connections and partnerships. Moreover, these associations also help

business people to gain status and to raise the consciousness of identity by emphasizing political standpoints as well as religious and political identities. Furthermore, through spreading ideology and being a bridge between the political parties, the government and business people they are quite influential. They are not simply solidarity organizations of business people; they have a critical role in spreading and supporting conservative politics in Turkey.

#### **4.2. The Field Work: The Case of Islamic Business in Ankara and Istanbul**

The field study to explore Islamic entrepreneurship in Turkey was conducted in 2014 in Ankara and Istanbul. These cities were chosen for several reasons. First, Ankara is the capital of Turkey and the centre of political life, and Istanbul is the centre of business and culture. So the influence of the political and economic changes and struggles can be seen and felt by the entrepreneurs in Ankara and Istanbul more than those on the political, economic and geographical peripheries.

Second, the business people in Ankara and Istanbul interact closely with the political establishment since both the businessmen and the political parties seek each other's support for their financial and political interests. The business people seek new fields for business with state enterprises, and political parties seek the financial, symbolic and electoral support of the business people.

Third, Istanbul is one of the major centres of global business, with different sectors on different scales. On the other hand, Ankara is not only the political centre, but also the second largest industrial and commercial centre of Turkey after Istanbul.

Fourth, Ankara and Istanbul are centres and symbols of the strict secularist policies of the state, but at the same time both of the cities have been governed by the elected Islamist-conservative parties (Welfare Party and AK Party) at the municipal level since 1994. Ankara and Istanbul elections results show the largest electoral support has been for AK Party, but also demonstrate significant support for the secularist CHP (Republican People's Party) at the same time. Thus, the conservative population of Ankara and Istanbul faced the strict secularist impositions of the state directly as they lived and interacted with the Westernized, secular part of population. This fact makes the Islamic entrepreneurship in Ankara and Istanbul more interesting, because of the sharing of the same social space, in terms of the reactions and attitudes of

the business people against the influence of the socially and politically secularist and Westernized climate.

As discussed in the introductory chapters, in the fieldwork only the members of two associations, MÜSİAD (Independent Businessmen and Industrialists' Association) and TUSKON (The Confederation of Producers and Industrialists of Turkey), were taken into consideration in this study. Ten members of MÜSİAD and five members of TUSKON were interviewed. All of these participants' business was based in Ankara, and each of them has different scales of business. Additionally, the former President of MÜSİAD, members of MÜSİAD's Executive Committee, the Vice-President of MÜSİAD's Ankara Branch, and a number of other member business people were included in the interviews.

Some interviewees wished not to be audio-recorded, and in these cases, key themes and answers were recorded as notes. Also, some interviewees asked to be anonymous, and in the thesis they are coded with fake initials of names and surnames. The interviewees never declined to answer a question, although sometimes it was obvious that they preferred to give diplomatic answers. Since MÜSİAD is more heterogeneous and open than most such Islamic organisations like TUSKON, in that its membership is of individuals from all shades of the conservatives of Turkish society and from all types of Islamic religious movements, it is relatively easy to gain access to association members for interviews.

In addition to one-on-one interviews, conferences by MÜSİAD were attended and observed. Some famous politicians of AK Party attended these conferences and made speeches to members of the association in Ankara. The first speech was about the AK Party 's foreign policy and the second was about how conservative people suffered in the 1997 military intervention. As discussed in related chapters, the 1997 military intervention had overthrown the Welfare Party (which had Islamist tendencies), and also banned and blacklisted some enterprises of some MÜSİAD members. With these activities, MÜSİAD's board both indoctrinated the members ideologically and played the role of a non-governmental organization. This also shows how much the members and the association are involved in politics.

### **4.3. Analysis of Economic, Sociological, and Political Empowerment of MÜSIAD and Tendencies of MÜSIAD Members**

In the first section of this analysis (4.4), MÜSIAD will be analysed as an economic movement in terms of its status as an association and a representative of its members. The perceptions and attitudes of MÜSIAD members towards capitalism, Islamic finance, partnerships, methods of networking and trade unions will be analysed. Also, the paths of Islamic business people who are MÜSIAD members to becoming entrepreneurs and important business actors will be tracked by evaluating their life-stories. Tracking this pathway will shed light on the socio-economic transformation of Turkey by the new Islamic business.

In the second section of this analysis (4.5), MÜSIAD will be analysed as a social movement that has the unique characteristics of social mobility and consumption culture trends, cultural and intellectual priorities and preferences and reactions to the relations of exclusion and inclusion throughout the transformation from secularist-westernist cultural policies of the Republic to the present, pluralistic social climate.

In the third and final section of this analysis (4.6), MÜSIAD will be discussed as a political movement, which has been the base of conservative political rule in Turkey since 2002. The perceptions of MÜSIAD members about political issues and their self-definitions of political identities, as well as the ways in which they make connections with politics and attitudes will be analysed.

### **4.4. MÜSIAD as an Economic Movement and the Economic Empowerment of MUSIAD**

#### **4.4.1. The Attitudes of MÜSIAD Members towards Capitalism and Islamic Finance**

Islam and capitalism were argued to have a controversial and complicated relationship with each other. Weber argues that Islamic principles are not based on rationality, but instead encourage a person to be altruistic, and the concept of *jihad* makes capitalist accumulation impossible since Muslims generally tend to invest in ‘the other world’ rather than this world (Weber, 1978, p.624). Rodinson opposes this idea and gives examples showing that the Islamic world was born in a society where capitalist trade was predominant and did not put any obstacle to the development of capitalism. He gives many examples of Islam as a religion which encourages trade and



production and also of Islam itself being based on rationality while interpreting the principles and proofs of Allah (Rodinson, 1974, pp.79-119).

The banning of bank interest (*riba*) was seen as the highest obstacle to capitalist accumulation in Islamic countries. This view influenced many scholars and politicians in two ways: first by radically and categorically opposing modern capitalism and suggesting an Islamist alternative, and second by seeking Westernization policies and the secularization of religion by dividing private and public spheres and limiting the influence of religion in private life. These strategies were considered to be a solution to this 'obstacle' on the road to modernization. Rodinson thinks that the banning of *riba* is not clear in Islam and that is why the influence of *riba* with regard to the rise of modern capitalism is not that simple (Rodinson, 1974, p.14). However, this 'banning' caused the emergence of Islamic finance and is crucial at this moment, as discussed in several parts of this study.

The Islamic entrepreneurs who synthesized and legitimized their religious values and capitalist methods in unique ways are now opposing this euro-centric view:

Money is not a monster to run away from. Our business people should grow to larger scales so that they can create larger employment rates and be more useful to Islam. If we cannot earn money, those who are against Islam will earn money. If this was wrong, would 250 million Arabs have been desperate against a few million Israelis? (Interview with O. T., MÜSİAD Former President).

The founder and president of MÜSİAD, Erol Yazar, argued in a televised debate that when money is accumulated but not transferred into an investment, this money is wasted, and this waste is a sin. He defends this idea by pointing out that using this money, making investments, helping the nation grow and employing new people is already enough to demonstrate how beneficial Islamic entrepreneurship is for the people.

Most of the MÜSİAD members interviewed view business and money as tools for increasing the power of both the country and Islam, and as tools to create welfare for Muslims, not as the aim of life but just as a tool. This perspective contradicts the point of view that claims that Muslims are absorbed by capitalism and that religion has become an apparatus of capitalism. In this way, religious people use capitalism as an apparatus for greater power in struggles between nations and civilizations (by 'struggle', a political and cultural struggle is meant).

By seeing capitalist business relations as an apparatus, T. and almost all of the other interviewees quote the Hadith of the Prophet: “He who sleeps on a full stomach whilst his neighbour goes hungry is not one of us.” This quote shows the emphasis on a commitment to the principle of social justice in Islam. While being aware of the problematic relation of Islam with capitalism in both the use of interest and in the favouring of social justice over accumulation of wealth, Islamic business people try to find ways to overcome these problematic relations, especially within the foundations of Islamic financial institutions in the country.

In the guiding publication of MÜSİAD, *Homo-Islamicus*, and also in interviews with the MÜSİAD presidents, the ‘evil’ aspects of capitalism are also defined. Greed, jealousy, class oppression, class conflict and social degeneration are all defined as negative aspects of capitalism. In this definition, the ideal Muslim businessperson-type is depicted as avoiding these characteristic weaknesses of capitalism (Vardan, 2012; Özel, in Bugra, 2009, p.206, 2014). In *Homo-Islamicus*, MÜSİAD proposed a model of development in which being Muslim without Westernization is possible. It is argued that the Westernist- Etatist modernization project of the Republic failed to reach the level of Western developed countries, and on the contrary actually caused an unwholesome dependency on these Western, capitalist countries. In this frame, the Westernist businessperson is criticized for being an imitator and for being alienated from traditional Turkish culture and society, and is also criticized for not contributing to the development of the country. Also the ‘traditional business person type’ is criticized for lacking the entrepreneurial spirit of growth and progress, and for being content with what they already have, not striving for more. ‘Moral capitalism’, which is defined as being innovative and competitive, and contributing to the common good of the country without losing sight of traditional moral, cultural and religious values is the key concept offered in this work (Hosgor, 2014, pp.229-230).

In the 1980s, Islamic financial institutions were permitted to found in Turkey for the first time. There are several Islamic financial institutions at the present moment. There is not a consensus about investing money in Islamic financial institutions among Islamic entrepreneurs. Some MÜSİAD members declared that they keep investments only in Islamic financial institutions, not in capitalist banks. H.G., one of the largest furniture retailers in Ankara and a MÜSİAD member, says in his interview that he never takes any bank credit; he always uses Islamic financial institutions as a source of funding. He even says that he does not allow the largest supermarket chains to open

shops in H.G.'s shopping mall, because these large chains do not accept his principles forbidding the sale of alcohol in their stores (H.G. interview).

The Vice-President of MÜSİAD's Ankara branch adds, "Bank credit is not common among MÜSİAD members. Islamic financial institutions are very important to the flourishing of Islamic entrepreneurship". On the other hand, he continues to talk about his own business as follows:

Unfortunately, we use bank credit, but we prefer to use public banks because they are for the public good. If we need money, we first seek our own sources and then apply to Islamic finance institutions. If this is not the solution, we apply for public banks' support. Private banks are the last alternatives for us. Because of this limitation, it is true that we cannot grow as fast as we could otherwise. If we were allowed to use bank credit, we could flourish more (I.G. interview).

As we see in these words, the vice-president highlights public interest, and a sense of collective rather than individualistic interest is most important here, because he justifies usage of interest by claiming that it is for the common good. Understanding the ways justifying these kinds of contradictions are justified is important in order to fully grasp the ways in which Islam and capitalism and also Islam and modernity interact.

N.L., emphasizes that he never used bank credit; instead he always chose to work with Islamic financial institutions for 'spiritual' reasons. He adds that as long as it is not in a very difficult situation, he will not take bank credit that is based on bank interest. "I estimate that 80% of MÜSİAD members in Ankara use Islamic financial institutions instead of banks" (I.E. interview, 2015).

The Government declared that the state banks Ziraat Bank and Halk Bank will open 'Islamic banking sections' for the first time among state banks in Turkey. This will surely have a positive impact on Islamic finance in Turkey in terms of trustworthiness and credibility through providing a state guarantee. N.L. thinks this policy will promote the institutionalization and internalization of the idea of Islamic banking, which is still seen as marginal to some extent.

Another MÜSİAD member, a large car-tyre retailer, E.T., states that when he needs financial resources, he tries to sell properties, or to borrow from people in his personal network. By this he means owner's equity. He does not take bank credit at all since it is not halal (E.T. interview). On the other hand, E.Ö., a young businessman who

is in the construction business defended himself by explaining that he has to take bank credit in order to survive. He also tried to justify himself by claiming that he does not spend this money for his own personal needs such as food, shelter or clothing; rather, he uses interest money only in his business because it is haram (forbidden) (E.Ö. interview). This kind of justification shows the conceptual difference between spending money for one's own personal needs and spending money for business, and he atones for his 'sin' by employing workers and paying their wages.

There exists a commonly shared opinion concerning the problems of inefficiency and the inadequacy of Islamic finance in Turkey. Almost all the interviewees stated that the Islamic financial institutions in Turkey are not adequate to support their competitiveness with secular firms. Some MÜSİAD members tried to overcome this obstacle by forming partnership deals, providing self-resources, or public offerings, as Mr T. suggests: "Thank God, I have never gained or given any interest money. It is true that to grow or to join in large-scale bids, there must be an increase in capital, but how? Why do you not form consortiums with your rivals, find partnerships or use the option of public offering? Some of them just find excuses to use interest banking" (T., interview).

In his interview, Yüçetürk, a carpet importer and retailer, first claimed that he never took any bank credit because this is against his religion. However, he also added that he knows many MÜSİAD members that need to use bank credit because the Islamic financial institutions are not adequate to meet their needs for short term cash payments. Like many other interviewees, Yüçetürk claims that Islamic financial institutions do not meet the demands of business people. Instead, they merely offer partnerships in the beginning of a business investment, and provide no further support during the process of building the business and its investments.

During his interview about the pressure on Islamic finance institutions during the 28<sup>th</sup> February Military intervention process, O. T. remembered that after the process ended and the rule of the AK Party began, the share of Islamic financial institutions in the total finance of the country increased from 2.5% to 5%.

As revealed in the interviews, Turkish business people find ways of doing capitalist business, of participating in modern working life, and of maintaining their Muslim identities in their own understanding of the term, all at the same time. Each justification of their own standpoints shows that the perception of banning bank interest

differs from one entrepreneur to another, but they all survive and even develop into large Islamic capitalists in their own way. Some of them insist on staying away from the benefits of bank interest. To this end, some use Islamic financial institutions and others use public or private bank interest, but all of them are extremely sensitive about justifying their attitudes by referring to Islamic principles. In other words, this apparent contradiction cannot be explained as simply choosing to make money instead of remaining sinless and pure. This justification must be understood in the context of other Islamic aims such as disseminating Islam across the world and increasing the power of Muslims through money and trade, employing more Muslims, and developing the country into the major world power it had been for centuries in the past.

#### **4.4.2. The Importance of Trust Networks and the Moral Economy of Kinship for MÜSİAD members**

The importance of social capital is sometimes even more important than that of financial capital, because entrepreneurs can provide for their financial needs and conduct business through the use of social capital. Islamic entrepreneurs have a distinct advantage to build this network of social capital. Islam has tended to divide people into two categories, believers and non-believers, and in this sense the most important collective identity among Muslims is religious in nature. This collective identity worked through abolishing the concept of ‘self’ as an intellectual, social, economic and political identity and through promoting self-sacrifice for the Islamic people at large (ummah). How did this situation impact the new conservative Islamic business people? Did they change under the influence of modernization?

In the case of Islamic business people and MÜSİAD members, business life is based on a moral economy of kinship, not only in political and religious networks. Supply of the necessary capital resources, partnerships and subcontracting relations, along with trustworthy employees, can be obtained primarily through kinship relations. In a society where traditional and rural bonds are still stronger than in European societies, and especially within a social group that has only recently urbanized and is defined as conservative (which means conserving the culture, tradition, family and religion), these bonds are stronger than those of the secularist urban Turkish elites.

Among MÜSİAD members, many interviewees stated that whenever they require capital resources, the first place they apply is with their families and relatives. This is not just because of the strong kinship ties, but also because of the religious ban

on bank credit. Also, many of these members rely on the networks in their workplace for financial security and reliability. In Islamic enterprises, kinship relations are of primary importance in employment relations. Most of the children and grandchildren of business owners work together in their enterprises. Women are both involved in domestic labour processes and also in the promotion of the public face of businesses through social events and causes such as charities. This is based upon an internal regime of obligation and reciprocity in which family members expect to support others and expect to receive support in return (Maynard, Afshar, Franks & Wray, 2008, p.76).

The similarities between moral economies of kinship can be seen in the networks of Islamic brotherhoods. Islamic entrepreneurs commonly use the analogy of 'being like a family'. Their shared values, ideas, beliefs and religious motivations help Islamic business people to trust in each other more than non-Islamic business people.

We are like a family. The chairman of the company also works as a surgeon. We all have the same worldviews and values. The most important of them is religiosity, faith in the otherworld and consciousness of the concepts of halal and haram. We have the desire of profiting, not dying for money. We do not accept partners that legitimize ways of making money in any religiously forbidden (haram) way (I.G., MÜSİAD Ankara Vice-President).

The membership process to join MÜSİAD requires meeting certain criteria. First, every applicant for MÜSİAD membership must have at least two references that can guarantee the commercial morality of the applicant, says N.L., MÜSİAD Ankara president. Next, further investigation by the relevant committee is implemented. Passing these two stages cause MÜSİAD and its members to have moral credibility and trustworthiness in terms of business relations.

N.L. says that even if most of his employees do not have official kinship relations with him, he always tries to build family-like employment relationships. Throughout my observation in the workplace, I observed employees addressing him as 'older brother' mostly in a very informal way. He tells that the majority of his employees have been working for him from the beginning of when his business started.

Almost all the interviewees explain that the lack of institutionalization and the difficulty of finding trustworthy and efficient partnerships is a problem in Turkey. These business people said that even if most of them work with partners, it is extremely difficult to manage such business partnerships in Turkey. There are so many problems among partners, and MÜSİAD formed a commission solely devoted to solving the problems of business partnerships.

One young businessman in the field of construction, who was born in Germany, said that he became a member of MÜSİAD thanks to one of his relatives. He adds that he has issues with trusting people in making business partnerships, but he feels more trust towards MÜSİAD members than towards other people.

MÜSİAD helps business people to find a basis for establishing partnership networks by providing a feeling of belongingness to a group of individuals who share the same values and ideals. President of the MÜSİAD Ankara branch, N.L., developed his business by entering into a partnership deal for the joint construction and ownership of a shopping mall in Ankara. “We are not only members of the same association as sixteen partners, we also feel spiritually connected to each other” (I.E., interview, 2015).

As is commonly emphasized by the interviewees, there exist complex issues concerning the lack of institutionalization as the social base for teamwork and trust between partners in Turkish business. At this point, the members of MÜSİAD maintain that they have more trust in the partners who belong to the same association and share common values with them. MÜSİAD established the commission for solving the issues about partnerships and declared the principles of building partnerships to the public.

This trust network does not function solely for business networking and partnerships; it also functions for employment relations and entrepreneurial strategies. Common membership in the same religious community, coming from the same hometown or village (*hemşeri* network), kinship, having an Islamist background, and supporting AK Party play important roles in finding appropriate jobs or employees. Having a reliable reference from one of these networks gives an advantage to the employee in seeking employment.

Another significant segment of the trust network exists in kinship relations. These kinship relations have emerged in different types. First, business partnerships are formed on the basis of kinship relations, which helps the partners to build trust and solidarity relationships with greater ease. Secondly, during the development of their business lives business people tend to benefit from their sons’ and daughters’ marriages as a way of forming business or political relationships. There are many examples of Islamic business people’s sons or daughters marrying other business people or political figures’ sons or daughters.

A third type of kinship relation functions in employment strategies. Vacant positions are filled on the basis of kinship relations. This increases the trust between employee and employer but can also cause problems in terms of professionalism and institutionalism. This affects the formation of trade unions in workplaces because most employees consider union membership to be disrespectful to the employers who have trusted and employed them because of their personal relations (kinship, religious or political bonds).

The Vice-President of MÜSİAD's Ankara branch states that employees with kinship bonds are the best choices for positions in accounting because they are believed to be trustworthy and honest, and above falling prey to fraud or any other kind of corruption. He also adds that in general, personal skills are more important than network references. This opinion is shared by most of the interviewees, as here:

O.B.: Do you find personal skills or references more important for employment?

F.K: We care about personal skills more. We look at the person, whether he really deserves the job or not. But they [he means TÜSİAD members] do not care about personal skills or deserving. They never hire conservative people. Do they have any veiled employees? But we have both veiled and unveiled. Because we don't care about the shape, the appearance; the minds and the hearts are important for us (T.U., interview).

The degree to which MÜSİAD members see themselves as 'others' and 'excluded', and how this self-image reflects individuals' feelings and perceptions is remarkable, even after the long years of conservative rule in the country. This is important as the major motive behind Islamic business and MÜSİAD as a movement.

#### **4.4.3. Approaches of MÜSİAD Members towards the Role of Values of Islamic Business**

MÜSİAD members mostly define themselves by comparing themselves with the laic (secular) business people in the country. The Islamic business people have significant differences from the secularist business people (represented by TÜSİAD) who were created by the state subsidies within the axis of the Kemalist ideological principles of Westernization and secularism. Political and cultural contradictions as well as economic competition with regard to both of the groups play important roles in Turkish politics and society. Even though secularist businesses are criticized by MÜSİAD for not contributing to Turkey's industrial and technological development,



one of MÜSİAD's Ankara branch's founders, E.T., criticizes Islamic entrepreneurs for not investing in technology and innovation as well. He appreciates the importance of Koc and Sabancı (the two largest capitalists and founders of TÜSİAD) for their contributions to the production of technology in Turkey, even if they are secularist and Westernized. In defining 'the other', conservative business people describe themselves by maintaining that unlike TÜSİAD members, they care about religious, traditional and national values.

A keystone in the debates about Islam and capitalism concerns rationality. Weber maintained that Islam is not compatible with capitalism since it is not suitable for the growth of economic rationality and capital accumulation. Among interviewees, there were different views of what constitutes functional and rational economic behaviour.

Among MÜSİAD members, there are different tendencies. MÜSİAD member E.T. does not conduct any business with the state because he does not think it is halal since the state is secular and sells alcohol and organizes lotteries, a kind of gambling enterprise. Once he accidentally saw his potential partner at a table with *raki* (a Turkish alcoholic drink) and decided that, even though it would have been very profitable, he did not want to be a partner with that person just to earn large profits. He gave another excuse to his potential partner for this rejection to avoid being rude.

One of the important Islamic values observed during the research is the concept of *tevekkul*, which means doing one's best and accepting Allah's outcomes without any objections or complaint. They make their own rational investments or projects and expect the best from God.

The existence of masjids (small mosques) is the main difference between Islamic firms and secular ones due to the presentation of an Islamic symbol in the public sphere. At prayer times, H.G., a MÜSİAD member and Ankara's largest furniture retailer and distributor, goes to masjid together with his workers, and after prayers he opens the Quran to read verses and then discusses these sacred scriptures with his workers every day. The headquarters of his company lie outside of Ankara atop a high tower, and consists of large storage units, management departments, furniture showrooms and a large and historically authentic masjid. This masjid is used for noon, afternoon and evening prayers. Since he has a background in theology, H.G. knows how to learn, teach and discuss the Quran with professional authority. During these discussions, he

listens to all of his workers' and employees' comments about verses and then shares his own interpretations and opinions. Participation in the prayers is not obligatory and he jokes with workers who do not attend prayers (H.G. interview). Artistic calligraphies of the hadiths and the *ayats*, portraits of great Ottoman sultans, and portraits of Rumi are the most common religious and national symbols in the workplaces. These symbols are important to symbolize that the difference of these pious business people and their secular counterparts is not only in being religious, but also in their emphasis on traditional and national values more than other groups. Being conservative in this sense is not only about religiosity; it is also about defending these values against Westernist modernization.

The use, by some members, of bank credit and interest is a significant sign of the heterogeneity within the association. A young member of MÜSİAD, E.Ö., stated that there are MÜSİAD members who benefit from bank credit and so he himself receives bank credit too. He defines other MÜSİAD members as being 'too Islamic' and himself as 'more colourful' in reference to his social life. He adds that there are not many 'colourful' members in MÜSİAD.

Almost all the interviewees stated that being religious is an important factor for them to build partnerships or employ people. But they also mentioned that rather than practicing religion, having the faith and the 'fear of Allah' is most important. Islamic moral values are perceived by interviewees to be more important than devotional practices such as daily prayer. Former MÜSİAD president O. Cihat Vardan describes this as "both earning the money and gratitude for good service". This is also the case for the conditions that led Islamic finance to emerge. Nine out of the ten MÜSİAD members interviewed declared that if any business contradicts their perception of Islamic principles, they would not be involved with that business. This exhibits this commonality among Islamic business people regardless of their associational affiliations, and demonstrates the fact that Islamic values play an important role in their business lives. Religion is not limited to their private lives as the Kemalist modernization project advocated, and they can transform into successful, larger-scale business people by merging their religious values with their business lives and principles. This is one of the important features that prove the unique impact of the rise of Turkish civilian modernization on Islamic business people and elites.

O.B.: What is your decision when you have an employee drinking alcohol?

F.K.: We prefer not to employ or make partnership with an alcohol drinker. We never let alcohol be served in our own hotels. If there is alcohol served in a meeting we have to attend, we always declare our point of view in a very kind way that “it would be better if there was no alcohol here”. And next time, they stop serving alcohol in the meetings. The keyword is adaptation here. After hiring a person, if we see that that person is disrupting our harmony, we eliminate in the process, not from the beginning (T.U., interview).

As MÜSİAD Ankara president N.L. explains, “Even the Prophet Mohammad gave the responsibility of protecting the key of Qaba to a non-Muslim person”. This shows us the reality that the person deserving the position most is more important than a person having religious faith.

Conservative businessmen accuse secular business people of being discriminatory against conservative people and of not hiring a person with an Islamic veil or beard. But they claim that they themselves do not discriminate during the employment process or afterwards in the same way, as long as the employees do not do anything to disrupt the harmony of the workplace.

#### **4.4.4. Commonalities and Differences of Economic Background and Development of Islamic Entrepreneurs within MÜSİAD**

Modern societies are urban, industrial and educated societies that provide chances for upward social mobility. The life-stories of the business people are examples of how Islamic entrepreneurs have opportunities for upward social mobility no matter what kind of social background they come from. MÜSİAD member E.T., the owner of a large retail tyre company, started working as an apprentice in Kızılcahamam, a small town near Ankara, in 1967. He worked for nine years as an apprentice and qualified as a workman. He survived on just one meal a day for many years because of very low wages. He used to eat, from the same dishes, other people’s leftover ‘*pide*’ (Turkish food like pizza) in a restaurant. He later started employment as an iron supplier in a 9m<sup>2</sup> shop in Ankara while wearing a borrowed suit.

One of MÜSİAD’s founders, H.G., the central retail furniture distributor in Ankara, was a peasant when he was a child. He worked as an apprentice in a small workshop in his teenage years. Later he entered the Faculty of Theology at Istanbul University. While studying, he also continued to work selling home appliances and furniture, and delivering and marketing at the doors of houses. He says he still has the pain in his waist from the many times that he had to deliver heavy sofas to houses. The city of Kayseri, his hometown, is famous for its people’s intelligence and success in

trade, “but at the same time people from other cities believed that being from Kayseri is a disadvantage, as if all the people in Kayseri are unreliable, liars, and capable of deception in commerce”. He would go to the producer in Kayseri and bring furniture from Kayseri to Ankara to peddle it in neighbourhoods. He explains that this way of trading began to flourish in time, and so he decided to open a furniture shop in Keçiören, a conservative neighbourhood of Ankara. He says that his was the first furniture showroom in Ankara, and this innovation made his business flourish. The owner of the furniture producing company rewarded his success, and he was given the privilege of distributing all of the furniture produced in three furniture factories (these three factories produce half of all the furniture produced in Turkey). Then he entered the construction business and became a partner of a large construction company that built a large shopping mall and one of the most famous five-star hotels (JW Marriott) in Ankara. He is one of the founders of the MÜSİAD Ankara branch (H.G., Interview).

Carpet importer and retailer Ş.Y. was also born in Kayseri, the city in Central Anatolia famous for successful merchants, and came to Ankara for university education in Ankara University Faculty of Political Sciences. He went through difficult times during the military coup of 1980; he was put in jail for seven months without any specific accusation and was then released by the courts. After graduation, instead of being a white-collared or government officer he chose to be a businessman. With the help of his education and foreign language skills, he formed a business network based on importing cheap but high quality carpets from Belgium, and retailing them with a good profit in Ankara.

T.U., a member of the founding group of the MÜSİAD Erzurum branch and a businessman in Istanbul, is a second-generation businessman in his family. His family had the largest wheat-flour factory of Anatolia in Erzurum. Wheat-flour is the top enterprise of Erzurum. Even though his father was the owner of the factory, T.U. had worked as an apprentice in a shoemaker’s shop in order to gain business experience since his youth. He graduated from the only private high school in Erzurum. He later opened a large shopping mall and branches of Burger King in Erzurum. He then founded an Islamic fashion retailer in Erzurum. Finally he moved most of his businesses to Istanbul and became a partner in large construction and tourism businesses. Coming from the economic elites of a big city as a graduate from a private high school, and being a franchiser of an American fast food chain puts him in a different place than other MÜSİAD members who identify themselves as coming from

the economic and social periphery. “I was also the franchiser of the KoçGroup (which is one of the most prominent entities of secularist business and TÜSİAD), but then I withdrew from all of the business that I did with them. I changed my economic life after going to Hajj. I will not make any business with Koçor Burger King anymore” (T.U., interview).

E.Ö. entered into business life when he was sixteen years old. A son of two government officers, he bought and sold cars and later became a subcontractor to provide iron for a friend’s construction company. His most important connection in business life is friendship. Now he is the partner of a construction company that builds apartment blocks (E.Ö., interview).

N.L., the President of MÜSİAD Ankara Branch, is a good example of how a MÜSİAD member and executive businessman grew into a member of the Islamic business elite. He worked as an apprentice in a shop from a young age. He started his business life by opening a small shop selling electrical materials in Ankara in 1996. He is a graduate of high school and did not attend a university for higher education. After growing, he moved his shop to a large building to host the business and started to organize subcontracting producers and developing relationships with foreign companies. Then he became involved in a partnership deal to construct and to manage a large shopping mall with sixteen other MÜSİAD members.

F.A., the president of MÜSİAD Youth, is a third-generation businessman. His family owns a large holding group involved in car retail, construction businesses, and building and managing large shopping centres. He is an engineer who completed his MSc degree in the UK. The first and second generations of his family started retailing cars through interest-free installments for the first time in Turkey. This new retailing method helped very many religious people to buy cars from their company.

H.Çis the president of MÜSİAD’s Ankara branch Youth Commission. He was born in 1983 in Germany. His parents were workers in Germany. When his parents wanted to return home because of their unhappiness, they moved to Ankara. They joined their uncle’s business exporting uniforms for certain service jobs. In 2001, because of the financial crisis in Turkey, they went bankrupt. Then they opened a telephone-retail shop in Keciörm, a district of Ankara that is famous for the electoral power of its conservative parties. He worked there when he was studying in high school

and subsequently worked as a partner for seven years. There he founded an electrical maintenance company.

Not all the business people followed the same social mobility trends. The vice-president of MÜSİAD's Ankara branch was a bureaucrat during the years between 2000 and 2008. He did not use the wealth of his family as capital. "Transforming wealth into capital" was not an option for him. R.T., the former president of MÜSİAD, was a specialist in the Islamic Development Bank before becoming president. He has a PhD and he was an executive committee member of the "Economic Committee of Foreign Relations" which is an autonomous government institution. During and after his presidency, he has been the general director of the Albayrak Group, which is one of the pioneering conservative holding companies in Turkey.

Another former president, O. Cihat Vardan, was the son of a small-scale businessman who had served as a government officer in the past. He graduated as an industrial engineer from Istanbul Technical University and then received his MSc from Ohio State University in the United States. After returning to Turkey, he took roles in some of the Industry of Defence's projects and then later became the general director of his family business, which grew into a large-scale business. After serving on the executive committee of MÜSİAD, he was the president from 2008 to 2012.

The founder President and the most popular figure of MÜSİAD, Erol Yazar, is the son of a businessman member of TÜSİAD. He graduated from the American Robert College, which is the symbolic bastion of Westernization in Turkey. He was not even thirty years old when he founded MÜSİAD. He is involved in the construction, car importing and retailing, and stationary sectors. His social background is unique in the way that he chose to be 'the other' while he was in the middle of a Westernist climate and a secularist political hegemony.

In conclusion, the social mobility and transformation of the Islamic entrepreneurs provides hints about the transformation of Turkish society from a rural, agrarian society to an urban, capitalist, modern society. Beginning in the 1950s and accelerating after 1980, the process of urbanization and industrialization transformed Turkey from a 20% urban population in 1950 to a 75% urban population in 2014. This went hand in hand with urbanization and industrialization growth. In recent decades, Islamic Anatolian business has become the engine of this transformation in Anatolia. MÜSİAD members tend to talk from a more individualistic perspective when they tell

their life stories. Business people who are involved in international businesses such as exporting are especially seen as a national success story, for which they feel pride and gain prestige. These business people feel as if they are fulfilling their national duty by bringing wealth to the country.

#### **4.4.5. Economic Reasons and Functions of Membership of MÜSİAD**

Membership of MÜSİAD should be considered as meaningful for comprehending the nature of Islamic entrepreneurship in Turkey, especially when we remember there are other business associations too. First of all, these associations are important NGOs in Turkey and are involved in the political and economic activities of the country. By being members of MÜSİAD, conservative business people join in with public life and make their voices heard. The rise of civil-society culture is important in determining whether and how modernity is absorbed by the Islamic sector of society in this sense.

According to most of the interviewees who are members of MÜSİAD, membership in MÜSİAD had been disadvantageous until 2002, but they still insisted on applying for MÜSİAD membership. “Because of our Muslim identity, we were disadvantaged, but we had no other choice” stated a second-generation, young MÜSİAD -member businessman. “Being a member of MÜSİAD is not a typical capitalist behaviour, and this is a challenge”, said the vice-president of MÜSİAD’s Ankara branch. He adds:

The first generation of MÜSİAD members in the 1990s and their children were the people who pioneered the change. Pioneering not only the economic change but also political and social change... They paid the price of the change of the country. The name of the association is about being independent from fear of laic state intervention. The aim here is that willingness to be believers of Allah makes the person really independent from all the pressures, impositions and restrictions of this world. MÜSİAD is different from other conservative associations. We are independent in this sense too. We are composed of independent individuals, independent minds. We can lend our hearts to a sheikh, leader or scholar but we cannot lend our minds to anyone else. This is against God’s will. MÜSİAD is totally independent of the control of any particular communities or brotherhoods [by which he means their difference from TUSKON]. MÜSİAD is a real civil society in this sense; individuals can join according to their own wills (I.G. - Vice-President MÜSİAD Ankara Branch).

The president of the MÜSİAD Ankara branch’s Youth Commission was born in 1983 in Germany. His parents were workers in Germany. When his parents wanted to return home because of their unhappiness, they moved to Ankara. They joined their

uncle's business exporting uniforms of certain service jobs. His uncle was a member of MÜSİAD and they were Islamists, which was the reason for them to join MÜSİAD.

The Islamic entrepreneurs describe their business strategy as following the Eastern Asian development strategies. Traditional Turkish capitalism follows the principles of a formal European market strategy based on collective bargaining, and producing primarily for domestic markets. The character of business people in terms of being created by the state is similar to Eastern Asian development, especially the way that business is created in Korea and Taiwan. Mason emphasized this character as a mechanism of market augmentation instead of market repression as occurred in Turkey. State intervention in Turkey served to create monopolies and resisted new participant entrepreneurs entering business life (Mason, 1980). This kind of state intervention also caused a business habitus that can easily be affected by political crises and economic uncertainties. Because of this uncertainty, the Turkish capitalist remained dependent on the state rather than being independent. As a solution to this uncertainty, Islamic entrepreneurs relied on kinship or religious networks (Bugra, 2002, p.523). Instead of the capital-intensive development of Europe, Islamic business people of Turkey, who were mostly small or middle scale business people, aimed to follow this Eastern Asian enterprise, relying on labour-intensive business systems. In addition, these small or middle scale entrepreneurs, instead of relying on capital sources in an economy where uncertainty is widespread, relied on kinship networks, as is the case for Eastern Asian business. Even the title of 'Anatolian Tigers' self-given by MÜSİAD refers to the Asian tigers defining fast-developing Eastern Asian firms and countries. The Islamic entrepreneurs, both in interviews and public speeches, emphasize the modernization of Japan and the rapid economic development of Malaysia as role models for themselves. This has two reasons: First, Japan is famous for its massive modernization without sacrificing cultural traits. Not only Islamic entrepreneurs but also Western scholars suggest Japanese modernization as a role model in this aspect:

The Japanese experience with modernization is another sensible and practical example from which Muslim societies can benefit. Japan has exploited its cultural traits and mobilized its value system, which is centered on the emperor and the family, to hasten its modernization process (Hooker, 2003, p.40).

Second, Malaysia, as Muslim country, is counted as one of the developing East Asian countries that inspire Turkish Islamic entrepreneurs. The reason for finding



inspiration from these two countries for Islamic entrepreneurs is mostly cultural: developing while conserving national and traditional values and identity.

However, this inspiration and role model for Islamic entrepreneurship is problematic and contradictory for their discourse of 'independence'. In the East Asian developmental states like Japan, South Korea, Malaysia or Singapore, the state has a very important, central and autonomous role, which is defined as state-led macro-economic planning.

In states that were late to industrialize, the state itself led the industrialization drive, that is, it took on developmental functions. These two differing orientations toward private economic activities, the regulatory orientation and the developmental orientation, produced two different kinds of business-government relationships. The United States is a good example of a state in which the regulatory orientation predominates, whereas Japan is a good example of a state in which the developmental orientation predominates (Johnson, 1982, p.19).

Similar to the Japanese case, Malaysia is also a clear example of a developmental state where government and the bureaucratic elite has an autonomous and leading role in the market in terms of subsidizing the entrepreneurial class and adapting multinational corporations to the domestic market (Tan, 2009). This type of state intervention is clearly against the idea of independence of business people as MÜSİAD defended from the beginning.

In order to become 'Anatolian Tigers', one of MÜSİAD's basic functions is to establish networks among different sectors and ranges of businesses. The flow of information and business opportunities, subcontracting and outsourcing facilities, helping making joint bids, facilitating international business trips, giving help with visa applications and organizing business fairs are all direct economic functions of MÜSİAD. Additionally, conferences, publications, cultural trips and other social events allow business people to gain international experience and opportunities to socialize. These are very important, especially for the small and middle-level Anatolian business people that have had limited access to higher education or opportunities to develop international skills.

MÜSİAD International Fairs are important gateways for increasing the export opportunities of MÜSİAD members. Thousands of business people from all over the world meet at these fairs to make business contacts. Also, the business trips organized

by MÜSİAD to certain regions or continents serve to further widen the network and the visions of the business people. “These were the business people who had never travelled abroad or made a flight in their lives before MÜSİAD”, says former president R.T..

MÜSİAD helps conservative entrepreneurs who have less international experience in terms of international networking and fairs, and also provides some consultancy services for visa application processes as well as translation services. Most importantly, MÜSİAD broadens the vision of small or middle level entrepreneurs by showing them the world. Some of the interviewees declared that MÜSİAD trips or fairs provided their first opportunities to travel abroad. Founding president Erol Yazar explains this as “breaking the shell of these Anatolian business people and opening their visions by providing information about the relationships of other business people as well as information about technology and the market” (Ozdemir, 2006, p.171).

A distinctive feature of the emerging Islamic entrepreneurship is the coincidence of its timing with the collapse of the Soviet Union. This helped Islamic entrepreneurs to widen their export opportunities to regions that share the same culture, language-group and religion – other Turkic countries. Changing policies towards making economic agreements with Middle-Eastern and African countries also helped trigger the rise in exports as well.

Some of the interviewees criticized MÜSİAD for not contributing to their business scales and relations enough in terms of vision, fairs and international relations. E.Ö. stated that “MÜSİAD is too involved in politics; they should focus on developing our business vision and creating opportunities for new business relations” (E.Ö. interview). Ş.Y. has been a member of MÜSİAD from its foundation in 1990. He did not see any economic benefit to MÜSİAD membership. He criticized MÜSİAD for being beneficial only to industrialists and not to tradesmen. He views MÜSİAD as a social, rather than an economic association.

R.T., former president of MÜSİAD, opposes this idea. He says that MÜSİAD has organized sixteen international business fairs and eighteen business forums, and adds, “if all these events were not successful, can we do the same for all of these organizations for years?” (T., interview).

We made very large business trips and export fairs. MÜSİAD is the first association that introduced foreign countries to Anatolian entrepreneurs. These people could not even have

imagined staying in five-star hotels, attending large-scale meetings, travelling by air and attending fairs in the past. MÜSİAD made it real. MÜSİAD established its first international fair in 1993. Also it established the largest business fair of the Islamic world (T., interview).

T.U. suggested the idea that membership of MÜSİAD plays two different functions in two different places. In Anatolian cities like Erzurum, membership of MÜSİAD serves business people mostly in terms of social solidarity, political connections and public visibility, whereas in big cities like Istanbul and Ankara, MÜSİAD membership contributes to their economic networking and partnerships to a higher extent. The fairs and one-to-one business relations are the main mechanisms for this. Also, membership of MÜSİAD brings prestige and reliability, which is important for business life (T.U., interview).

MÜSİAD members stated that membership in this association is not only about business; it is also about shared values and beliefs. However, it was seen that after becoming members of MÜSİAD the scale of their businesses grew for members. The feeling of belongingness to a value system and a collective identity is seen similarly in both groups. Mostly 'being conservative' or 'being Muslim' defines the collective identity of MÜSİAD members. The sense of individualism is high in MÜSİAD members because they joined the association and more importantly because they act as individual agents within MÜSİAD.

#### **4.4.6. The Attitudes of Islamic Business People from MÜSİAD towards Trade Unionism**

Labour relations and the formation of class identity among individual workers are important in modern, capitalist, industrial societies. One of the notable signs of the level of the formation of social class identities in an industrial society and modern civil society organizations is trade unions. Because of the higher level of sub-contracting, lack of legal protection for trade unionism, and high rate of unemployment undermining the collective bargaining power of workers and contributing to the absence of the formation of working-class identity and consciousness, trade unionism in Turkey has one of the lowest membership rates in Europe.

There is a claim that the union membership rates in MÜSİAD-member workplaces are even lower than average in Turkey, especially compared to the workplaces of TÜSİAD. Trade unionism in Turkey is mostly concentrated in the public sector and in large industrial enterprises. A common criticism that is made by the left-

wing trade union confederation of Turkey, DISK, is that MÜSİAD is no different from TÜSİAD in supporting the anti-unionist, neoliberal policies of the AK Party Government (DISK Declaration, 2003). Some left-wing critiques point out that the wages and rate of unionization is even lower than in enterprises that are members of TÜSİAD (Atasoy, 2009 Hosgor, 2014). In these critiques, MÜSİAD and TUSKON members are accused of ignoring the problems of labour and add that the conservative trade union, HAK-İŞ, blames Islamic business people for not caring for labour enough. For example, the former Hak-İş President and contemporary MP of the AK Party slams MÜSİAD members for ignoring the rights of unionization and says “this is also against Islam as Islam prioritizes labour rights” (Ozdemir, 2006). Also former TÜSİAD President Boyner stated that Turkey should decide whether to be a ‘small China’ or ‘larger Finland’ in terms of the institutionalization, labour relations and efficiency and this statement is perceived as a criticism to the Islamic business enterprises (Boyner, 2014). The low level of unionization has several reasons: First, the scope of the informal sector and legal restrictions for unionization in small-scale and middle-scale enterprises tends to cause structural problems for unionization in Islamic companies.

The workers have a religious duty to take care to work hard, avoiding laziness, respecting the employers and not harming the means of production. In return, the employers have a religious duty to be fair to the hard-working employees and to pay the wages to the employees before they have even cooled off after getting sweaty” (MÜSİAD Publication in Adaş, 2006, p.162).

The criticism of MÜSİAD members concerning low wages is found unfair, vice-president of MÜSİAD Ankara Branch explained:

Because the scales of the companies are smaller, the level of institutionalization is different than Turkey’s largest enterprises; we cannot compare MÜSİAD members with them (TÜSİAD members) in terms of wage levels. They produce for ten lira and sell for 100 liras. They have larger profit margins than us. In the first economic crisis, they (members of TÜSİAD) campaigned to decrease of the wage of employees by half.

Second, and more importantly, the approach of Islamic entrepreneurs from MÜSİAD is not very positive towards unionism in Turkey. For example, the vice-president of MÜSİAD’s Ankara Branch validated the criticism towards MÜSİAD regarding unionization.

Turkey does not have a good past with trade unionism. We all remember the example of a worker representative in a workplace that demanded a car from his employer just because the boss had a car. Trade unions do not follow the cause of workers; instead, they seek the interests of union professionals and trade union leaders” (Vice-President of MÜSİAD’s Ankara Branch, interview).

The left-wing politics harmed unionism a lot. The reason why the unions are backward is that they did not consider the workers as the partners of the workplace; instead they regarded the employers as the ‘thieves and exploiters’. The trade unionists see employers as their enemies. There are some MÜSİAD-member companies that have ‘good trade unions’ in workplaces. No need to mention the names of the companies. There are both unions from Hak-İş and Türk-İş in these workplaces. They have to understand something; anything that will destroy the enterprise will destroy the workers too (T., interview).

Another notable figure of MÜSİAD declared in an interview that he is against the idea of trade unionism. He thinks that trade unionism is a source of alienation in the workplace and of over-professionalization. He maintains that they are like a family in their workplace, and there should not be a professional relationship within a family (H.G, interview).

Concerning the high rates of informality among Islamic entrepreneurs, E.T., another MÜSİAD member, complained about the social security system. He thinks that this system works against both the employee and employer. “High rates of premiums: salary of 1450 TL, tax of 250 TL and Premium of 250 TL. So at the end the employee receives 950tl.” He stated that he had talked to the minister of labour about these concerns, but that the minister didn’t understand his points. Tamer says, “This person did not even manage a shop, how can he understand me? There are twenty-five-day holidays, twenty-four days of permissible absences, and one full month of wage compensation” (MUSIAD member, E.T.).

The employment policies of the Islamic companies are important to aid in understanding labour relations and levels of professionalism. In Islamic business, having references from a known and trustworthy person plays an important role in being employed. Religiosity is also an import factor as expected, but not the only one. Recruitment by these companies is believed to sometimes do with the aim of social aid, according to MÜSİAD Ankara Branch’s vice-president. “Being recommended by someone close and trustworthy is useful because we can match the correct person with the correct job position, and most importantly, we can trust a recommended person more.” According to the president of the Youth Commission of MÜSİAD Ankara, the references of relatives or of MÜSİAD members for employment are important. It is both a mechanism of social welfare and a means of matching the positions with employees as a human resource service. Also, employers can find easily adaptable and trustworthy people for themselves. He adds that, especially for positions in finance, it is

better to hire a religious person because religious people have a sense of halal and haram (H.Ç. Interview). “If we pay our perquisites to the employees in the feasts, build their masjids in the workplace, pay their wages in a satisfactory amount, no one can accuse MÜSİAD of being against the workers” (T.U., interview).

As a result of these views, Islamic business people from the association have a negative attitude towards their employees’ membership in unions. They see unionization as a threat to their family-like structure and employer-employee relations. Whether they use religion as a tool for decreasing and exploiting the rights of employees or they sincerely believe that unionization is against their collective belongingness and structure, the fact that they are against one of the basic concepts and civil society factors of modern society shows that they contradict a remarkable institution of the modern society. There is also a semblance of altruistic character and lack of individual agency in Islamic business. In other words, the labourers do not have the courage or will to demand rights of unionism, both because of the risk of being sacked and becoming unemployed, and also because they have kinship, political or religious ties with their employers. They do not feel comfortable to make professional demands such as unionization, and they feel that it would be ‘unethical’ and ‘a betrayal’ of their employer’s who provided ‘help’ in finding a job. In this attitude towards unionism, the heritage of Islamism and rural-community relations in contemporary Islamic business can be seen.

#### **4.5. The Socio-cultural Transformation of MÜSİAD members**

##### **4.5.1. Influence of Islamic Business on the Making of New Islamic Elites among MÜSİAD members**

The history of modernity in Europe emerged and developed as based on the rise of a bourgeoisie. The European bourgeoisie was the pioneering impact that transformed Europe culturally, economically and politically. Middle classes should not only be evaluated in their economic relations, but also in terms of their cultural relations. In Turkey, in the absence of a strong noble class, there was almost no civilian middle class independent from state influence until the 1980s. This state influence was composed of economic subsidies that were distributed by the state in order to create capitalists, and social subsidies and privileges that put bureaucratic and intellectual elites at the top of the social and cultural hierarchy. The traditional elites of the republic were mostly composed of these bureaucratic, intellectual and economic elites that emerged around

the state apparatus and the Etatist culture. The state has a secularist, Westernist elite culture as the heritage of its positivist, authoritarian Republic ideology. These elites survived and transformed into an elite culture by holding on to the Westernist, secularist capitalism of Turkey.

On the other hand, since the 1980s wave of neoliberalism in Turkey, a new, civilian, authentic civil elite started to emerge independently from the state. These elites, mostly composed of new-entrepreneurs, started to create their own new culture. This new culture was reflected in fashion, consumption culture, lifestyles, music and literature. In Ankara, in the districts where this new middle-class mostly settle (e.g., Çukurambar), there are luxury cafes and restaurants that organize special social events on holy days like Ramadan. Participating in these events and going to these cafes and restaurants in expensive jeeps and fashionable clothes became widespread among this new class. H.Ç., president of the MÜSİAD Ankara branch's Young Commission, thinks that being a member of MÜSİAD widened his vision. He thinks that his network has changed since his membership and that he is now among more 'elite people' as his consumption behaviours have also changed. "Even the places where I eat dinner are different from my old environment in Keçiören; I go to restaurants in Çukurambar where my old friends from Keçiören could not imagine eating or spending time" (H.Ç., interview).

The emergence of neighbourhoods of the conservative elites in Ankara is reflected in Istanbul as well. In Istanbul, Başakşehir is a similar example that has emerged in recent decades. Conservative people mostly populate this residential area, and the election results point to the high support for the AK Party in this district. The rate of veiled women is higher here than in most of the other districts of Istanbul where middle and upper class people settle. The shopping malls that are built by the Fuzul group comprise the centre of social and commercial life in Başakşehir. In the shopping mall, the shops are carefully selected in terms of Islamic principles. For example, no supermarket chain that sells alcohol is permitted to open a shop in the mall (K.L., interview). The president of MÜSİAD Youth defends the idea that Muslims can have a high-level lifestyle without wasting their wealth, which is not allowed by the religion. He criticizes the view that Muslims should not live a 'bourgeois life'. He says that in Turkey there is an unconscious stereotype that sees religious Muslims as the lower classes and secularists as the upper classes. The criticisms and resistance against the formation of conservative middle classes is the result of this unconscious stereotyping

(K.L., interview). The pictures that hang on the walls of the office of the director of the shopping mall show Erdogan conducting the official opening of the shopping mall in a ceremony. Also, there are other pictures that show the meetings of the MÜSİAD Youth Committee with Erdogan and Gul.

One of the notable features of this new class is the fact of conspicuous consumption. Some orthodox Islamists criticize both conservative middle class women who wear fashionable, attractive, veiled dresses and also Muslims who waste money on jeeps. Considering the nature of middle classes and the symbolic role of conspicuous consumption, I.G., the vice-president of the MÜSİAD Ankara branch, is against the wasting of personal wealth. But he also says that consumer culture pushes people to spend more in order to show status and to prove that they are successful business people by showing that they own the latest versions of phones and cars, and residences in expensive neighbourhoods. The ability to spend more money is perceived by other people as indicative that he/she is a successful businessperson. Consumption determines the image and gives the impression of the consumer being a successful businessperson, which in turn increases perceived trustworthiness and attracts new business opportunities. He criticizes some MÜSİAD members for their willingness to enlarge their personal wealth instead of contributing to the growth and scale of the company. As a prominent figure of Istanbul's business and politics, T.U., stated:

My grandmother did not allow anyone to buy a TV for the house, but my wife and my daughter are not veiled. The shape is not important; it is the essence and spirit of the faith. If I have enough money, I should go to the best hairdresser. Sport is my life too. We formed the new board of the National Federation of Skiing with my President Erol Yarar (Founder President of MÜSİAD). Those high society people were surprised when they saw us leading Turkish skiing because they think that conservatives can never be involved in these kinds of sports. We try to transform the people in our environment. We should drive the best cars; wear the best clothes they can buy. I am not walking with a stick, *shalwar* (baggy trousers), or a male turban. We have to adapt to our social environment. My wife drives a jeep. What is wrong with this? What is wrong with being safer and more comfortable? Why should I not go and have breakfast in Huqqa? [Huqqa is a top luxurious café-brasserie in the most popular district of Istanbul on the shore of the Bosphorus, recently opened by a conservative businessman. It serves an alcohol-free menu and also became a chain, opening new branches in Ankara (Çukurambar district), London and New York. It is one of the symbols of conservative elites.] Why shouldn't I fly in business class? It is the result of my own labour; I gained this money in a halal way. It is my right to spend it in a halal way. I went to an American private high school, but at the same time I attended Quran courses. Because we are representatives... of a social and political movement... we are not extremists; we are conservatives. Conservatism equals balance, a balance between the requirements of the modern world and our faith" (T.U., interview).



Şennur Özdemir, a researcher on MÜSİAD, describes this change in the attitudes toward consumption in research on MÜSİAD that she conducted in 1998 as follows:

The expression that ‘Muslims have rights to consume the good quality products that standards of contemporary work require’ seems to be accepted in the level of commonality that encounters no objections.... While I was conducting my research in 1998, the members of MÜSİAD seemed very hesitated and uncomfortable. About defending the idea about luxurious consumption (Ozdemir, 2014, p. 267).

The nuance between being extremist Islamist and being conservative is between being open to modernity and being oppositional and resistant. Conservatives defend the idea of modernization without Westernization. By ‘conservative modernization’, it is meant that visibility and representation of Islamic religious and cultural values in the public space should exist alongside modern economic and political principles.

E.T., one of the founders of MÜSİAD Ankara Branch, finds the young generation of conservative people ‘lazy’ and ‘Westernized’ because of their changing culture and lifestyle. On the other hand, he likes the idea that conservative women wear more feminine and fashionable clothing. He criticizes the fashion designers of Tekbir (the largest veiled women’s fashion company) for not producing more feminine clothes for conservative women (E.T., interview).

“He who sleeps on a full stomach whilst his neighbour goes hungry is not one of us.” This Hadith of the Prophet is repeated several times by interviewees to criticize luxurious consumption and to remember the traditional principles of social justice in Islam.

Spending money on an unnecessary thing, which is luxurious, is a waste and it is a sin in religion. ‘I am paying my *zakat*, *fitra* (obligatory distribution of one fortieth of income in Islam as alms) and all the money I earned is halal so I can do whatever I want and I can spend my money wherever I want.’ This is not in Islam! You have to think about social justice and distributing more money, or how to use it in a useful way as an investment for the people (T., interview).

These thoughts reflect the post-traumatic stress caused by the process of becoming a new class and a changing culture, and also reflect that this process is not completed. The classes in a modern sense rise on an ideology and a culture of itself. Since the formation of this new middle class is an ongoing process, there can be

different views on certain issues and inner contradictions, especially between generations.

There is evidence that cultural capital has increased in inter-generational comparisons. H.G's daughter is completing her BA in England. She is veiled. E.T's daughters are veiled and they go to university even though he is just a secondary school graduate. One is going to law school and the other is in an engineering faculty. All of the interviewees are more educated than their parents but they are also less educated than their children, except for H.G. This increase in cultural capital is evidence of the making of a new middle class. They are second-generation rural families who have succeeded in becoming urban business people.

#### **4.5.2. MÜSİAD as the Stage of Conservative Elites and the Establishment of Conservative Civil Society**

MÜSİAD, as a social movement, affects its member's in terms of their social, cultural, economic and political behaviours. These effects are more visible in consumption culture, leisure, work ethic, communication techniques and artistic and literary production.

The membership admission process into MÜSİAD has been getting harder and more expensive every year. MÜSİAD officials declare that the monthly payment for membership has increased and that the requirement of providing two MÜSİAD-member references is applied strictly. The association has this mechanism for two reasons. First, MÜSİAD, in the competition with other associations, wants to spread the perception that MÜSİAD is mainly composed of elite members. And secondly, the association does not admit any who aim to become members temporarily and without sharing the values and principles of MÜSİAD just to gain access to the government and bureaucracy by benefiting from the close relationship of MÜSİAD with the ruling party, the AK Party.

MÜSİAD is not only an economic networking association or an ordinary NGO. MÜSİAD is also a social space in which newly rising conservative elites go through a process of self-realization in sociological terms.

MÜSİAD also contributes committee members in terms of visibility in the media. The President of MÜSİAD Youth, K.L., is twenty-seven years old, and he hosts television programmes about MÜSİAD's activities, its mission and its future

vision as well as its views on economic and political developments. Former MÜSİAD presidents are also involved in TV programmes and newspaper interviews from time to time. MÜSİAD Youth is the branch of MÜSİAD that prepares the younger generation of business people, students between eighteen and thirty years old, who are potential candidates to become future executives or entrepreneurs.

Attendance of the receptions, fairs, visits to political parties and politicians, and other intellectual and political events provide a public sphere for conservative business people and opportunities for personal networking. The business people who themselves join these activities also encourage their families, friends and white-collar employees to be involved in MÜSİAD events. Not only business life is involved here; this also expresses the spirit of the conservative socialization process and political indoctrination.

O. T., a former president of MÜSİAD who has been part of the association since 1993 and who was placed in the positions of general secretary for seven years, vice-presidency for four years and presidency for four years, views MÜSİAD as the pioneering force of the conservative part of society. He claims that MÜSİAD provided impetus for other conservative NGOs, and this is the why, after the foundation of MÜSİAD, the number of conservative or Islamic associations increased dramatically (interview with T.).

All the interviewees from MÜSİAD noted the absence of internal competition, rivalry, hostility or divisions within the association. “We have a perception of brotherhood here. We never imagine a negative feeling or competition between former and the successor presidents or executives. No presidents talk or complain in a bad way about the former ones. This is against our values. I still do not sit in an informal way when I am with Erol Yazar” (T.U., interview).

MÜSİAD also pioneered the foundation of TGTV (Foundation of Turkish Enterprises), which gathered conservative non-governmental social actors to organize cultural events, arts and charity organizations.

#### **4.5.3. Women in MÜSİAD**

It is clear that the influence and visibility of women is rising in MÜSİAD in terms of membership, activities and white-collar employees in MÜSİAD-member workplaces. However, it is still far from being on the same level as in TÜSİAD. In

TÜSİAD, two former presidents in the last ten years were women, whereas there is only one woman (for the first time) on the executive committee of MÜSİAD.

Since the foundation of MÜSİAD, there have always been female members in the association. The number of branches has increased from twenty-four to fifty-five across the country and there are even some branches abroad now. The influence, participation and visibility of women has increased as well. They participate both as employers and as executives. At the moment, there are women on the executive committees in MÜSİAD (T., interview).

On the executive committee of the Ankara Branch of MÜSİAD there is a female executive committee member, the owner of one of the largest Ankara-based companies. N.L., says that before being a MÜSİAD member, she had some prejudices about MÜSİAD. However, after becoming a member, she adapted very well to MÜSİAD even though she does not have a conservative background.

The patriarchal climate in the conservative part of society is reflected in MÜSİAD as well. The business people are mostly men and also the executive directors, the CEOs and the high level white-collar employees are mostly men in MÜSİAD-member workplaces. Women can be seen only in the positions of secretaries and in other low-level white or blue-collar positions.

Women are also objects of control and symbolic oppression in some workplaces of Islamic businesses. During my observations and informal conversations with former employees of some Islamic enterprises, I heard stories of women being oppressed with regard to their outfits or their behaviours. Even if there are many unveiled women employees in these enterprises, a few examples reveal that if a veiled employee decided to be unveiled or if they hear of any female employee drinking alcohol, then several mechanisms of control and oppression occur. First, these women are ‘warned’ and reminded about Islamic morality. Next, these warnings become threats. And finally, these female employees are sacked. Even though these examples are not witnessed generally, if we remember that these incidents are usually hidden, we can guess that there must be more. The most important aspect of this story is that if male employees commit these ‘immoral’ behaviours, they mostly do not face consequences on this harsh level. This is because male employees are not seen as objects to be controlled; instead they are seen as subjects. But this is sometimes not the case for female employees of Islamic businesses.

## **4.6. MÜSİAD as a Representative Sample of a Transformation of the Conservative Political Movement**

### **4.6.1. The Political Trajectory of MÜSİAD**

The timing of MÜSİAD's foundation should not be considered a coincidence. The implementation of neo-liberal policies meant that the state withdrew its ties from the large secularist capitalist group and started to encourage low and middle scale entrepreneurship. The opening of new markets for export after the collapse of the USSR made the emergence of Islamic capital possible in economic terms. On the other hand and in political terms, 1990 signaled two important changes: first, there was a shift from a military regime to a relatively more democratic one that the civil, elected government had more influence over in the spheres of politics and the economy; and second, the ruling party, ANAP, and its leader started to try to form the basis for alternative capitalist groups that are conservative and that would increase competition, which was part of a plan to demolish the monopoly of the largest Istanbul-based monopolistic capital, known as TÜSİAD.

To this end, as R.T. explained, Prime Minister Özal encouraged some young businessmen who are known for being religious, anti-Western and critical of TÜSİAD to form a new, alternative business association (T. interview). Contrary to the widespread assumption about the ties between MÜSİAD and the Welfare Party, MÜSİAD was supported by ANAP during Özal's leadership.

When MÜSİAD was founded, the founders were all young business people, the founding president Erol Yarar was not even thirty years old, and the average age of members of the executive committee was thirty-three years old. These people mostly had an Islamist past including involvement in some Islamist youth organizations like "Akıncılar" (T., interview). This Islamist activism was an important part in the transformation to becoming an actor in modern business life.

According to the official narrative of MÜSİAD, the reason for the emergence of the foundation of MÜSİAD originated from an incident in which MÜSİAD was not allowed to join an international business trip of the Foreign Economic Relations Board, which is supposed to represent all business people (Bugra, 1998).

During the first generation of MÜSİAD after its foundation, not all the members supported the Welfare Party even though the majority did vote for it. R.T. says

that in the first generation there were members who supported centre-right parties like the Motherland Party (ANAP) and the True Path Party (DYP), and also the Nationalist Movement Party (MHP). Also, there were members from different religious groups including the Gulenists. The Gulenists left the organization and founded their own association in 1993. After the death of Özal and the rise of the Welfare Party in 1994 municipal elections, support for relations with the Welfare Party increased. The close relationship of ANAP with TÜSİAD and DYP with TOBB (Chambers' Union of Turkey) left no choice but for MÜSİAD to make connections with the Welfare Party.

In the first three years of the association, 1990-1993, Özal as a centre-right leader supported MÜSİAD. After the death of Özal, the new leader Yılmaz was chosen to make relations with TÜSİAD instead of MÜSİAD. With the rise of the Welfare Party in the 1995 general election, the relations with and influence of the Welfare Party increased. This continued until the 28<sup>th</sup> February process in 1997 (T., interview).

MÜSİAD became more visible in the media and in the public sphere after the rule of the Welfare Party in 1996 for two reasons: first, the Islamist groups became the centre of public attention, and second, MÜSİAD members started to be encouraged and supported in terms of becoming more visible. They were praised and permitted to compete in public bids by the government and by the municipalities of Istanbul and Ankara, which were won by the Welfare Party.

The military intervention in 1997, known as the 28<sup>th</sup> February Process, was a turning point in MÜSİAD's history. The military and the 'civilian' militarist groups targeted MÜSİAD as the centre of 'backwardness' and 'anti-secularism'. The campaigning against MÜSİAD began with the blacklisting of its members, the publication of a list of member companies in newspapers, and the opening of a criminal case against the President, Erol Yazar, with accusations of hatred and of criminal discrimination. In this 'state of emergency', the court of security (which became extinct after the process) punished him with two and a half years of imprisonment.

These people [the MÜSİAD founders] were the people who had a consciousness of an ideal. That's why they formed this kind of movement even if they were already aware that this would make them disadvantaged and cause them to struggle. They did not become scared or surrendered and they never stopped. 28 February continued for five and a half years, the doors of the bureaucracy and government were shut to us, and one-third of all our members left the membership, but the main body of members who were conscious of struggle was protected (T., interview).

“I was a member of MÜSİAD during the 28<sup>th</sup> February Process” says N.L., MÜSİAD Ankara president. He proudly continues: “I know some MÜSİAD members who ran away from MÜSİAD; thank God, I was not one of them” (N.L. interview, 2015).

The 28<sup>th</sup> February Process harmed the aim of MÜSİAD to be more independent from political parties, and MÜSİAD found itself as the natural ally of the Welfare Party that was also targeted by the military and secularist civic groups. Also, the economic policies that support small and medium-size enterprises helped this relationship to form. This trend continued to develop towards the foundation of the AK Party.

The 28<sup>th</sup> February Military Intervention had an impact on the outlook of MÜSİAD towards European Union membership. MÜSİAD had been skeptical about the European Union as part of their perspective of the clash of civilizations in previous Islamist-culturalist thinking. Similarly, with the Islamist movement in Turkey, MÜSİAD began to support European Union membership loudly as a part of the elimination of the militarism in Turkey that stood against them. Because of the perception of European democracy, MÜSİAD saw the EU as a political opportunity to prevail against the militarist forces.

Not only the foreign policy, but also the discourse of MÜSİAD included increasingly high emphasis on democracy, pluralism, rights and modernization. This went hand in hand with the division of reformists–traditionalists within the Islamist political party, the Virtue Party. This kind of division overlapped with another division within MÜSİAD. Since the foundation of MÜSİAD, it had been no secret that MÜSİAD emphasized liberal democracy, open market relations and moderateness more than the Islamists represented by the Welfare Party and its leader Erbakan. Even in the official publication of MÜSİAD, *Homo Islamicus*, Hayekian quotations were frequently used to underline the importance of free market relations without state intervention. In 1998, a group of business people closely connected to the traditionalist group supporting Erbakan quit MÜSİAD and founded ASKON, The Confederation of Anatolian Lions. But most of the MÜSİAD members and the executive committee remained in MÜSİAD and supported the reformists led by Erdogan and Gul. This continued through the stage of the foundation the AK Party as well, which gained the support of most MÜSİAD members.

#### **4.6.2. MÜSİAD's Relationship with Politics and the AK Party since the Foundation of the AK Party in 2001**

The NGOs in Turkey started to play an increasingly important role in political and economic life. The rise of the concept of civil society and the liberal trends that limit governmental power led political parties and governments to develop close relations with NGOs. In the debates of the media and academia, MÜSİAD, as an NGO, is widely seen as the social and economic “backyard” of the conservative party, the AK Party. There are strong arguments to support this close relationship. For example, the importance of MÜSİAD, more than other socio-economic factors, can be seen as starting from the foundation of the AK Party, of which ten MÜSİAD members were among the founders. There were twenty-one elected MÜSİAD members, whereas there were only two trade unionists in parliament for the AK Party in the 2002 elections (Yildirim, 2010). In the interviews, I observed that most of the MÜSİAD member interviewees seemed to support the AK Party. However, some of the MÜSİAD members were critical of some of the AK Party's governing policies, even if they ultimately voted for the AK Party. This shows that there is some evidence for homogeneity amongst the majority of the members in the association concerning electoral decisions. One member critical of the AK Party government was the vice-president of MÜSİAD Ankara branch, who declares in an interview:

We accept 80% of the ideas and policies of the AK Party but the other parties have strong, cruel opposition that is 100% against us. We hide our criticisms for the part that we don't like in AK Party policies which is almost 20% of them. We have to do this, because the AK Party is best among the rest. There is a strong, secularist power group that wants to destroy the AK Party and MÜSİAD totally. We are silent about our criticisms of the government because we do not want to help this group collapse or weaken the government. We did not forget 28<sup>th</sup> February! (Mmeber of the MÜSİAD Ankara Branch).

There are also members who joined MÜSİAD to benefit from the political connections and favouritism towards MÜSİAD-connected businesses from the government or local municipalities.

Being a member of MÜSİAD mostly means being supportive of the AK Party, and supporting the AK Party is now quite fashionable. I first considered registering for the MHP (Nationalist Movement Party), but I saw future projection in the AK Party while at the same time I saw nepotism and favouritism in the AK Party. I registered both for the AK Party and for MÜSİAD. My first political identity is nationalism, and my second one is conservatism (young MÜSİAD member, E.Ö., interview).



At the same time, a member of the Ankara Branch opposes the idea that MÜSİAD members are favoured and economically supported by the AK Party government directly:

I have to say something. I do not know how outsiders view it. MÜSİAD members are still subordinate even in the period of the AK Party. Most of the firms making the largest business deals with the state are again TÜSİAD members. Not us. They were benefiting from the wealth of Turkey and they are still doing this. We are seen as the “backyard” of the AK Party. This perception is something we are not comfortable with. We also have members who support different views and who sometimes institutionally criticize the AK Party (N.L., interview).

From his youth, T.U., one of the founders of MÜSİAD’s Erzurum branch, joined the activities of the National Salvation Party (the forerunner of the Welfare Party), which supports Islamist ideals. He was one of the founders of the AK Party. He is also involved in politics and the economy at the same time. He is a member of the Istanbul Local Parliament as an AK Party member.

“It is not true that MÜSİAD cannot criticize the policies of the AK Party Government. We can. But in a kind and constructive way, not just to harm the government. And we mostly do it in our private meetings, not in public conferences for the press” (T.U., interview). The degree of the influence of Erdogan and the AK Party on MÜSİAD is always argued in the media and academia: “I guess the opinions of President Erdogan are asked about: whether he thinks of the future board and president of MÜSİAD in a positive or negative way. I do not think he will interfere in the association directly and determine the president and the committee. I am not sure about this part” (T.U., interview).

The storylines of MÜSİAD and the AK Party run in parallel. They have both been transformed from orthodox (to differing degrees) Islamist points of view to more moderate, pluralistic, modern-conservative positions. Instead of transforming the society, they chose to adapt to the liberal, secular world system by bringing their own Islamic and traditional values into the public sphere.

#### **4.6.3. Defining the Self-Identity and the Other**

The discourse of MÜSİAD members points to a large struggle and a utopian longing. The struggle for them is not only religious; it is civilizational, cultural and national. “They see us as their rival, that’s why they try to stop us, to ban us, and to damage our image. They do not see us only as an economic rival, but as a social and a political rival as well” (T.U., interview). “This is a struggle that requires

commitment, loyalty, patience and faith. MÜSİAD is now twenty-five years old. If it was not brave, fearless, resolute, solid, and if it had not had a mission, MÜSİAD could not have survived over this period of time” (T., interview).

Almost all the interviewees stated or implied that they are practicing Muslims. This seemed an important means of self-representation. If we focus on the terminology and examples of social differentiation and struggle, we will see that it is mostly cultural and political rather than economic.

Why should we not take up skiing, play golf or go to Huqqa [the most famous café owned and visited by conservatives] for breakfast? When my veiled sister goes to Reina [the most famous night club of Istanbul], they look at her as if they've seen a ghost! We know what happened on 28<sup>th</sup> February. Then we became the ruling power but we never did the same thing to them. This is our difference. We are not the losers of the society any more. We are successful, powerful and proud. This is what hurts the secularists! (T.U., interview).

The uniqueness of the case of MÜSİAD is that it is the carrier engine of this struggle, not only in the economic but also in the social and political spheres. This economic struggle overlaps with political and cultural struggles as well.

We have to have the best education, make the largest business, live the best but sinless life and then we can compete in a most powerful condition and beat the secularists. We both ski and pray in the mosque in the last ten days of Ramadan without doing any other activity. If we do not interfere with their tuxedos, they do not interfere with our outfits (T.U., interview).

Ş.Y emphasizes the differences between Turkish Muslims and Westerners:

They always make plans to devastate and invade us, divide us, but Erdogan is the hope and leader of all Muslims. They will never accept us as a European Union member even if we are much better than Bulgaria, Romania, Greece, Cyprus, Poland or the other new members. They do not want us because we are Turkish and Muslims (Ş.Y., interview).

#### **4.6.4. MÜSİAD as the Centre of Political Indoctrination**

The important feature of an interest group is not only being an organization of shared common interests; it is also being a centre that constructs common interests for this group of people. This construction will lead to the cohesiveness and solidarity of the group, inventing and attaining the resources to defend the interests of a group in the public space by putting financial, political and social sources together (Grossman, 2006). This is the reason why MÜSİAD is a social and a political formation.

The policy-reports periodical *Çerçeve* (meaning frame) has been published by MÜSİAD to frame their ideological positions. These publications make policy

suggestions to the conservative parties and indoctrinate members into a new conservative democratic ideology. O. T., former president, complains that the Welfare Party did not pay attention or listen to the reports and thoughts of MÜSİAD, while on the contrary the AK Party always cares, listens and appreciates MÜSİAD's reports, suggestions and opinions. This might be important evidence to show the harmony between MÜSİAD and the AK Party as opposed to with the Welfare Party. The AK Party's conservative-democrat character is more adaptable than the Islamist character of the Welfare Party.

O. T. states that some of the AK Party governmental policies were first proposed by MÜSİAD:

Removal of six digits from Turkish lira, re-organization of the State Institution of Supporting Small and Middle Scale Entrepreneurship, Solution Process for Kurdish Question, Social Security Reform, decrease of interest rates, taxation reform are the policies that the AK Party borrowed from MÜSİAD and then implemented. MÜSİAD worked as an intellectual source for the AK Party government", states Mr. T., like a think tank (T., Interview).

Working as a think-tank, providing indoctrination for politics, carrying religious connotations, and making political connections all underline the uniqueness of MÜSİAD as a business people's association.

#### **4.6.5. The Formation of the Political Identities of MÜSİAD members and Relations with the AK Party**

MÜSİAD members are individuals or families or business partners who prioritize religious and traditional values and mostly support the conservative AK Party government. This group of entrepreneurs refers to Islam as an identity and a label, firstly by connotation of the word 'Muslim' in the name of the association by starting its abbreviation with the letters "MÜS". This abbreviation also forms a kind of duality with the largest, oldest business association, TÜSİAD, whose name is the abbreviation of The Association of Turkish Industrialists and Businessmen. Also, the name of the association includes the Turkish word 'müstakil' (meaning independent) and emphasizes independence from state support and ideology.

This political and ideological consciousness was formed in individual or family-based MÜSİAD members whose sense of religious belongingness lies with other members or associations as individuals. In general, the social background to the change in conservative politics can be traced to this new entrepreneurial class as a part of the

demand, bottom-up, from society, rather than seeing this change only at the level of top politicians. Even if the MÜSİAD members define themselves as Muslim and have more or less political links with the AK Party government, among their intellectuals, the mass media and politicians, a difference in the discourse can be seen.

One of the new Islamic entrepreneurs' distinctive features is their support for the Justice and Development Party (AK Party) in the framework of financing the party, being the founders and MPs of the party and also emphasizing the label of 'Muslim' which differentiates them from the traditional, secularist, Westernized and monopolistic business group. In the relationship between the AK Party and this business class, for instance, ten members of MÜSİAD were among the founders of the AK Party, and twenty-three members were elected as AK Party parliamentarians in the 2002 elections (Jang, 2005, pp.214-217). In the 2007 election, thirty MÜSİAD members were elected as AK Party MPs, and in the election in 2011, twenty-three MÜSİAD members were elected as MPs of the AK Party. Also, three members of MÜSİAD were elected in the MHP (Nationalist Movement Party, the Nationalist Right-Wing Party) as MPs (Yankaya, 2014).

# CHAPTER 5 - ANALYSIS OF THE BUSINESS PEOPLE OF TUSKON

In this chapter, one of the most important and largest segments of Islamic business in Turkey –TUSKON – will be analysed on the basis of their relations with religious values and politics, their approach to modern business life, secularization, capitalism and modern Turkish political life, and also their socio-cultural strategies to become the new business class. Firstly, in order to understand Gulenist business people and TUSKON as an affiliated association, the leader of the movement, Fethullah Gulen, and the story of the movement will be discussed. Second, the institutional background and economic development of TUSKON and TUSKON members will be examined. Third, the traces of changes in the social life and in the cultural dynamics of Gulenist business people will be explored. And lastly, Gulenist political perspectives and their relations with the contemporary political establishment will be evaluated, especially in terms of the turning points of the political positions of the Gulen movement and the political attitudes of Gulenist business people.

The basis of the analysis of TUSKON will be the data extracted from interviews done during the fieldwork for this research in combination with historical analysis of the Gulen Movement. Four TUSKON members were interviewed during the research, and one non-official Gulenist businessman, who participated in some TUSKON events but who choose to remain a non-official member for self-protection, was also included.

A movement called the Gulen Movement (or the Service as they define themselves, also known as “The Gulen Community” as it is publicly known in Turkey) has become the centre of attention recently in the national and international media, politics and academia. The business people of the Gulen Movement that are organized in the business people’s association called TUSKON have features in the way they combine their so-called Islamic values and modern capitalist business relations, and have become a wide-spread, strong business network on an international level.

As a movement founded and led by a retired imam, Fethullah Gulen,

they established worldwide schools, private courses and media channels, and also tried to gain political power by benefiting from relations with political parties. From the beginning of the Gulen Movement, Gulenists have tried to find positions in high levels of bureaucracy. After the alleged investigation on 17<sup>th</sup> December concerning four Ministers of the Turkish Government started by Gulenist prosecutors and policemen that were trying to overthrow the Government, the organization gained national and international attention. The Government, composed of the AK Party and President Erdogan, accused the Gulen Community of forming a “parallel state” within the Turkish State to act as an organized group following the orders of Fethullah Gulen and to carry out espionage for foreign states. By ‘foreign states’, both Israel and the USA are implied. After this incident, war broke out between the government and the Gulenist Community, especially among media channels, intellectuals and politicians. Also in 2014, The Turkish National Security Council recognized the Gulenist network as a terrorist organization called Fetullahist Terrorist Organization (FETÖ). However, Erdogan emphasized that the Gulenist elite is the terrorist, but added that the lower social levels as ‘deceived by the terrorist elite’ and this study is mostly about the business aspect of Gulenists, not the criminal aspect

“The Gulen Movement does not easily fit into existing categories of religious organizations in the Muslim world” (Pew Forum on Religion and Public Life, 2010, p.18). Setting up of alleged secular institutions such as secular schools, media and business institutions, and political debating platforms, are the main distinguishing features of the Gulenists (Turam, 2007). Because the Gulenists present themselves as serving the Community as so-called service for Turkey and Muslims, the interests of the Community are one of their main priorities. Baskan states that the Community is now the richest and most powerful religious

network in Turkey (Baskan, 2004, p.223).

The most remarkable difference between the other Islamic movements in Turkey and Gulen's movement is Gulen's approach to Christians and Jews on the basis of inter-faith dialogue.

The members of his community have built over one thousand schools around the world, which have high standards of expensive modern facilities and English teaching from the first year.

Even if Gulen's movement emerged as a civic and non-governmental organization, afterwards Gulen openly preached to the members to organize and to gain the control of the important positions in the state structure. He explained "how blessed are the 'believers' who hide their identities and their faith in order to reach the highest positions in state". Some Gulenists stated in the interviews that Gulen suggests to his followers "even if you feel that you have to drink alcohol to hide yourselves, you may drink it for the 'holy ideals'".

As a global movement, the Gulenist Community is highly focused on Turkey's foreign policy. The movement supported Turkey's European Union membership with all its segments, and placed Turkey's ideal foreign policy position within a USA-Europe alliance. In 2009, an aid flotilla, Mavi Marmara going to Gaza (Palestine), which was under the isolation of Israel, was attacked by the Israeli army in international seas, and Erdogan and the AK Party government reacted harshly against Israel by cutting off all diplomatic relations with Israel, and openly defined Israel as a "terrorist state". All of the Islamic groups and conservative social bases of the AK Party started to take action against Israel collectively in terms of protesting the Israeli state, with the exception of Gulen's movement. Gulen blamed the NGO that organized the aid flotilla for not being

“respectful to Israeli authority”. This statement was criticized by the other Islamic groups and by the AK Party government. This was the beginning of the tension between the AK Party and Gulen’s movement.

The second incident that caused tension between the AK Party and other conservative social groups and the Gulenists happened in 2012. Attorneys who were Gulenists prepared a case against the Chairman of the National Intelligence Service (MIT) and an important member in Prime Minister Erdogan’s team. Prime Minister Erdogan accused these attorneys of committing treason and of being a part of foreign intelligence services (CIA and MOSSAD were implied). Thirdly, the government’s plan for closing private courses designed to prepare young people for university entry exams was declared, and since the Gulen movement has many private educational institutions, the Gulen movement reacted and rigorously opposed this plan.

Finally, the turning point in the breakdown of the relations between the AK Party and the Gulen movement was the preparation of corruption cases against four ministers in the cabinet on 17th December 2013. These cases were prepared by Gulenist prosecutors and were taken to the courts by Gulenist judges. Since the end of 2013, there has been a cold war between the AK Party (with the support of the rest of the religious brotherhoods and conservative groups) and the Gulen movement. The AK Party government has initiated a detection and stigmatization programme with the aim of eliminating Gulenist government officers and removing them from important government positions since 2013.

The global attention on the Gulen movement increased dramatically, especially after the conflict with the AK Party government in 2013, and BBC News described Gulen and his influence on business people as follows:

Turkish businessmen are attracted by what they see as Mr. Gulen’s international outlook and pragmatic approach to issues like using credit. The mix of philanthropy and business appears to have been powerful, with Gulen-inspired schools supporting and smoothing the way for Turkish businessmen in emerging markets like Africa and Central Asia... In this sense the Gulen movement has much in common with Puritanism. There are said to be millions of Hizmet followers in Turkey, where they are believed to hold influential positions in institutions from the police and secret services to the judiciary and the AK Party itself (BBC, 2013).



Even though the Gulen movement had been assumed to have millions of followers, this assumption needs to be questioned, especially after the results of the general and presidential elections in 2014 and 2015. The Gulen movement had supported and campaigned in favour of the AK Party since its foundation in 2002. In 2011, the last general election in which the Gulenists declared that they supported the AK Party, the AK Party gained about 50% of votes. After the conflict between the AK Party and Gulenists started, the Gulen movement started to campaign against the AK Party with all its power; however, this did not affect the results of the elections. In the 2014 Presidential Elections, Erdogan gained 52% of votes and in the general election of 2015 the AK Party gained 49% of votes and the independent candidates of Gulenists gained around %2 in big cities (No Gulenists even could manage to attend the elections as independent candidates in other cities). This leads to two possibilities: Either the number of Gulenists are not as high as previously assumed or the Gulen movement is not powerful enough to change the direction of its followers or most of Gulenists quitted the movements and chose to support Ak Party. In any possibility, it is validated that the electoral and demographic power of Gulenists had been exaggerated by Gulenists and mass media.

### **5.1. The Institutional Background of TUSKON**

TUSKON is well organized and composes an important faction of Islamic business in Turkey. Gulenist entrepreneurs founded the Confederation of Businessmen and Industrialists of Turkey (TUSKON) in 1993. To understand the significance of TUSKON, we can check the “Turkey’s Largest 500 Industrial Firms List” (2009) which presents forty-five TUSKON member firms that succeeded in being included on the list (ISO, 2009). For Islamic entrepreneurship in general, Gulenist entrepreneurs in particular emerged in Turkey as a new phenomenon after 1980, triggered by the arrival of neoliberal policies that cut the state’s organic relationship with the large-scale Istanbul capitalism and that freed Turkish businesses and markets from interventions by the state. The power of the Gulen network is also another reason for the rise of TUSKON-member firms.

Business associations like TUSKON are very important in terms of making business networking and collective identity possible. TUSKON has about fifty-five thousand members (TUSKON, 2016).

Members of the Gülen movement are known for their business solidarity and intense global networking in every region of the world in terms of establishing private schools, universities and charity organizations as a part of the missionary goal to spread the alleged principles of the Gulen community.

TUSKON should be considered in the context of the Gulen movement since it is totally organized within the structure and hierarchy of the movement. Other than the so-called liberal discourse of the Gulen Movement in terms of inter-religious dialogue and its European Union membership emphasis, supporting the improvement of minority rights can be regarded with skepticism by other conservative groups like MÜSİAD and regarded as degenerative and anti-national. The main difference here is the formation of political views in the structure of a religious sect that has a certain leader and principles. Even if both the Gulenists and other Islamic groups define themselves as Muslim, and have more or less political links with the AK Party government, among their representatives, mass media and politicians, a difference in the discourse can be seen.

The differentiation within the Islamic people, especially between the Gulen community and the other Islamic movements, started to grow, specifically in that the Gulen community, for the first time, started to criticize the AK Party government in their mass media channels. This triggered even more dichotomy between the businessmen groups and, as claimed before, there are key differences in terms of religion and political emphases between these two groups. These kinds of division within Islamic groups were identified, and the mechanisms of business, religion and politics were unpacked during the field study.

Five members of TUSKON were interviewed in the part of this research on TUSKON. All of their businesses are based in Ankara, and each of them has different scales of businesses.

TUSKON is the association of business people who are mostly members of the Gulen movement. The Gulen movement is a social and religious Islamic movement that is also quite involved in politics, business and education. The Gulen movement (or “Hizmet” as they define themselves, and which means “Service”) strongly encourages its members to be involved in business and educational activities.

The timing of the fieldwork was remarkable. After years of strong support for the AK Party government, Gulen and the TUSKON (as a social group) started to withdraw their support from the government and to strongly oppose the AK Party, especially regarding foreign policy and ‘democratization’ within the country. The intellectuals of the movement and its mass media channels announced this opposition starting from the end of 2012. This affected the field study and the interviews as well. The interviewees’ responses reflected the tension between TUSKON and the AK Party government in their criticisms.

One of the most significant common features of the members of TUSKON is the higher homogeneity among profiles of members. This is expectable in the structure of TUSKON since it is the association of a particular community. The structure of TUSKON is that of a confederation composed of several federations of business people across Turkey. The name of the federation in Ankara is HÜRSİAD (“Free Industrialists and Businessmen’s Association”). The member of the HÜRSİAD branch of TUSKON, F.I., opposed the idea of homogeneity within TUSKON and stated that there is a heterogeneous profile, especially in the Ankara branch, and said that their association and members’ businesses existed even before the Gulen movement. Business life is separate from spiritual life, but they have respect for the principles of the movement. On the other hand, one of the primary figures of TUSKON in Ankara N.Y., underlined the

importance of the motives of Gulen's teachings for most of the members and for his own business many times.

TUSKON is mostly involved in international business fairs and in international links with Central Asia and Africa. Most of the members had visited several central Asian and African countries in order to make business connections. However, this does not mean that TUSKON totally excludes politics from its activities. In the 2010 referendum about democratization and juridical law, TUSKON published documents openly supportive of the government and emphasizing the importance of voting 'yes' in the referendum. However, in the African Business Congress organized by TUSKON in Istanbul in 2014, the chairman of TUSKON openly declared their political opposition and even threats to AK Party and Prime Minister Erdogan.

TUSKON is a confederative association. TUSKON is composed of seven regional federations and hundreds of sub-regional associations. ANFED is the federation of the Central Anatolian business associations. The hierarchy from bottom to top is HÜRSİAD (Ankara) – ANFED (Central Anatolia Region) - TUSKON (Turkey).

## **5.2. Economic Empowerment of TUSKON**

### **5.2.1. Why do people become members of TUSKON?**

There are fifty-five thousand individual members of TUSKON. The interviews were conducted in the Ankara branch, which is called HÜRSİAD. According to F.I., the member of HÜRSİAD, there is a heterogeneous membership profile in TUSKON. There are even Kemalists and liberals among them, he claims. He says there is plurality in the organization, as it is not only comprised of Gulen movement members. In TUSKON, he says there is a hierarchy from the board of TUSKON to the federations and member associations, but he adds that they respect autonomy in TUSKON. However, all of the other interviewees stated that a large majority of TUSKON members are Gulenists.

The members of TUSKON stated that membership of the association is not only about business; it is also about Gulen movement's aims. However, it was seen that, after becoming a member of the association, the scale of their businesses grew for this group. The feeling of belongingness to a collective identity is

seen.

Most of the interviewees stated that the being a member of the Gulen movement is not profitable, and it even has negative effects because of the restrictions that the movement imposes upon its members, and also because of increasing exclusion from the rest of society. By saying this, they do not mean that TUSKON does not contribute to their professional business lives, but that they evaluate their belonging to the movement in terms of every aspect of the effects that membership has on their lives.

In most cases, membership of TUSKON means membership of the Community (the common name given by the society to the Gulenists) for business people and vice-versa. This also means that each of the members are evaluated as representatives of the Community and represent the image of TUSKON and the community since it is a closed, strongly tied social movement.

The power and influence of TUSKON in the business world is mostly about the solidarity and collaborative bonds of the Gulen network on both national and international levels. We can find the narratives of small-merchants' success stories, of starting in exporting and becoming international scale businessmen, on Gulenist television channels (Buğra, & Savaskan, 2014, p.202). These narratives are also spread by Gulenists to motivate its members and to attract more non-members.

Membership of TUSKON started increasingly to be understood as membership of the Gulen movement.

I became a member of TUSKON because I am a member of the community. I have been a member of the community since 1991. I think membership of TUSKON and the community affects business life positively because your network grows by getting to know more people from different sectors and fields during the circle meetings, especially of the community that we attend after working hours in the evenings (N.M., interview).

Especially after the conflict between the AK Party Government and the

Gulen movement at the end of 2013, business people who were in a loose circle of members of TUSKON began to cancel their memberships and the association started struggling to recruit more members even within the movement. “I saw that some people had joined the community thinking that it would increase their business income; however, they left the community after the last conflict with the AK Party. About 40% of the people left the community. The weak links in the chain broke and left, and the true, strong ones stayed” (R.Z., Interview). The exact data about the change in the numbers of members is not shared by TUSKON, but many members and non-member business people told me this in the interviews and in informal conversations.

In some cases, non-membership as well as membership of an association can mean a lot because of the common negative image of the Gulen movement recently, and some business people decided not to become official members even though they are Gulenists and had attended some events of TUSKON. R.Z. is one of them. He pointed out that he is quite a cautious person all the time and he aimed to protect his business, first from the previous militarist pressure, and now from the tension between the government and its supporters and the Gulen movement. He also added how much he benefited from being so cautious. R.Z. says, “I am a member of TUSKON by heart, not by signing papers”.

### **5.2.2. The Attitudes of TUSKON members towards Capitalism and Islamic Business**

There is a consensus among TUSKON members that business is for gaining wealth, for creating new jobs, employing more people, and finally for helping the development of the country to be more powerful. R.Z. makes a distinction between the wealth of the Gulf States and Islamic business people like himself: “We do not need to have wealth for waste as in Dubai; we need economic wealth to be an economic power as a country. Muslims have to be wealthy, industrialized and powerful. But at the same time we should be careful to have halal income and social justice” (R.Z., interview).

Gulen considers the relationship between Islam and capitalist market relations as compatible, and that the latter should therefore benefit Muslims. Sevindi says that Gulen believes in free markets and free enterprise (Sevindi, 2008). Yavuz also states that Gulen preaches that believers must be wealthy and expand their businesses as much as possible in order to be more wealthy and powerful and to contribute to the collective wealth and that the strategy to obtain

wealth and power is through the establishment of free market relations and through being an important factor in this market (Yavuz, 2003).

According to N.Y., Gulen preaches to the business people of the movement not to do business with the state because such business can degenerate the values of the movement and cause problems such as corruption. However, other Gulenist businessmen openly said that they do business with the state. R.Z. said in the interview that they import medical devices and sell them to the public hospitals:

### **5.2.3. The Importance of Trust Networking and the Moral Economy of Kinship for TUSKON Members**

As do other factions of Islamic entrepreneurship in Turkey, and perhaps even more, Gulenists rely on the moral economy of kinship. Kinship relationships are functional in terms of providing capital, labour resources and partnerships. The different aspect of Gulenism is the centrally organized, hierarchical structure of the community that has led the members to internalize a sense of brotherhood that is similar to kinship. The community organizes for the unmarried members to live together like family members, and also arranges marriages by finding ‘perfect’ matches for its single members. These two mechanisms of the Gulen movement help to build kinship-like ties among members and business people. In this mechanism, the kinship network intersects with the Gulenist religious network to construct a reciprocal regime within the moral economy of kinship.

The trust network of the business people of the Gulen movement works in a unique way because of the special restrictions held by the preaching of Gulen. Gulen does not force the members of the movement to form partnerships among the Gulenists; instead he encourages supporters to make business and form partnerships with ‘outsiders’. There are three reasons for this:

First, Gulen does not want any internal tensions or problems arising from partnerships between members within the community or any favouring in employment of people just from the community, because the atmosphere within the community could be damaged if there are any materialistic problems.

Second, the Community sees partnership and employment relationships as strategies of growth and enlargement, by forming relationships with new people from ‘outside’ and recruiting them to the movement. In this strategy, members are advised to introduce the wider community to Gulen’s principles by using their business relationships. “Other religious communities are protective and closed to outsiders, and exist as ghettos in the society; however, our community is open to everyone, even to non-Muslims. For example, I saw that members of The Community were serving free *ashura* (a traditional desert served in religious feasts) in front of a cathedral in Hungary to find ways to dialogue with the people there” (R.Z. interview).



A member of TUSKON's Ankara branch thinks that there is no cultural and social background for good partnerships in Turkey. They once made a partnership for hotel ownership and patrol facility services, but then it did not work out because of the lack of institutionalization. He says the most important problem in new Turkish entrepreneurship is its lack of institutionalization. By remembering the rural and uneducated origins of these entrepreneurs and that they used to mostly own small and middle-scale businesses, we can understand this issue. In this case, religious and moral trust networking compensates for lack of institutionalization. This fact evidences that TUSKON does not encourage forming partnerships to avoid problems away from the community.

As an alternative to issues about social justice rising from capitalism, the Gulen movement has a distinctive inner mechanism of aid (*himmət*) and solidarity. Fethullah Gulen preaches that the members of the movement should give a significant percentage of their incomes to the movement for financing charities, media, education and other organizations of Gulenists. The dormitories, preparatory courses and schools around the world are financed through this money given by the supporters of the movement. The business people of the Gulen movement finance the largest part of this expenditure.

Gulen encouraged this new business class to sponsor the activities of the movement, including dormitories, colleges, preparatory courses and universities (Ebaugh, 2008, p.37).

Apart from motivating people to donate money, Gulen remained distanced from the financial management of all institutions related to the movement. Instead, he encouraged the sponsors of these institutions to actively oversee the use of their monies. (Woodhall, 2005, in Ebaugh, 2008, p.37).

Gulen tells us to give money as much as you can. Even so much that you cannot sleep at night. I know some people who give more than half of their yearly income without expecting anything in return. I know some business people who give so much money that they must drive very cheap and low-standard cars because they have given away all their money for buying a new, better car. I cannot say that all the people give the same percentage of money – it depends how big their heart is (N.Y. interview).

Such stories of 'giving' are spread by Gulenists in order to increase the rate of donations to the Community:

After seeing that people are giving 25% of their yearly income or even half of all their income, you get surprised but then you see how much people are sacrificing. They do not waste their money on luxury or joy. They do it for an ideal. Instead of driving two Mercedes cars, he drives an ordinary Renault. Do you know how many orphans are being taken care of with this money? Or how many students are educated? (N. M., interview).

These quotes are examples of a Gulenist propaganda good example of the inner mechanisms of donations in the Gulen movement is the foundation of Fatih University, as Ebaugh explored in her research:

One wealthy businessman from Istanbul donated the scenic property on which the university is located, appraised at the time at approximately 5 million dollars. Today the property is worth about 100 million dollars. Once the land was donated, other businessmen contributed to constructing the buildings and the initial opening of the university (Ebaugh, 2008, p.90).

However, there is also criticism towards the movement by a Gulenist businessman concerning the rates of giving:

...but the Service [Hizmet, the name given to the movement by its supporters] is excessive in the rates of money they ask us to give. They ask for so much money, I cannot give that much. But if there is a very important, urgent situation I would give, but there is not at the moment. For example I went and invested money when the government tried to bankrupt Bank Asya (Islamic Bank of the Gulenists). Not only me, everyone I know from the Gulenists did the same (R.Z., interview).

Ebaugh observed during her research that the size of donations typically varied between 5% and 20% of a person's yearly income. A small number of business people give even more according to her: "In Bursa, a businessman gives approximately 3.5 million dollars per year which is one third of his income. Another businessman gives 3–4 million dollars per year to eleven schools in Albania. A third man gives money to schools in ten countries and said that he now has brothers in all of these countries not just locally in Turkey" (Ebaugh, 2008, p.55). Mahcupyan, an author who worked for many long years for the Community's daily newspaper *Zaman* said that there is a widespread consensus that giving money equivalent to 10% of yearly income is a donation to the movement. This applies for the blue-collar workers as well (Mahcupyan, informal conversation).

When asked why they give 1 million dollars or more each year to movement projects, the group of businessmen in Istanbul gave the following reasons: to make better human beings as Gulen encourages; to educate our youth; to please God; to earn a reward in the next life; to be part of a bigger movement to better the world; to provide hope to our people in Turkey and around the world" (Ebaugh, 2008, p.59).

#### **5.2.4. The Attitudes of the Members of TUSKON towards Islamic Finance**

In the Community, the use of Islamic finance is encouraged, but not strictly enforced. Self-resources are also advised to use as an alternative. The Gulen movement owns its own Islamic financing bank, Bank Asya, which became the focus of debates after the government recognized as a financial source of organized crime of Gulenists.

Bank Asya opened in 1996 when three hundred and forty-six business people throughout Turkey bought shares in the bank and obtained a license from the Turkish Treasury Department to open an interest-free bank. Gulen attended the opening ceremony of the bank. Most of the Gulen-inspired schools, hospitals and companies use Bank Asya for their banking needs.

In terms of the attitudes of TUSKON and its members, the perspective on Islamic finance is positive; however it is not seen to be satisfactorily profitable by the members. TUSKON member, N.Y., says in the interview:

Until three or four years ago, I avoided bank credit. But now in our scale of business, we have no other choice than running the business with bank credit. We cannot borrow this amount of money. Movement does not put anything against bank credit. I work both with Islamic finance and capitalist banks, but the interest rates are higher than the benefits of Islamic banks, so I do not know if the Islamic finance system is really halal. We don't live in Canada, the economy here is not stable, and we have to rely on bank guarantee. We have to have competitiveness with foreign companies and we have to have large investments. We can do it only by bank credit" (N.Y., interview).

N.M., like all of the other interviewees, thinks that there is still confusion about Islamic finance in Turkey:

What is interest [riba], is it the interest rate above the inflation rate or is it all counted as interest? We need to clarify everything about interest and Islamic finance. This restricts us a lot. There are cases in which we need urgent money for our payments but Bank Asya is not helpful in these situations: they only offer to buy the machines in the beginning and become partners. They do not lend money in the process when we need cash. But other banks give the money as soon as we need it. The economists and Islamic scholars should gather and solve these issues. I do not want to have haram [religiously unacceptable] money, but if there is a rate of inflation, there should be a solution for this (N.M., interview).

TUSKON's Ankara branch member said that he thinks the separation of modern banks and Islamic finance institutions is not important. Most of the TUSKON members use bank credit, according to him. He states that he used bank credits before

(Y.S., interview). However, another young TUSKON member said in the interview that he had never used bank credit in his life and he is against this for religious reasons (G.A., interview).

TUSKON members say that the Community does not impose or enforce anything against usage of bank interest: this is their own choice. This is one of the most remarkable outcomes of the analysis of the data.

I am very positive towards Islamic finance; however, the system is still not well organized and profitable for business people like us. I have to take bank credit and use leasing because I have to pay the wages of my workers, but if I have money enough, buying machinery with cash is always my first choice (R.Z., mid-level entrepreneur in Ankara, interview).

#### **5.2.5. The Attitudes of Islamic Business People from TUSKON towards Trade Unionism**

The workers in workplaces of Gulenists have some features. First, the local circles of the movement and the solidarity within the Gulenist community decrease the extent of formation of a working-class identity and a sense of class differentiation. Even the Gulenist workers are part of the share system of sponsoring the movement. “Because they are not as wealthy as the businessmen, they cannot support an entire school or ten scholarships as some businessmen do, but perhaps three of them will support one scholarship. Also, some of them make donations without giving money but by serving voluntarily for the movement by giving their time and effort” (Ebaugh, 2008, p.49).

TUSKON’s primary figure, N.Y., opposed the concept of unionism: “We think of trade unions as an aristocratic institution rather than one that seeks to serve the interests of the workers. I discussed with a business partner a hotel construction partnership in the USA, and they warned me that the trade union there has the power to block all your profits and efficiency. In Turkey, trade unions can be an obstacle to financial success. We don’t need a trade union because The Community itself is a civil society, and it is a bridge between employers, employees and all of the other partners”

TUSKON member). G.A. thinks that, in terms of employment policies, references are very useful and important. The references of Gulenists are most important, but also there can be other references that he can rely upon as well.

The business people of the movement seem to benefit from the negative image of unionists in Turkey, and do not feel comfortable about their workers and unions if the workers become unionized in the workplaces:

I do not approach trade unions positively, even if we are not in a large-scale workplace, I do not. We already give the wages that workers deserve. Also, trade unions are not clean. I do not think we have fair, clean, systematized trade unions in Turkey as in Europe. And bare in mind that there is hypocrisy, non-sensitivity, selfishness and fraud in Turkish people's minds: that is the reason that the trade unions are not working properly (R.Z., interview).

However, not all the TUSKON members are against the idea of trade unionism: "The Community does not discuss it enough, but I think there should be trade unionism in TUSKON workplaces. The rights of the workers should be protected and defended. That is what the Prophet suggests" (N.M., interview).

But overall, Islamic business people from TUSKON have a negative attitude towards their employees' membership in unions. They see unionization as a threat to their 'family-like structure' and to their employer-employee relations. Whether they use religion as a tool for decreasing the rights of employees or they sincerely believe that unionization is against their collective belongingness and structure, the fact is that they are against one of the basic concepts of modern civil rights as actors of modern society, and that they conflict with a remarkable institution of the modern society, even though they define themselves as modernists. There is also a semblance of altruistic character and a lack of individual agency in Gulenist movement. In other words, the labourer does not have the courage or the will to demand the rights of unionism, both because of the risk of being sacked and becoming unemployed, and because they have personal, political or religious connections with their employers. They do not feel comfortable to make professional demands like unionization and they feel it would be 'unethical' and a 'betrayal' of their employers' 'help' in finding a job. In relation to unionism, the heritage rural-community relations in contemporary Islamic business can be seen.

### **5.3. The Socio-cultural Background and Transformation of TUSKON-member**

#### **Business People**

#### **5.3.1. Commonalities and Differences of Social Background and Mobility of TUSKON Members**

The Gulen network helps the new Gulenist entrepreneurs to grow in business, even if some of the business people interviewed do not agree with the idea that this is beneficial. One of the largest oil producers in Turkey, T.Y., said that they increased the number of countries to which they export to eighty, due to the schools of the Community in these countries. “There are schools of the Service in one-hundred and twenty countries. The people who go and work in these schools are respected and prestigious people. We benefit from those schools in our export networks. The suppliers from these countries even started to prefer Turkey for imports. The ones that buy oil from me even started to buy tomato paste and pasta from another Turkish company that I introduced to them” (Zaman, 29 June 2010).

G.A., started as an apprentice in the jewellery shop of his uncle. In a few years’ time, he opened his own jewellery shop in Ankara. He ran his shop until 1996. He entered into a small-scale construction business later. In 2010 he started to own the franchising rights to a Turkish café-restaurant chain, and then opened a luxurious cafe in a high-class shopping mall in Ankara. He will open his second cafe at the end of 2013 in another shopping mall.

Not all business people share the same social mobility. The company of Y.S., is sixty-two years old and he is of the third generation in the family to lead the company. The company was founded in 1951. Having the heritage of a family business, and working, as an institutionalized company is not common among TUSKON members. This institutionalization and running of businesses in different sectors, and also being well-known in the business life of Ankara and possessing good relations with the different parts of society even though he is from a peasant family living in a village near Ankara.

R.Z. is a partner of an industrial producer, based in Ankara’s Ostim Industrial Zone. He is a partner with his brother who is a mechanical engineer. They produce industrial parts for Boeing and Airbus planes and also for the Tractor Company of Koç.

He is fifty-three years old, and a graduate of the Faculty of Agriculture in the University of Ankara. After graduation he moved to Edinburgh, Scotland where his sister lived, but then decided that he could not live anywhere except in Turkey. They then founded their business by borrowing money from relatives and further improved their business.

N.M., an important figure of TUSKON and the business community in Ankara, has a distinctive feature in that he is both an entrepreneur and a politician. He is fifty-one years old and was born in Kayseri, which is famous for its successful tradesmen. He graduated from the University of Uludag in Bursa and became a government officer for two years, and then left his job to enter into business life.

The future vision of being a government officer was too limited for me. Trade is more free, flexible, the sense of personal success much higher. Being a government officer is mostly about personal or political connections whereas business life is about personal success. As conservative businessmen, we believe in destiny. Allah says: I will give the knowledge to that which demands it, will give the wealth to which I want. Trading requires talent and skills; it is not about education. I did commerce of electronic appliances in Kayseri until 1996. During my military service, thanks to the people I met in the house belonging to the community (Gulen movement), I started doing this business concerning heating systems. Anyone can do small-scale marketing and commerce but what we are doing requires technical knowledge and specialization. We are the official distributors for four large, world-famous German energy companies in Turkey. It is not easy to get the rights to sell these products; there are legal and technical requirements (N.M., interview).

His company is involved in the importing of heating and air conditioning devices from Germany and in distributing, repairing and installing the devices in homes and in office buildings. Later in his political life, N.M. became an important figure of the AK Party's Ankara branch.

In conclusion, the social mobility and transformation of Islamic entrepreneurs gives hints about the transformation of Turkish society from a rural, agrarian to an urban, capitalist, modern society. Starting in the 1950s and accelerating after 1980, this urbanization and industrialization process transformed Turkey from a 20% urban population in 1950 to a 75% urban population in 2014. This went hand in hand with urbanization and industrial growth. In recent decades, Islamic business became the engine of this transformation in Turkey. Both groups of business people have similar trends in their life stories in terms of their upward social mobility. The only difference can be said to be that because of their tight solidarity in their community, TUSKON members feel that they owe their success stories to their membership in the Gulen movement.

### 5.3.2. The Making of New Islamic Elites in TUSKON

The Gulenist interviewees that are members to TUSKON seemed careful not to present themselves as being interested in conspicuous consumption. Each of the Gulenists, whether business people or others, consider themselves as representatives of the movement and therefore pay special attention to their own images.

R.Z., a middle-scale businessperson in Ankara, explains that he is careful not to buy luxurious cars or houses for his personal life, but he also adds that he has to have high-quality cars to impress his clients or network to show that they are a trustworthy company that has a good income.

...but the Muslims have no right to accumulate wealth for themselves. I have thought about the hungry, poor people suffering in cold weather when I put my head on the pillow in bed at night. I would like to buy a jeep to provide safety for her in the traffic but it has to be an old, non-expensive one. Otherwise, buying an expensive one is not going to suit us where the minimum wage is about 1000 TL. The Muslims would not think badly about us when we drive a Şahin car [Old cheap Fiat brand produced in Turkey] (R.Z., interview).

Consumption is about the representation of social status in Turkey: that is why we need to show our social status and consume. I had my summer holiday in Angel's Peninsula [7-Star Top-Class Holiday Resort owned by a large Gulenist businessman and famous for its high luxury and extreme prices] last summer. It is a summer holiday in the end, a place and time for relaxing. But when we go to the dinner in the dining hall of the hotel, women become different, they show-off their expensive dresses and stare at each other in an analysing and a despising way. It is unbelievable: it was a dinner at a holiday resort, and it was a competition of status, money and consumption of luxuries (N.M., interview).

Not only business people, but also the environment of conspicuous consumption affects the professionals of enterprises. "I let my engineers drive the cars of the company whenever they want, but still they want to own their own cars and to pay that money. Consumption is the focus of everyone, all the time, especially since we as conservatives all have an inferiority complex towards the secularists: we would all like to reach their social status by conspicuous consumption to satisfy our inferiority complex" (N.M., interview). Turkish sociologist Kasaba described Gulen network as follows:

Today the Gulen network represents a massive accumulation of resources or 'capital', such as economic and cultural (educational and media-related) capital. However, regarding symbolic capital, that is capital providing prestige and status, and hence legitimacy, the situation is different. Indeed, there is an obvious deficiency in this regard, which the leaders try to compensate for in various ways, for example, by adding – and emphasizing – an academic profile (universities, scholarly journals and other publications) to otherwise mainly secondary education and business-oriented efforts. Thus, on one hand, the leaders/members want to keep a low, reserved profile, but on the other they also want their



efforts to be visible and stand out as praiseworthy and prestigious achievements in the public sphere (Kasaba, 2014, p.628).

The participation in sports organizations and executive committees of sports associations is a mechanism of self-realization among the upper classes in Turkey. N.M., first generation businessman, developed his social network by becoming a member of the federations of sports branches.

### **5.3.3. TUSKON as a Socialization and Solidarity Mechanism**

TUSKON in specific and the Gulen Movement in general both play important roles in helping the socialization process of people who are mostly rural-based and who come from poor uneducated conservative families, and who also support Gulen and his movement. There are Quran-reading circles; exhibitions are organized; preparatory courses to universities or schools; and there is provision of new business and networking opportunities for various scales of entrepreneurs.

Attending the circles can take a lot of time for the members:

I do not go to the reading and discussion circles (*sohbet*) because it is a waste of time after a long, exhausting day at work. I just support the movement by giving money (R.Z., interview).

I am confident about the money I am giving to the community. The money is in safe hands. I know it goes to the construction of schools in Papua New Guinea or Tanzania, or going into the pocket of the teacher working in America or in a part of Asia or to the students who need this money. I went to eight countries in Africa and Asia, we went to Turkish Schools of the community and I am more motivated to give money each time I saw these places. (R.Z., interview).

The international links and branches of the Gulen Movement and TUSKON in particular are run by the Gulenists who voluntarily go and work as missionaries in different parts of the world. These voluntary Gulenists make connections with the local social and political elites to build economic and political relations for the business activities of TUSKON and for the local educational institutions of the Gulen Movement.

Not only as a solidarity mechanism, but also as a way of increasing the inner motivation in the Community and in marketing to gain public support, the Turkish

Language Olympiads are important. The Turkish Language Olympiad is one of the most popular public scenes and marketing mechanisms of Gulen movement, showing how ‘the Community works for the good of Turkey’. The Turkish Language Olympiad is the Turkish version of Eurovision. It is a Turkish language skills competition for singing and poetry in Turkish among the students from the Gulenist schools from all over the world.

The second most popular social events of the Community are the meetings of the Abant Platform. These are a series of panel meetings of liberal intellectuals and host discussions about democratization, the Kurdish question, potential constitutional reforms and political parties.

#### **5.3.4. Approaches of Islamic Business People in Ankara towards the Role of Values in Islamic Business**

One of the keystones in the debates about Islam and capitalism concerns rationality. Weber argued that capitalism is not compatible with Islam since Islam is not suitable for the development of economic rationality and capital accumulation. Among interviewees, there were varying kinds of manifestation of rational economic behaviour.

The basic reason for the contradiction between Islamic and secularist entrepreneurs is their different identities. Yet it is seen that business people from both sides can have good business relations. “If I see the supplier of the goods I am buying drunk, and if I had an alternative, I would buy from someone else. But I would never talk behind them and gossip and I do not see them as an enemy” (R.Z., interview).

TUSKON, as part of the Gulenist strategy in all spheres of life, strategically plays a flexible role in terms of attracting new members. In Kayseri, a conservative Central Anatolian city, TUSKON members oppose the idea of serving alcohol in the city, whereas in a city like Izmir which is well-known for its secularist-Westernized social atmosphere, TUSKON members' attitudes are more moderate with regard to alcohol consumption and service (Ayata, 2014, p.239).

Self-interpretations of Gulenists concerning the place of Islamic values in modern business life are sometimes contradictory. They seem to prioritize Islamic values in some regards whereas in other regards they seem to choose rational business principles without taking Islamic or communitarian principles into account.

N.Y. became a member of TUSKON eight years ago when he went to Turkmenistan in 1994 with entrepreneurial aims. It is not common to hear this much sensitivity or emphasis from a TUSIAD member about the organizational structure of Gulenists.

We, as TUSKON, have an economic growth record; God is rewarding our service with his *bereket* (efficient outcome given by God). We find subcontractors by ourselves. We, as a movement, carry out trade reasonably and rationally. After receiving proposals, only in similar conditions can we consider choosing Hizmet movement's members. Also this can avoid the chance of unrest in the Gulenist community. We prefer personal skills first, and then religiosity. We don't want radicals, marginal people to employ. They can harm our peace, solidarity and teamwork (N.Y., interview).

### **5.3.5. Women in TUSKON**

Not only in TUSKON but also in almost all Gulenist activities, especially in those of local circles and exhibitions, preparatory courses are gender-segregated. Both men and women in the movement explain this situation by maintaining "they all feel more comfortable in gender-segregated places". The movement is sometimes criticized for discouraging women from engaging in public leadership and in social interaction with men, and for encouraging women to play their given roles as 'housewives' (Ebaugh, 2008, p.50). These discussions about social values, socially accepted and non-accepted behaviours, sometimes tend to define women by using examples about women provided for by businessmen. 'The women driving jeeps', 'the women wearing headscarves but putting too much make-up on', 'the women wearing tight clothes', etc., are the most common negative examples to show the level of degeneration in the society. "The woman who drives a jeep with too much make-up like a painted clown is never suited to Islam and the image of the Community [the Gulen movement]" (R.Z., interview).

Y.S. from HÜRSİAD, says that there is a women's commission in HÜRSİAD, and that it is the most active women's branch among TUSKON branches. And they are not wives of businessmen either; they are businesswomen involved in business.

There are female members in TUSKON and there is a Women's Branch but generally there are no women executive committee members. But this is not the case only for TUSKON; in ATO (Chambers' Union of Ankara) there are one hundred and eighty-eight members in total, but there is only one businesswoman in total (N.M., interview).

During the 1990s, where the laic, political and militarist oppressions were strongly felt by conservative, religious people, Islamic companies preferred not to employ veiled women because they did not want to be stigmatized. After 2002, this fear tended to be lower; however, it still exists:

Let us be honest, I prefer not to employ veiled women because they [the secularists] stigmatize straightaway. We cannot be sure about the aims of people coming here. We are still afraid. We want to be sympathetic to everyone.

R.Z. was clearly trying to convince the interviewer and himself by emphasizing moral values as follows:

Check this girl out [indicating a woman employee working in the workplace]. She is not veiled, her nails are polished: what is wrong with this? But if she wears some immoral outfit: I would warn her (R.Z., interview).

#### **5.4. TUSKON's Relationship Politics and the AK Party Government**

TUSKON is a hierarchically structured community. In order to perceive the political tendencies of TUSKON members, we have to analyse the Community. The Community is the Turkish name of what is commonly known as the Gulen movement.

The sharing and cooperation system in the Gulen community works in a way in which there is a central hierarchy: N.Y. belongs to the Çankaya district of the Ankara region of the share system of Community, and Ankara belongs to the Central Anatolia branch. N.Y. recently supported the construction of eight floors of student dormitories,

some construction work for students belonging to the Gulen movement and trained in the movement's educational institutions. Also, the Çankaya district gives money to Southeast Anatolia and to central Asia and Africa for aid and the opening of new Gulenist schools and dorms. "Most rich people have no satisfaction, but we do! I know a person who gave five-million dollars to aid the system (Hizmet's share system], and then he had no money left to exchange his old car" (N.Y., interview).

"In five years, TUSKON will grow dramatically. The education and the vision are combining here. The fairs and the push of entrepreneurs into Africa and Asian markets will contribute and transform this country" (Y.S., interview). Y.S. went to Russia, Senegal, Nigeria and Azerbaijan as part of the TUSKON fairs and investments. Y.S. says that, like many other TUSKON members, he is involved in the construction businesses in these countries.

After the 17<sup>th</sup> December process in 2013, Erdogan and the AK Party first tried to make a separation between the leading elite of the Gulen movement and the 'ordinary' supporters of the movement in the base. The AK Party described these supporters of the social base of the Community as being "deceived, innocent people who believed that Gulen and the elites had good, religious intentions and gave their money and time to these liars who they thought to serve to the enemies of Turkey and Islam" (N.M., Interview).

N.M., one of the primary figures of Gulenist business people and TUSKON

members in Ankara, was also an important figure in the political life of Ankara. He was Vice-President of the AK Party's Ankara branch between 2010 and 2014. He was a part

of the cadre of Abdullah Gul in the AK Party. After the conflict between the Community and the AK Party that started with the 17<sup>th</sup> December Coup, he was eliminated from the AK Party. N. M. emphasizes his efforts to make a division between his economic and political lives. “My business was not affected directly by my political career but it is possible that my political title provided some trustworthiness in me. But I was never unethical to use my political power in favour of my business” (N. M., interview).

As an important segment of the Gulen movement, TUSKON was involved in all of these political incidents, problems and conflicts. The media released the secret tapes of a conversation between Fethullah Gulen, the leader of the Service movement, and the General Secretary of TUSKON. In the tapes, Gulen was giving orders and listening to the report of the latest business deals of TUSKON firms at the business fair, especially about how they were preparing a struggle with the government by excluding untrusted outsider business people, and how they founded business connections with African countries’ presidents.

TUSKON members are strictly obedient to the directorate of the Gulen movement concerning political, economic and religious principles. The Gulen movement, including TUSKON, supports Turkey’s European Union membership at all costs, and also supports the USA-Israel axis in the Middle Eastern foreign policy in opposition to AK Party Government’s recent anti-American, anti-Israeli position in foreign policy. In fact, this can be considered as the validation of the claims of AK Party about the Gulenist movement.

# CHAPTER 6 - COMPARATIVE ANALYSIS OF ISLAMIC BUSINESS GROUPS AND THEIR SELF- INTERPRETATION OF THEIR DIFFERENCES FROM SECULARIST BUSINESSES

As a result of the rapid development in democratic consciousness, urbanization, education levels, and also rise of new urban, educated middle classes, the importance of NGOs raised in recent decades in Turkey. The social status achievements of people had depended on the links with the state for long time in terms of economic subsidy or rent distribution, and an authoritarian–militaristic political atmosphere was dominant. However, recently, NGOs have been becoming significant actors in all spheres. As the representatives of the economic elites, these business people associations have entered the arenas of social life and political struggle.

The new rising economic elites of Islamic entrepreneurs increasingly became the centre of attention from the late 1990s, and emerged as a power, especially with the beginning of AK Party rule in 2002. It would be fair to say that these new Islamic elites are mostly composed of relatively newly-urban social groups that have stronger religious and traditional tendencies and benefit more from religious and kinship networks than the earlier typical Turkish secular elites.

In this chapter, the ways in which Islamic business people might be differentiated from secularist business people and the similarities and differences (according to their self-interpretations) between the two largest Islamic business organizations – MÜSİAD and TUSKON – will be discussed.

The major sociological difference between MÜSİAD members and TUSKON members concerns being an individual actor or a member of a strictly hierarchical movement, the Gulen Movement. As Tönnies describes, the modernization of societies is a transition from communities (*gemeinschaft*) to societies (*gesellschaft*), and MÜSİAD members tend to give more evidence that they are at a different stage of becoming the modern middle class because of their higher level of development of ‘self’ and free individual agency (Tönnies, 1887).

One of the main approaches to describing the emergence and rapid growth of Islamic business is to regard the Islamic business as resulting from the conservative governments of Turkey. This approach is a good example of thinking of Islamic business as an external factor without taking any sociological changes into account. First of all, there is a chronological mistake in this proposition. Islamic businesses founded associations like MÜSİAD (1990) and TUSKON (1993), and then started to grow dramatically long before the governance of the Welfare Party (RP), which began in 1995 and ended in 1997, or the governance of the AK Party, which started in 2002. Also, without taking the sociological backdrop into consideration, the explanation of the development of Islamic business as resulting from conservative party governments is misleading. This kind of explanation does not adequately explain the economic, social and media support behind these parties (RP in 1995 and AK Party in 2002) that led them to electoral successes. In addition, even were it definitely fair to say that the rate of growth and economic power accelerated with AK Party rule after 2002, the rate of growth of Islamic business was already on an upward trajectory before the AK Party came into government.

Over-simplifications regarding Islamic business concern not only its emergence and relation with AK Party, but also its class character. Some Turkish Marxian researchers approach Islamic business by considering it as the exploitation of labour by benefiting from Islamic bonds, networks of Islamic communities or brotherhoods, and kinship relations that are partially based on an informal economy. This kind of analysis of Islamic business can only over-simplify, focusing on the small tip of an iceberg by only analysing the aspect of labour relations in Islamic business. It would be very unfair to conclude that the rate of exploitation is very low in secularist business and very high in Islamic business. This is not true, and the comparison itself is not fair in that it compares institutionalized, older enterprises with newly emerging ones that have smaller business scales.

Another view on the rise of Islamic people in politics and the economy defines this transformation as “passive revolution” in Gramscian terms (Tuğal, 2009). According to this theory, the Islamist people, who were subaltern and remained on the economic and political periphery throughout the earlier history of the Republic, came to hold power not through revolution but through a transformation. And in this transformation, these people who, it had been argued, were anti-capitalist were then



suddenly absorbed by global capitalism and became politically moderate and compatible with the global Western capitalist dominance.

These assumptions are quite misleading. First, in the recent past, conservative people and the conservative party (AK Party) have turned to a more Anti-Western (Anti-American, Anti-EU) political position from a previously more pro-EU and pro-American political position, as can be seen in many examples as discussed by both Western and non-Western media and academics from 2009 onwards. Second, the assumption that Islamic people were anti-capitalist before is simply not true. There were a couple of radical Islamist groups with very limited memberships that defined themselves as anti-capitalists before; however, this cannot be generalized to all conservative people in Turkey. Anti-capitalism is not a primary trait of this movement; it is perhaps anti-Westernist instead. And third, seeing this group of conservative, Islamic people (which make up the majority in Turkey) as objects that can be absorbed by someone or something else is epistemologically, sociologically and ethically wrong. Such a stance goes against current practice in explaining social change in the social sciences, for it has been repeatedly shown that we cannot explain human behaviour in ways that assume that individuals can be easily deceived or manipulated. A social researcher cannot put him/herself in a higher position to judge other people's intelligence or logic. We can only try to understand pieces of evidence as to the reasons for their decisions and attitudes, by discussing the effects of these decisions and also by comparing a particular phenomenon from time to time or from case to case. People have their own wills, struggles, decisions and strategies to follow rather than simply being 'fooled' by social or political agents.

According to the views of those scholars who classify themselves as Marxists, focusing on the conflict between the secularist and Islamic business fractions undermines the 'real' class conflict in the society by leading to the ignoring of class conflict. However, another Marxian scholar, Savran, opposes this Marxist simplification and says that coming to this kind of conclusion intentionally or unintentionally ignores the importance of different factions of the bourgeoisie, and has ultimately led such Marxists to support one or other of these factions (Savran, 2015 p.110). Further, in the main these Marxist analysts tend to be closer to the secularist faction's political and social position since they share the 'common enemies' of religion, tradition and nationalism that constitute an obstacle to being a Westernized society with class consciousness and readiness for class struggle. In the 28 February 1997 military

intervention, the two largest trade union confederations supported the military intervention against the Welfare Party. The Turkish Marxists' tradition is well known to be anti-religionist because of the Soviet and Chinese experiences and the misconception of the quote from Marx about religion: "Religion is the opium of the masses" (Marx, 2001).

### **6.1. Economic Empowerment of Islamic Business People: The Commonalities and Differences in Becoming Members of Islamic Business Associations**

The business people who are members of Islamic business associations were mostly small scale and middle scale entrepreneurs who had remained on the economic and social periphery for a long time and who registered for MÜSİAD or TUSKON after their foundations in early 1990s. The economic elites that are the largest Turkish capitalists were members of TÜSİAD, and they never accepted the idea of their membership including small and mid-scale entrepreneurs. In addition, TÜSİAD and its members (except for a few exceptional members) were cultural Westernists, politically strictly secularist and in alliance with the State bureaucracy and military. This historical power led to the small and middle scale entrepreneurs that only have stronger traditional and religious aspects, founding MÜSİAD in 1990 and TUSKON in 1993.

However, the differences between the profiles of the MÜSİAD members and TUSKON members are almost completely missing in the literature on Islamic businesses in Turkey. The MÜSİAD members are Islamic business people who base their activities mostly on kinship – neighbourhood relationships that benefit from the sharing of common religious and traditional values. Even if the MÜSİAD members share similar conservative values and political values, MÜSİAD does not allow any religious movement or community to be organized or to form a power base in the association (N.K., interview). Both this policy and the social background of members led to the formation of a more individual-based business people that can compose a new middle class.

The major difference of TUSKON is that it is the association of the Gulen movement that is hierarchically controlled from the top down by the movement. Even though Y.S. said that there were also members from

different backgrounds in the summer of 2013, the 17<sup>th</sup> December Judicial Coup that caused a conflict with the government and the isolation of the Gulen movement led TUSKON to lose a significant number of members, especially those that had no, or only loose connections with the Gulen movement, as explained by an important Gulenist businessman in Ankara, N.M. (N.M., interview).

Significant information was not found during the research on people who were members of both Islamic business associations, MÜSİAD and TUSKON. Some MÜSİAD and TUSKON members said that there were some business people who were members of both associations, but most of them had left TUSKON after the conflict between the government and the Gulenists in 2013.

The rivalry and occasional hostility between these social and political groups reflect the attitudes of business associations as well. For a long time, there had been a rivalry (or even hostility) between MÜSİAD and TÜSİAD. (TUSKON had never expressed this kind of hostility towards TÜSİAD, a typical moderate and strategically ambiguous characteristic of Gulenists). MÜSİAD, since its foundation, has blamed TÜSİAD for being the monopoly in the country and for not contributing to Turkey's development. In a public congress of TÜSİAD, former president Koç said:

We need to hit the table if we need to. We needed to support the Dogan Media Group [a secularist media group that is strictly criticized by Erdogan and that had received a huge amount of fines from the Ministry of Finance] when they were under attack. We started to be perceived as weaker than MÜSİAD. They are now taken more seriously in public than us (Milliyet, 2 October 2009).

In this rivalry between Islamic business and secularist business, TÜSİAD has many advantages. First, TÜSİAD is much more institutionalized because it was established much earlier than the Islamic enterprises, thanks to republican statist policies and huge state support. Second, TÜSİAD had a chance to form monopolies in many sectors and to undermine the chances of their competitors. Third, TÜSİAD has strong economic and cultural relations with large Western companies and became a part of their global chain as their local agents. Fourth, TÜSİAD has a symbolic and cultural power that attracts companies, partners and employees more than Islamic business.

After the massive improvements of MÜSİAD and TUSKON, TÜSİAD founded an association for small and mid-scale entrepreneurs, TÜRKONFED, under its own control. This rivalry is seen in the business statistics of Turkey. In 2009, the percentage

rate of TÜSİAD members in the national income was 40%, whereas the percentage rate of MÜSİAD was only about 15%. TÜSİAD member companies employ 626,000 employees, its TÜRKONFED branch members employ 1 million, and MÜSİAD members employ 1.2 million. But TÜRKONFED is not a popular association in the public media or academia, since it is considered to be an agent of TÜSİAD to stop the growth of MÜSİAD and TUSKON.

After the 17<sup>th</sup> December Process, a similar kind of hostility to that between TÜSİAD and MÜSİAD began between MÜSİAD and TUSKON as well. In almost all of the interviews after this process, the interviewees blamed the other group: TUSKON members blamed MÜSİAD of being controlled and supported by the AK Party government by implying that they are economically assisted by the government in an illegitimate way. On the other hand, MÜSİAD members accused the Gulen movement in general and TUSKON members specifically of being agents of the West (mainly the USA) and Israel, and of having no individual will against the orders of Fethullah Gulen and his A-team. In addition, MÜSİAD members reply to the accusations of TUSKON by saying that TUSKON was previously protected and helped by the government as well, especially in its organizations of international business and the trade fairs that brought important international political and economic figures to the country. According to this view, TUSKON members do not have the right to complain about something that they themselves did previously.

### **6.1.1. Comparison of Islamic Business Factions in Capitalism and Islamic Businesses**

Until recent decades, in the literature of social sciences and media, religion had been seen as something that is not a public dynamic that affects economy and politics anymore. The heritage of the Enlightenment affected many scholars and they started to ignore the role of religion in business life and in the formation of political identities. However, this seems to have changed in recent decades, and now religion has once again started to be seen as an important dynamic in the economy and politics. As Habermas states: “religious traditions and communities of faith have gained a new, hitherto unexpected political importance since the epoch-making change of 1989-90” (Habermas, 2006, p.1).

The increasing importance of religion became more visible after the 1990s in Turkey as well. The governments of conservative parties have engaged in strong Islamic discourse (the Welfare Party 1995-1997, the AK Party 2002-present) in political life and in the rise of Islamic business people, and their associations (MÜSİAD 1990-present) (TUSKON 1993-present) brought Islam back into the centre of political and economic struggle after long decades of strong, authoritarian laic, Westernist political and economic elites' domination in the country.

With regard to the life of The Prophet, Islamic business associations refer mostly to the fact that he was a merchant and that being involved in trade is totally compatible with Islam when expressing themselves in their publications or daily informal conversations. They use religious symbols and Islamic history like the Medina Market during The Prophet's life to justify their views and business lives. This emphasis is very high among MÜSİAD members and in MÜSİAD publications.

This emphasis is less in TUSKON than MÜSİAD even though the former was created within the Gulen Movement. This may be a result of "a strategic ambiguity" of the Gulenists, which Hendrick describes as meaning the movement tries to show itself as moderate and sympathetic with every pole (within Turkish society and globally) without claiming sharp and strong opinions (Hendrick, 2015). While Islamic business associations, especially MÜSİAD, emphasize the differences of their ideal capitalism from contemporary Western capitalism, TÜSİAD always refers to 'Western values' and the importance of the relationship with Western institutions like the EU and IMF. Umit Boyner, former president (2010-2013) of TÜSİAD, explains these different approaches thus: "we have to decide between being 'the little China' or 'larger Finland'". For sure, this difference does not imply only differences of economic or social policies; this phrase also has cultural and political implications.

These different approaches towards West and East are reflected in their different business strategies as well. TÜSİAD members are organized mostly on Western types of larger company structures and professional business relationships. However, Islamic business people, as a rival strategy, chose the Eastern Asian type of organization of work based on primary social relations and networks of small and middle scale enterprises. Also, while TÜSİAD member companies have business relationships with Western companies in terms of exporting and importing, Islamic enterprises depend on

exporting to, and networking with those Middle Eastern, Central Asian and African countries that tend to share certain cultural and religious similarities.

Members of both factions of Islamic business in Turkey, MÜSİAD and TUSKON, think that wealth is a tool for the development of the nation and for Muslims to become stronger by increasing the welfare and employment of more people. Capitalism is thus seen as a tool for the rise of the nation, for Turkey to become more developed, wealthy and free. By saying this, they are trying to express the idea that they are seeking a personal wealth or pleasure in this world.

At the same time, Islamic business people and their associations prefer to make a clear distinction between development and Westernization. They defend the idea that development is possible without giving up on Islam and Turkish culture. This emphasis is stronger among MÜSİAD members than among TUSKON members. At the same time, the emphasis on social justice is common among the members of both associations. The Hadiths concerning social justice were repeated during the interviews many times to prove that they support the idea of social justice. For this reason, they talked about how they give importance to charity events, helping the poor, employing desperate people as a form of charity, and taking care of the rights and the interests of their employees.

Throughout the interviews with TUSKON members, stress was given to the amount of money given by Gulenist business people to the Gulen movement for the expense of building and running dormitories, schools around the world, and many other services of the Gulen movement (which is called *himmət*). These aid payments are based on a centrally and hierarchically organized mechanism for determining the rate of money based on yearly income, the manner of collecting it, and the spending for each particular service of the Gulen community.

### **6.1.2. Comparison of Trust Networks and the Moral Economy of Kinship for MÜSİAD and TUSKON Members**

The trust network is one of the most significant advantages for Islamic business people, making the forming of partnerships, supplying of machinery, borrowing of resources, and employment easier than for the typical capitalist enterprise. These trust

networks lead to decreased risk in investing and developing their businesses. However, this trust system works differently for MÜSİAD members than for TUSKON members.

MÜSİAD members benefit primarily from kinship relationships as the capital of the network. An important part of the capital is that owners have partnership relationships with their family members, and also employ relatives because they find them to be trustworthier. Also, they especially prefer to employ relatives and family members for positions that require trust relationships, such as accounting. Political belongingness and religiosity are the second most important dynamic for this trust and safety network. This network is not only about partnerships or employment; it is also about subcontracting, outsourcing, purchasing the means of production and chain production, which can be seen as commercialization in industrial zones.

Kinship plays an important role for TUSKON member entrepreneurs as well. As much as kinship, membership of the Gulen movement is also an important resource and social network that opens ways to gain more business opportunities within the circle of the Gulen movement and its international connections. However, as most of the Gulenist business people stated in their interviews, Gulenist business people do not prioritize partnerships within the Gulen community because of the preaching of Gulen, who suggested that making partnerships with outsiders would help to gain more members and to avoid the inner conflicts that can arise from partnerships.

This is also the case with employment, as Gulenists are not always favoured during the recruitment process. This is the major difference from MÜSİAD members, because religious and political commonalities play a more important role for MÜSİAD members than for TUSKON members in terms of partnership, subcontracting and employment relations.

Stronger rural and traditional kinship bonds, and the more important role of religious bonds – including the network capital of membership to a movements like the Gulen movement – make partnership, subcontracting, outsourcing and resource-finding networks lead Islamic business people to an advantageous position compared to a significant part of the secularist business sphere in which TUSİAD members operate. With their more urban and Western social backgrounds, and relatively weaker kinship relations than those of the traditional, rural social habitats, and lacking the bonds of religious communities or movements, secularist business people seem to have less advantages than their Islamic counterparts.

### **6.1.3. The Attitudes of the Members of Islamic Business Associations towards Islamic Finance**

One of the main points of the debates about the relationship between Islam and the Quran is *riba*, which means usury: additional charges added onto the total amount owed in bank interest or any kind of interest on debt money or any other asset. Rodinson claims that what is meant by forbidding *riba* is not clear in today's Muslim world, a world in which Islamic banking foundations have excluded the practice of interest. "It does not appear to signify mere 'interest', in the sense in which we use this word, but rather, the doubling of a sum owed (capital and interest, in money or in any kind) when the debtor cannot pay it back at the moment when it falls due" (Rodinson, p.14).

The history of Islamic banks is shorter than that of the secular banks in Turkey. They were founded after the 1980s, and aimed to attract money from religious people who do not want to invest their money in an interest banking system since Islam forbids it.

All of the Islamic business people interviewed in this research stated that they could not benefit enough from Islamic banks because of their mechanisms. In Turkey, the Islamic banks work on the principle of *murabaha* (partnerships during the purchase of commodities). But most business people could not predict when they will have problems with the payment of wages or loan installments, and at this stage they cannot benefit from Islamic banks because their applications are rejected.

There is great heterogeneity among MÜSİAD members and TUSKON members concerning the use of Islamic finance banks. Most of the interviewees from both associations openly said that they use bank interest credit in order to survive in the market, and that Islamic finance institutions are not much help for that goal. Some Islamic business people said that bank interest credit is the last choice for them, and that they prefer to use either Islamic finance or self-resources.

The TUSKON-member business people give the impression that Gulen does not emphasize Islamic finance as much as other Islamic scholars and movements do. However, because Islamic banking is also unsatisfactory for meeting the needs of MÜSİAD-member business people, there is not a meaningful difference among MÜSİAD and TUSKON members in terms of the attitude towards Islamic finance.



#### **6.1.4. The Attitudes of Islamic Business People towards Trade Unionism**

One of the major differences between Islamic business and secularist business (TÜSİAD) is that TÜSİAD member-companies have much higher rates and experiences of trade unionism. There are several reasons for this. First, informality is more common among Islamic business people, and this undermines the effect of legal enforcements. Second, most Islamic business people have smaller scales of businesses in less professional, newly emerging enterprises. Both of these factors affect the rates of unionization in these enterprises in negative ways, for Islamic business people from both associations, MÜSİAD and TUSKON. Most of the interviewees indicate the informality and smaller scales as reasons for underdeveloped trade unionism in Islamic businesses.

However, apart from these two facts, in almost all the interviews with business people from both associations, the perception of trade unionism seems quite negative, and some bad memories regarding labour activism and professional trade unions were frequently repeated. The idea of anti-unionism can be named as one of the main features of the character of an Islamic businessperson, whichever association – MÜSİAD or TUSKON – they belong to.

The interviewees tried to justify their point of view by referring to some Hadiths that strongly suggest the importance of respecting rights of labour. Nevertheless, it is not well understood that trade unions and collectivity are basic rights of the labourers as well. One of the main reasons for opposing the idea of trade unions might be that trade unions are perceived as representing a professionalization of the labour relations within the workplace whereas Islamic business people and their employees share common religious views, kinship or neighbourhood relations, or membership to a religious community or a political party, and this professionalization could disrupt this family-like atmosphere by creating a source of alienation. Of course, this cannot be a convincing excuse for stopping or opposing a basic, universal right of workers.

## **6.2. Socio-cultural Background and the Transformation of TUSKON Members**

### **6.2.1. Commonalities and Differences of Social Background and Mobility of Islamic Entrepreneurs**

Turkish society has recently and rapidly become an urban society. In less than sixty-five years, Turkey's urban population has increased from 25% to 77%, according to the latest population census. Most of the Islamic entrepreneurs' social backgrounds reflect an important part of this newly urbanized social group. Mostly they are first-generation entrepreneurs who moved from the rural peripheries to big cities in order to establish their businesses, to gain a political identity and to form families in the big city. Only two of the interviewees were born in big cities, and these were the younger, second or third generation business people and their families. There is no meaningful difference between MÜSİAD and TUSKON members in terms of their social backgrounds; but there is a significant difference amongst TUSİAD members from Islamic business people because they are mostly composed of members who have urban, highly-educated, Westernized family backgrounds.

Adapting to the new urban, modern lifestyle did not go the same way for all Islamic business people. In Turkey, the urbanizing people become involved in kinship networks and hometown networks (*hemşerilik*) primarily to find shelter and jobs. In their second stage of assimilation, they tried to enter business life as labourers or as small-entrepreneurs by using their primary networks, but in this stage political and religious networks became important only if the primary network was not satisfactory for the development of business opportunities.

This stage is where the difference between MÜSİAD members and TUSKON members emerges. A significant portion of MÜSİAD members are not members of any religious movement or community, but almost all the TUSKON members are also members of the Gulen community, and this Gulenist network forms the network capital which affects their social mobility. But for MÜSİAD members, both religious networks and political networks are important at this stage of development.

### **6.2.2. The Making of the New Islamic Elites**

Bringing the rural-traditional background where Turkish local culture and Islamic religion still dominate, and merging it with modern education, a partially

Westernized urban middle class culture and global business networks, Turkish Islamic entrepreneurs elevated in society as the new elite of business, which also pioneer the formation of the new cultural, intellectual, political and economic elite.

The conservative part of the society went through a significant social transformation, especially by gaining increased access to higher education, urbanization, and economic empowerment processes that led them in the formation of a new conservative elite class. By elites, not only economic elites are connoted: conservatives also started to form an intellectual elite that is involved in academia, journals of literature and philosophy, charity organizations, feminist NGOs, hobby and lifestyle clubs and gatherings, and mass media organizations like newspapers and television channels. Debates are continued on such issues as the consumerist culture of Islamic people, the position of women in the conservative people, the democratization of Turkey, the relationships of modernity, capitalism and Islam, the future of Turkish poetry, the lack of production in cinema and theatre by conservatives, and the differences between rural Islamic life and urban Islamic life under global popular culture's influences. This intellectual wealth started to develop significantly after the 1990s.

Another important influence on their lifestyles and social behaviours is that their export relationships affect and develop their social skills and lead them to import some foreign cultural values and aesthetic choices.

Luxurious cafes in Istanbul and Ankara that serve authentic Turkish, European and Asian cuisine and beverages at the highest prices in the city began to emerge. Expensive cars, especially Jeeps, became widespread among this new elite. New neighbourhoods emerged, and these new high-class neighbourhoods are composed of luxurious flats that are purchased by conservative elites. New seven-star hotels have opened on the coast that are among the most expensive in Europe, and these hotels cater mostly to the new Turkish conservative elites and especially to Islamic business people. The uniqueness of these hotels is found in their sexually segregated beaches and non-alcoholic beverage service. Islamic fashion companies have been founded and are starting to design new Islamic fashions for the conservative, veiled women of the Islamic elites. These fashion companies open new shops in new shopping malls owned by Islamic business people.

This kind of new consumption culture of Islamic elites has caused hot debates among conservative intellectuals. Some Islamist intellectuals began to criticize conspicuous consumption and to accuse these conservative people of wasting money, which is religiously forbidden (haram), and of showing off their pride, which is also forbidden. These criticisms continue, with further accusations of degeneration, of Westernization and of imitating the secularists who have had this kind of consumption culture for a much longer time, because of an inferiority complex. Another group (which includes some of the Islamic business people themselves) oppose these criticisms by saying that this is their halal (religiously deserved) money, and it is also their right to have a good quality of life.

The making of these elites is an on-going process in Turkey. This causes plural tendencies among Islamic business people concerning the attitudes and choices towards Islamic business ethics, conspicuous consumption, usage of media and participation in popular culture and leisure activities. This on-going process is of a rural-based, newly-rising economic elite's transformation into a new elite culture.

### **6.2.3. The Islamic Business Groups as a Socialization and Solidarity Mechanism**

Not only through being members of the same business people's associations, but also through sharing similar cultural codes, religious backgrounds and political and moral views, Islamic business people benefit from the safety, solidarity and the comforts of this Islamic business network. TUSKON members in particular – who are part of the Gulenist network, a closed, tightly knit community – benefit from this solidarity network. It is not only in business life that they are aided: participation in the events of the Gulen movement helps every Gulenist businessperson to socialize and adapt to the new business environment in big cities without feeling lonely. These events include charity events, Turkish Language Olympiads, Quran readings and discussion circles that take place at least once a week. These activities serve to strengthen the ties among Gulenist business people.

MÜSİAD members have relatively flexible and weak ties because they are not part of a top-down organization or of a hierarchical religious or social movement. MÜSİAD's events mostly involve charity events and political discussion meetings. In MÜSİAD, the political characters are more important than TUSKON, and this more political character is manifest in support for the AK Party and Erdogan by almost all of the members. The major difference between the two groups is reflected in MÜSİAD's

individual, kinship and politically based membership profiles, which have led MÜSIAD members to have weaker solidarity ties than TUSKON members, who are part of the Gulen movement.

#### **6.2.4. Attitudes of Islamic Business People in Ankara towards the Role of Values in Islamic Businesses**

The reason these business people are called ‘Islamic’ is not mainly because they practice religion by praying or fasting, etc.; rather, it is because they claim their identity through their business ethics and networks, as well as through their moral and political attitudes in the public sphere.

The most important difference between Islamic enterprises and secularist workplaces is the masjids. The masjids are the most important distinguishing feature that is visible in the public space. The secular workplaces mostly do not have masjids. Another visible difference in the public space is in the pictures with which walls are decorated. On the walls of the workplaces of Islamic enterprises, *Ayahs* from the Quran, Hadiths of the Prophet, portraits of Ottoman Sultans and quotes from Rumi or Yunus Emre are widespread, whereas in the workplaces of secular enterprises, the most visible objects are portraits of Kemal Ataturk and pictures painted by Western artists. Another important difference is the existence of veiled women in Islamic enterprises, which will be discussed in the next section.

Keynes said that “capitalism has no religion” (Keynes, 1963, p.306), but it does. It can operate and function in different societies, religions and cultures in different shapes, in different formations. The struggles of two capitalist classes and two different capitalist projects indicate a very considerable difference: the secularist-Westernist faction versus Islamic businesses. Also, the manner and mechanism of emergence and development of each group is a contradictory story, as discussed in previous chapters. Barriers against bank interest, different approaches towards business development strategies, and different benefits from different cultural networks have led to the emergence of two different types of businesses.

Within the Islamic faction, it is possible to say that there is heterogeneity among Islamic business people regardless of the associations to which they belong. The importance placed on the religiosity of their business partners and employees, the usage of bank interest, and the approach to trading with ‘the others’ are all major areas that revealed a variety of attitudes during the field work. This heterogeneity has several Page

reasons. First, Islamic entrepreneurs are a new phenomenon that needs to complete its economic and cultural transformation process within the axis of interaction with modern capitalism to achieve an identity. Second, as a part of the strategic ambiguity of the Gulenists, some of the TUSKON members tend to present themselves as more moderate and liberal, even to the extent that they do not employ women veiled such that their identities are hidden, despite the fact that they support the idea that Muslim women should be veiled. This means that, in some cases, Islamic business people, especially the Gulenists, can choose to be 'rational' by giving up on their ideals. But on the other hand, a large number of MÜSİAD members became members whilst the association was stigmatized and blacklisted by the military, but they did not give up by choosing 'the rational choice'. These kinds of contradictions cause this variety among Islamic business people.

#### **6.2.5. The Difference of the Position of Women in Islamic Business Factions**

In terms of the differences in the positions of women in Islamic business people's associations, there is much that lags behind the secularist business association, TÜSİAD. TÜSİAD has had three female presidents in the last ten years. However, there has not been a single female president or vice-president in the entire histories of both MÜSİAD and TUSKON. There has not even been one single female president of any of the branches in the cities. This is due to several reasons.

First, coming from the rural culture, which is a strictly patriarchal structure, women have been seen as housewives and are therefore much less visible in the public sphere. But in secularist businesses where urban, educated upper classes with a longer history in which to have absorbed and to have established an elite class, women are more active, visible and powerful. This has nothing to do with the religion itself as some orientalist argue, but because the urbanization and upper social mobility of the conservative part of the society started much later than the urban, secularist part, and it takes time to reach that level in terms of gender roles. We have already started to see very high rates of higher education among conservative women and also to see more veiled female intellectuals, authors, politicians and poets in the public sphere. It is therefore fair to expect to see more conservative businesswomen in Islamic businesses. To expand, while the absence of women in Islamic business is not related to religion, it is related with politics and the cultural background of the families of the business people. First, until 2011, veiled female students had not been allowed to enter

universities as either students or as academics. The oppressive secularist-militarist regime did not allow religious veiled women to become educated. Thus, taking a position in top-level business life was highly unlikely for women who had no higher-education experience. It was hard to talk about equality of opportunities in this sense. Second, and maybe more crucially, unlike the intellectual or political elites, business people have more rural cultural backgrounds than the other conservative groups, and the older and middle-age generations of women tend to remain housewives in keeping with the norms of a strongly patriarchal rural culture. However, the second-generation women in these families, thanks to higher education and the influence of being born into an urban culture, started to have more important roles in family business enterprises, and this trend is ongoing. I have seen examples of these young professional women filling important positions in these Islamic enterprises during my fieldwork. Not only can it be seen that the absence of women in Islamic business associations is related to previous political barriers and rural patriarchal backgrounds, but further, as observed during the field work, there is no evidence that the level of religiosity decreases in the new generation of women who have started to reach top-level positions in business life.

The situation of women in the families of Islamic business people represents many of the same features as that of women of Muslim minorities involved in the moral economy of kinship in Western Europe. The case in West Yorkshire among Pakistani women where the ethnic difference is influential could be a case among the wives of Islamic business people in Turkey:

It is the contention of this paper that in the unquestioning commitment of Muslim women to the paramount duty of motherhood and their willingness to submit to unremunerated work within the family, there is an important element of ideology and ethnicity which makes well-educated highly-qualified middle class women into unpaid labourers, who work well below their own class potential and do so for little or no pay. In this respect, ethnicity *does* play a central part in creating identity (Afshar, 1989, p.223).

So why might Muslim women also perceive themselves to be in a minority in a pre-dominantly Muslim country? The authoritarian secularism of didactic Westernization led conservative religious women to assume a secondary position. This secondary position also benefitted the rural patriarch who gained from the ban on veiled women's education rights that effectively forced women to stay in domestic labour, away from working life. The wives of businessmen are predominantly housewives and

are involved in domestic labour within the terms of the moral economy of kinship, or else in less prestigious working positions like cleaning, secretarial jobs and catering.

However, this situation seems to be changing with the access of conservative, young religious women to higher education after the ban on headscarves in places of education was removed in 2010, and these educated women are now being recruited into higher, white-collar, management positions in the workplace. This change has created a situation in which the wives of the businessmen are limited to domestic labour and some voluntary activities where ‘family representation’ is necessary, while the daughters of these same families become actively involved in business life.

Even though the existence of women as business owners in the Islamic business world is very limited, both TUSKON and MÜSİAD have women’s sections that organize some events, and the number of women in the management departments of these companies is increasing. In both the Islamic business world and in the secularist business world, women are the pioneering figures of social events such as charity organizations and art exhibitions. It is mostly women who are responsible for organizing these events and for gathering people to make donations. In the case of Islamic business, these events include charity organizations to provide aid to the poor and to people suffering from the conflicts in Muslim countries like Somalia, Sudan and Syria. Amongst TÜSİAD members, the organizations and foundations for the educational institutions in Turkey and scholarships are the focus of women’s attention.

### **6.3. Political Relations and Attitudes regarding Islamic Business People’s Associations’ Relationships with Politics and the AK Party Government**

The proposition that Islamic business people grew with the power and economic favouritism of the AK Party government is quite common in media debates and amongst some academics. However, this explanation of the rise of Islamic businesses is not quite accurate: Firstly, Islamic business was already in a trend of growth in the 1990s, and secondly, the reason for this growth is mostly due to Turkey’s changing economic policy towards exporting and towards the creation of a new Turkish economic hinterland in the Middle East, Africa and Central Asia. In addition, the direct state protection over, and support of secularist businesses (represented by TÜSİAD) was withdrawn after 1980, and a new economic policy began to be implemented to assist the rise of small and middle scale entrepreneurship. This helped Islamic business to grow.



It is important to note that even if neo-liberalization took place in Turkey after the 1980s, through privatizations and the decreased role of the state in the creation of a capitalist class, the state, as a phenomenon, is still an important factor in the Turkish economy. There is no doubt that some of the business people who possessed good relationships with the various governments found more chances to grow rapidly than others. Especially after the 1980s, the government started to give incentives to small and mid-scale producers, and these incentives increased during the AK Party's period. The conservative government supported the small and middle scale entrepreneurs for two reasons: first, they believe that the future of the growth of the Turkish economy can be made possible through the competitiveness of the new industrial entrepreneurs by demolishing the monopoly of larger capitalists who do not contribute enough to the development of country; and second, the larger capitalists are segments of the Kemalist power bloc with its Western influence, unlike small-to-mid-scale entrepreneurs.

In contrast to Islamic business associations, TÜSİAD had serious conflicts with the AK Party government. In the 2010 Referendum, Erdogan openly criticized TÜSİAD for being against the democratization of the country and for not supporting the government in demolishing the influence of militarism in the country. Afterwards, similar conflicts occurred, and TÜSİAD and the AK Party openly blamed each other for different reasons. TÜSİAD's concerns were mostly about Turkey's relationship with the Western European Union membership and its agreements with the IMF. TÜSİAD has been critical of the AK Party for not making enough effort in the reformations for European Union membership, whereas the AK Party stated that the European Union does not appreciate the efforts of Turkey and implied that the EU will never accept Turkey as a full-member, no matter how much Turkey deserves to be a full member. Also, TÜSİAD repeatedly declared that the government should sign an agreement with the IMF to show the world that the Turkish economy is stable, whereas the AK Party openly opposed this idea by saying that the economy is already growing and stable and they do not want any foreign intervention in the country, which would be against the nation's economic principles and independence.

MÜSİAD supports more nationalist and independent foreign policies that are free from the influence of Europe, the USA and Israel. This does not mean the cutting off of all relations with these entities; however, according to MÜSİAD, these relationships should be on the basis of equal partnerships and collaboration. But for

MÜSİAD, the network corporation with Islamic countries is more important and more advantageous, since these countries are markets for the Turkish industry.

Most of the primary business people among TÜSİAD members openly supported the Gezi Park Protests in 2013 against the AK Party Government. The largest business group and founder of TÜSİAD, Koç, wanted his hotel (Divan) to open the doors for the protestors in Taksim Square in Istanbul. Especially during the presidential elections in 2014 when Erdogan was elected as President, the municipal elections in 2014, and the general parliamentary elections in 2015, almost all of the mainstream media channels and newspapers owned by TÜSİAD members openly supported the opposition parties against the AK Party. The subsequent tax penalties against some of these companies by the Ministry of Finance are argued to be the result of this opposition campaign.

TUSKON members, after the conflict began following Gulenist prosecutors' opening of an alleged corruption investigation case against the government in the 17<sup>th</sup> December Process, started to support opposition parties openly against the AK Party. The Gulenist media channels and newspapers that are owned by TUSKON members started a war against the AK Party that was even harsher than that of the TÜSİAD media groups. This conflict also led to some investigation by the Ministry of Finance into the largest TUSKON member: Ipek Group. Also, the only bank of the movement, Bank Asya, faced the risk of bankruptcy because of the campaigns by the government. Knowing that they had supported the AK Party for thirteen years, TUSKON's newfound political position on the same front as TÜSİAD seems to contradict its background, which shares more in common with MÜSİAD. MÜSİAD, it seems at the moment, both on the institutional level and on the level of the large majority of its members, is the only important supporter of the AK Party government in terms of financing, participating as politicians within the AK Party, and establishing media channels to help the party to have a strong public voice.

### **6.3.1. 'Us' versus 'Others,' or Islamic Business versus Secularist Business**

The most important aspect of the dichotomy between Islamic business and secularist business is that this conflict perfectly overlaps with political and cultural conflicts. Secularist business people are the organic segments of the authoritarian Kemalist state tradition, through their integration into the anti-democratic militarist

regime, and also since they were created by this structure through the foundation of the Republic on the principles of secularism and Westernism. Gellner defines this as “didactic secularism” and “authoritarian secularization” (Gellner, 1983). In addition, since they are part of this Westernist tradition, they oppose any Islamic or nationalist ideals that contradict this cultural Westernization and its accompanying political and economic dependency on the West. Former President of TÜSİAD and owner of Turkey’s largest and wealthiest holding company, Mustafa Koç, emphasized this dependency in the middle of a harsh speech in which he was criticizing the AK Party government for turning Turkey’s face to the East instead of towards the West: “Turkey’s dependency on the West is our non-negotiable red line” (Savran, 2007, p.9).

On the contrary, Islamic business is part of the conservative political movement in Turkey that demolished the Kemalist/Militarist power bloc, which had organic relations with the large capitalists. Also, the conservative people’s emphasis on Islam, traditions and national history is totally against the cultural Westernization of Turkey. They see Islam as an important part of their identity and present this in the public sphere, not only in their private lives.

According to the TUSKON- member Gulenist business people, ‘the others’ were just the secularists until 2013. Then the AK Party government and its supporters became ‘the new other’. This is a contradictory and confusing situation for the movement. The level of exclusion of the community from broader society increased because the movement was excluded from the huge socially and politically conservative part of Turkey in addition to its existing exclusion from the Westernized, secularist part of the society.

I do not have a problem with secularism, but if they do not respect my right to practice the religion and try to force our daughters and sisters to take off their veils as they did during the 90s, then I have a problem. But now, the AK Party is more hostile to the community than the military was in the process of 28th February, 1997: they are trying to destroy the community. Did you see how Oktay Ekşi [primary secularist columnist and MP of the People’s Republican Party (CHP)] came and supported our authors of the Newspaper Zaman [The most popular newspaper of the Gulen movement] when the police of the government picked them to interrogate because of the case against them? We did not show the same support for the secularists when they faced similar cases (R.Z., interview).

An important TUSKON figure in Ankara, N.M., continues:

There is a lack of self-confidence in TUSKON. They almost beg people to register as members. On the contrary, it should be totally the opposite; people should beg TUSKON to be members. But the AK Party government does not support TUSKON as they support MÜSİAD, so people hesitate to become members. Especially since the 2013 conflict with

the AK Party, many people have stopped being members, but the people who stayed consolidated their loyalty to the Community and even started to make more donations to the movement (N.M., interview).

The frustration with, and opposition to TUSKON and the Gulen Movement increased among MÜSİAD members after the conflict between the Gulenists and the AK Party began. MÜSİAD tried to inspect the Gulenists to discover if any had been in their association's committees previously. The membership process then became stricter to protect itself. This is because, to some extent, Gulenists are perceived as the spies of foreigners by some MÜSİAD members and by the government. While talking about their perspectives on TUSKON and the Gulen Movement in general, some MÜSİAD-member interviewees were proud to say that "they understood what the Gulenists really were and what they stood for" long before the AK Party did. Also, in the local and national elections of the chambers' unions, MÜSİAD and TUSKON have been in competition for a long time, even before the conflict between the Gulenists and the AK Party.

In terms of this cultural division, in most of their interviews Islamic business people defined the TÜSİAD members and secularist/Westernist people in general with denigrating phrases such as 'drinkers', 'they do not care about religion', 'they are not nationalistic or patriotic', 'degenerate people', and 'their women are too open'. "I do not think that this part of the society cares about 'self-pride and honour' [in Turkish: *namus*]" (R.Z., interview). By this he definitely means the secularists.

On the other hand, there are similar stereotypes about Islamic business people, as the media argues. Frequently, in daily life and in mass media channels, religious, conservative people in general and Islamic business people in particular were described with demeaning phrases such as 'backward', 'they want us to become like Iran or Saudi Arabia', 'they only benefit from the AK Party government's influence', 'green capital' (referring to the common assumption that green is the colour of Islam), 'uneducated people', 'villagers', and 'ignorant people'. This binary opposition determines the cultural and political struggle in Turkey, which dominates the recent history of the country.

In terms of attitudes towards the social and political differences in Turkey, MÜSİAD and TUSKON underline the importance of social and political pluralism and

strengthening democratization and human rights. Both of these associations declared their support for joining the EU while meeting the criteria regarding the problems of democratization, rights of the non-Muslim minority in the constitution.

### **6.3.2. Comparison of Islamic Business Associations in Terms of their Interactions with Modern Capitalism**

Contrasting with both the Kemalist modernization project, which tried to import and adopt another culture, and the anti-reactionary Islamist fundamentalism against this modernization, the case of Islamic entrepreneurs gives evidence of being both Muslim and modern-capitalist in a unique way. Benefiting from the trust networks formed by Islamic collective identity and religious motives that contribute to their businesses in terms of networking, partnerships, business ambition, labour relations, political connections and commercial reliability, Islamic business is an example of a new synthesis of modernity and Islam. Beside religion, this synthesis also merges local cultures and traditions with modernity, as the multiple modernities approach presents.

As a new modern example, Islamic businesses possess internal contradictions as well. Their contradictory opinions and behaviours regarding the use of bank interest form a primary example of these contradictions. The ways in which using (or not using) bank interests are justified demonstrates the fact that Islamic business values are not determined and agreed upon by all factions, and this is an on-going process. Second, the free will of individuals can sometimes be dominated by an altruistic type of behaviour for the sake of 'all', as we see in the behaviours and attitudes of Islamic business people concerning trade unionism, consumption behaviours and political trends. As in all on-going processes, the contradictions co-exist within a synthesis. As a part of its nature, a synthesis does not necessarily have to be the combination of two equal halves; instead, in every synthesis, there can be dominant segments, and all syntheses are by nature incomplete processes. Since Islamic business is a new phenomenon, the cultural traits of the entrepreneurs are transforming into a more urban, middle class culture by confronting the Western culture that is the heritage of the official ideology.

Islamic business is not only an example of the synthesis of Islam and modernity, but also an example of an alternative, authentic, civilian modernization case against a top-down, statist, and authoritarian, Euro-centric modernization project. This is a sign of the flourishing of the civil society against the state, which society was created and emerged by its own cultural and historical conditions. Secondly, in economic terms, in contrast to the monopoly of the statist capitalists, Islamic entrepreneurs increase the

competitiveness of the Turkish industry, services and market, triggering innovation and progress as well as playing an important role in employment in the country. Thirdly, this is a case of the cross-fertilization of the social and rural periphery with modernity and capitalist business.

The two large factions of Islamic business have commonalities as well as differences. The major commonality is their sociological backgrounds in terms of being recently urbanized and in their social mobility trends. The most important difference between the two of them is that since TUSKON is an association of the Gulen movement, it has a hierarchy within itself, which excludes non-Gulenists. This affects the level of formation of individual and class identities, which are basic institutions in modern societies. In this sense, MÜSİAD is more transparent, pluralistic and democratic as a non-governmental organization that is at the core of civil society.



# CHAPTER 7 – CONCLUSION

## 7.1. Summary of the Study

In this study, a new social, economic and political phenomenon of Islamic entrepreneurship in Turkey is investigated within the context of Turkish modernization. In this investigation, the historical roots of state-business relations in Turkey, Islamic conservatism in culture and politics, and the social/political divisions raised by Turkish modernization are taken into account.

This research is based on a triangulation of historical and theoretical discussions and an analysis of fieldwork. The trajectory of the relationships between politics and business, and the rise of conservative politics and business people within the analysis of the data extracted from interviews with Islamic business people will be traced by questioning the interaction of new Islamic business people with Turkish modernization.

This study located itself on the meeting point of a few specific dichotomies that have been debated in the literature of Turkish modernity: First, the study began with discussions of modernizations of non-Western countries within the context of Turkish modernization by questioning the development of a group of business people that flourished and grew to be an important economic, social and political elite, defining themselves as a group that is non-Western and that does not sacrifice deeply-held religious, national and traditional values.

This study began with introductory information and a discussion of the context of the participants' experiences of the modernization of non-Western countries. The case of Turkish modernization was examined in this context by benefiting from the 'multiple modernities approach'. This approach basically suggests two premises: First, that the ways of modernization are multifaceted, and are not necessarily brought about through Westernization even though the West is the first hegemonic reference point because of its historical precedence and political power. According to this approach, secularization is not a requirement for being modernized, contrary to the arguments of many scholars (e.g., Lerner, 1964), and it is argued that there are examples of non-secular modernities in non-European regions (Eisenstadt, 2000; Fourie, 2012). For this research, the multiple modernities approach opens the door to understanding the processes of modernization in non-Western societies without cultural Westernization.

The multiple modernities approach is functional for understanding the rise of the



Islamic elites in Turkey.

Second, and to some extent related to the first theoretical argument, the relations between the Turkish state, its role in the modernization process, and its power in social and economic life form the basis that this research is built upon. According to mainstream Marxian and some liberal analyses which are prevalent in the analysis of the state in general and the Turkish state specifically, the state has no autonomy in terms of managing the economy and of influencing social change, and is regarded as an 'apparatus of the bourgeoisie'. As discussed in the historical background chapter, the Turkish state – with its rich Ottoman heritage – is the source of political, social and economic power, rather than this source stemming from the actions of any specific social class.

In its early stages of development as a rural society, where no feudal or capitalist classes existed, the state was the only hegemonic power in history. Starting from the Tanzimat (Re-organization) period and continuing through the period of the Republic, the state had two primary objectives: Creating a national bourgeoisie and modernizing the country through the transformation of traditional Islamic society into a Western society by accepting the cultural programme of Westernist modernization. This aim led to the creation of a capitalist group with an organic relationship with the civic and militaristic bureaucracy that controlled the state power.

As discussed by some non-Marxian scholars in their conceptualizations of a 'strong state tradition' and a 'centre-periphery duality' in Turkish studies, this alliance between the bureaucracies, capitalists, military and organic intellectuals of this structure contradicted the traditional Islamic and rural majority of a society that had no previous economic, political or social power (Heper, 1985; Mardin, 1973). This formation had continued until recently with the help of a single-party regime, military coups, and the privileging of a praetorian social structure over elected governments. This political structure created a hegemonic and monopolistic business elite that was formed and shaped by the official ideology of the state. In these conditions, even though this business elite had been hegemonic throughout Turkish modern history, the emergence and rise of a new, Islamic business group led this research to analyse and to understand the dichotomy between two distinct groups of modern Turkish business elites.

Third, the debates on the civic Islamic movements or social background of conservative politics in Turkey and its duality with liberalism, secularism and

democracy forms the meeting point upon which this research is built. The literature on the concepts of Islamism, political Islam, Islamic movements, Islamic radicalism and Islamic finance has increased significantly, especially after each of the incidents of the Cold War, the rise of the thesis of ‘clash of civilizations’, the 9/11 attacks, the Arab Spring, and the terrorism of Al-Qaida and ISIS all over the world. In the case of Turkey, radical Islamist movements were never a real threat because of Turkish Islam’s moderate culture based on Sufi traditions, including the heritage of moderation of its Central Asian background, the pluralities of the Ottoman Empire, the strict secularist policies and cultural transformation programmes that have been implemented by the Republic.

However, the rise of the Welfare Party had remarkable connotations for political Islam in 1994, 28 February 1997, the process of military intervention, and the rule of the AK Party starting from 2002 onwards, and caused great national and international academic interest in Islamism, Islamic movements in general, and in Turkish conservatism in particular. In these debates, significant numbers of works tend to ignore the authenticity of Turkey’s Islamic economic, social and political movements due to their Euro-centric outlook. These debates also tend to perceive these movements as transforming from a radical position to a liberal one; from previously radical Islamism that directs the top-down Islamization of society and the collapse of secular-democratic political and legal systems by bringing a despotic regime and caliphate through an Islamist revolution, towards a liberal, democratic, Islamic way of thinking which is defined as ‘absorption’ by capitalism (e.g., Tugal, 2009). However, this Euro-centric, reductionist perspective has failed to explain the nature of Islamism in Turkish society and politics, and describes these key factors as if they are homogenous in their pasts and presents.

In order to comprehend and grasp the secularists’ understanding of the AK Party, we must make a distinction between the oppressive form of secularism that forces religion to be limited to the private, individual space, and the ‘passive secularism’ that allows the neutrality of the state towards religion and that also permits the visibility of religion in the public space (Hale & Ozbudun, 2010). These debates and claims led to misleading conclusions concerning the rise of Islamic entrepreneurs in Turkey who are an influential band that affect social, political and economic developments in the country.

In order to eliminate the misconceptions of the secularists, this study examines the new Islamic entrepreneurship in Turkey in terms of the interactions between the conservative, Islamic business people and Turkish modernization, which are investigated in three spheres: economic development and structural changes in relations between business and politics; the making of a new conservative, Islamic social elite class that came from the social periphery into the centre; and the rise of conservative politics and the interdependent nature of relationships amongst Islamic businesses.

This research attempts to construct a theoretical analysis for perceiving Islamic entrepreneurs in Turkey through an examination of the empirical, qualitative data obtained from the life-stories and the self-interpretations of the business people that were revealed in the case-study interviews. The emergence, rise, change, evolution, interactions and relations of Islamic entrepreneurs and their inner differences and factions are also explored in this study. This research focuses on two pioneering groups of the Islamic business people in Turkey: MÜSİAD and TUSKON. These are the two largest Turkish Islamic business associations in terms of the numbers of their members, their influence and power in politics and the economy, and their symbolic importance for the country.

These two cases are articulated and analysed by merging the two different lines through historical analysis of empirical data. First, MÜSİAD and TUSKON are both associations and their members are participants in a social movement. This study explores the trajectory of these entrepreneurial associations and their perspectives on Islamic finance, labour relations and unionism, partnerships and the moral economy of kinship, the importance of their values in business life, the pathway to the social mobility of the entrepreneurs, their consumer cultures, ways of spending their leisure time, their views on 'the other', the position and influence of women in the associations and Islamic businesses, their relationships to politics, their self-interpretations of their political identities, and the influence of their members within these business associations.

Finally, after analysing theoretical and empirical data on MÜSİAD and TUSKON, a comparative analysis of these two factions of the Islamic business world is conducted. The similarities and the differences in these two associations in terms of their emergence, development, rise and evolution are also explored.

## 7.2. Summary of the Findings

The empirical and theoretical analysis of this study demonstrates that the over-generalizing reductions of Euro-centric and orientalist perspectives on Islamic business people are incorrect to a significant extent.

First, the personal histories and narratives of almost all of the interviewees from both factions are not related to radical Islamist groups that are against capitalism, democracy and relations with the West categorically. Instead, they had different political pasts, which involved membership in right wing, conservative political movements such as the Welfare Party, the Nationalist Movement Party (MHP), and/or centre-right parties like the ANAP or the DYP. This falsifies the proposition that all Islamic business people had radical Islamist ties and became liberal-conservatives afterwards. This means this change is not a rupture; instead it is continuation, as Islamic Turkish entrepreneurs adapted new political demands for themselves while evolving from a traditional Turkish conservative political stance into a more liberal and democratic form of conservatism.

Second, it would be accurate to say that – especially one faction of Islamic entrepreneurship, MÜSİAD, not as an association but in terms of the political choices of its members – is seen as the ‘back yard’ of the AK Party, and during the field study a majority of the observations, interviews and data about the MPs of the AK Party that come from a MÜSİAD background validated this assumption. But it is important to remember that conservative politics in contemporary Turkey is under the definite hegemony of the AK Party, which does not provide any other feasible choices for conservative business people. At the same time, the emergence and development of the AK Party has an interdependent relationship with Islamic business people by becoming a culturally conservative, politically democratic, economically liberal, and diplomatically proactive party that could take the country to become a leading power in the region and in the Islamic world, but that could also form strong relationships with the EU and the USA on equal terms. The AK Party, with its conservative democratic political programme, provided a significant means to satisfy this demand.

Thus, the proposition that Islamic business people’s rise is a direct result of the AK Party’s political rule is a reductionist, misleading proposition. Even if the AK Party’s rule influenced Islamic business people in quite a positive way, the opposite could also be easily claimed. MÜSİAD’s executives and its official declarations, and also both

MÜSİAD's and TUSKON's members' involvement in the foundation and development process of the AK Party, show that this process is an interdependent process. This interdependent process both gives Islamic business people access to government bids and lends credibility to the support of the government, and at the same time allows the AK Party to be supported by the new elites in the society in terms of voting, media channels and sponsorship.

Third, Islamic business people have different tendencies towards political identification, perspectives on Islamic finance and unionism, have different attitudes towards consumer culture, and have a variety of diverse attitudes concerning the role of Islamic values, communitarian relationships, ways of spending leisure-time, and attitudes towards labour and partnership networks. These tendencies demonstrate a simple and important fact: Islamic business people in Turkey are not homogenous as previous arguments claimed. Rather, there exist different groups, factions and individuals that all have various differences and similarities. However, in terms of the differences within factions, while MÜSİAD has more inner plurality among its members, because TUSKON is an association of a certain Islamic social group, the Gulen movement, its members tend to be more homogenous.

Fourth, there is a high sensitivity concerning the role of Islamic values in terms of the functions of Islamic finance, labour relations, conspicuous consumption, lifestyles and the political influence of the Gulen movement. However, sensitivity about this topic does not necessarily lead Turkish business people to behave or act according to their beliefs. In some cases (such as usage of bank interest), it might be seen that beliefs and Islamic rules may contradict the business activities of some business people. These contradictions can even be seen with the same businessman within the same interview. Numerous examples occurred in the interviews of such contradictions, such as the businessman who criticizes the conspicuous consumption of other conservative people but at the same time defends the idea that his wife has to drive a luxurious jeep because of safety reasons, or another businessman accusing other Islamic business people of being 'fake' for using bank credit, but at the same time confessing that he himself uses public bank credit even if there is interest involved in the process, justifying himself by saying that these are not private banks, they are public banks that are beneficial to the state and society. This could be related not only to the level of sincerity of certain business people, it is also related to the emergence of a new social group without becoming institutionalized or establishing a new Islamic business

paradigm, where such contradictions can occur in the early stages. In fact, such contradictions are often and generally seen during large social changes of social groups in transition or empowerment.

Fifth, the differences between the two factions of Islamic business people are undeniably important. The competition, rivalry, and sometimes hostility among Islamic movements have always existed as a kind of rumour within Turkish conservative political circles until recently. Some incidents in the elections of the local or national Chambers of Commerce were the tiny tip of an iceberg. Nevertheless, after the process of 17th December 2013, which caused a war between the AK Party and the Gulen Movement due to the alleged corruption investigation brought against the AK Party government by Gulenist prosecutors, the social and religious groups supporting the AK Party openly declared their hostilities against Gulenists.

Even if there had already been important differences in the approaches towards religion (e.g., the Gulenist approach of inter-faith dialogue, tolerance, and occasional support for American or Israeli foreign politics, etc.), the conflict of Gulen Movement with the AK Party and AK Party-led majority of conservative Islamic religious and social groups. Almost all of the interviewees, business people and employees from both sides (MÜSİAD and TUSKON) that I interviewed for the field study spoke about each other as ‘other’ in a paradigm of binary opposition. The political choices, identities, religious approaches in terms of Islamic values, their relationships with non-Muslims and secularists, and the hierarchy and organization of the community and business structures all tend to become increasingly differentiated among these two factions. Thus, without seeing and analysing this inner duality within Islamic business, any explanation or assumption about Islamic business people in Turkey could be misleading.

Sixth, the assumption that the majority of Islamic business people who joined these factions because of short-term interests such as gaining the political support of the government is not valid, generally speaking. This is because most of these business people existed well before the foundation of the AK Party, and also before they became members of these associations during the strict secularist oppression periods like the 28th February military intervention process when they were severely disadvantaged and isolated.

Seventh, the observations derived from these interviews explore important facts

about TUSKON and the Gulen Movement in general. Previously, there was a general idea that TUSKON members belonged to the movement on various levels. However, after the conflict with the AK Party Government and its isolation policies towards the Gulenists, a large number of members who previously belonged to TUSKON left the association and even left the Gulen Movement itself as a reaction to the attitudes of the Gulen movement. These facts demonstrate both the importance of political changes in business life in Turkey and also that the Gulenist business people with close ties to the movements stayed on as members, while other members who opted out of this circle did not want to stay and to be stigmatized. Furthermore, the strict centrally formed hierarchy of the Gulen movement demands a certain rate of annual income from its members, which caused these business people to be less flexible and which led to struggles within the association.

Last but not least, Turkish Islamic business people's manner of interacting with Turkish modernization is a unique phenomenon. They emerged as a reaction both to the cultural Westernization of Turkish modernization and to the monopolistic hegemony of large Turkish capitalists which can be described as secular and Westernized that were created and supported as a part of the Westernist/secularist modernization process of the Turkish Republic. Even the name of the first and largest Islamic business association, MÜSİAD, is a reaction to both of these issues. Because the name MÜSİAD is the initials of the 'The Association of Independent Industrialists and Businessmen', it is an opposition to the state-supported monopoly of large capitalists, and also its first three initials, 'MÜS', signal a reaction to the cultural Westernist and authoritarian secularism by connoting Muslim identity.

The interaction of Westernist Turkish modernization and Islamic business people varies concerning social backgrounds, education levels and factions. Some business people oppose any cultural symbols, such as the symbols of fashion, leisure and social networks, just because they come from the West. However, it would be difficult to claim that most of these critics could ever manage to be completely free from all of these Western influences, especially in the age of globalization. But there also exist cultural symbols that are perceived as being symbolic of a break from their own identity and as signs of becoming 'culturally degenerated'.

These symbols of 'cultural degeneration', in the understanding of Islamic

business people, include drinking alcohol, wearing tuxedos for men and revealing dresses for women, spending too much money on luxuries like expensive cars or living in high-class neighbourhoods in expensive houses, not being loyal to the words, community and faith of the family network, having a 'typical Western businessman character' (which has negative connotations), and involvement in illicit relationships, which are all seen as symbols of degenerative Westernization and are openly criticized during the interviews. Also, the symbols of the strict Westernized cultural policies of the Republic, such as the imposition of Western classical music and opera, being against Ottoman history, or banning religious symbols like wearing headscarves, caused a strong reaction. Most Islamic business people attempt to show by several daily practices that they are against these policies in public spaces by having religious Sufi music played at their wedding ceremonies, by hanging Ottoman flags or signs on the walls of their workplaces, and by employing female employees who wear headscarves.

As stated above, all social groups in the stage of emergence have similar contradictions, and their responses and reactions to Westernization included many of them. However, it is important to emphasize the fact that the basic, guiding principle of all Islamic business people is to be conservative in their religious, national, historical, traditional and cultural symbols. But unlike radical Islamist groups, they do not oppose the idea of any social, political or economic relationship with Western firms or societies, and they are open to exchange and transfer of Western values as long as they are not perceived as threats to their identities.

Despite the inner contradictions, varieties of inner-differences and the factions, Islamic business people in Turkey might be argued to be an example of an alternative, non-Western development model, which is an opposite model to the Westernization ideal of the Turkish Republic. Co-existence of religiosity and modern capitalist entrepreneurial spirit could be proven to those holding the old-fashioned Euro-centric views against Islamic business. The type or level of co-existence could be argued to be controversial; however, starting from a very disadvantaged position, the success story of rural based, Islamic people becoming significant economic actors by dealing with industry needs to be appreciated.

The emergence and rise of Islamic business falsifies another Euro-centric view about the compatibility of Islam and capitalism, at least in the contemporary Turkish case. This Euro-centric view advocates that Islam is incompatible with capitalism by



nature (Weber, 1978, p.625; Lerner, 1958, p.405). However, Rodinson opposes this idea by saying that there is no correlation between Islam and any particular economic system. Whilst it has been held that Islam did not create any commercial activity, or even opposed it, in reality the leaders of the Islamic expansion were traders, and the spread of Islam into three continents happened mostly via trade (Rodinson, p.186). The type of industrial entrepreneurialism Islamic business people has shown, and the level and the way they grew is a very good example of this compatibility in the modern capitalist business world.

In the literature on Islamic business people in Turkey, there is a terminological confusion. First, the confusion is about the terms 'Islamic', 'Muslim,' 'Islamist' and 'conservative'. As discussed in the introduction, in this study the terms 'Islamic' or 'conservative' are used to define these business people, while Islamism refers to an extreme political movement and 'Muslim' is not descriptive in a country where a large majority of people define themselves as Muslims. Instead, 'Islamic' or 'conservative' refer to the religious identity, serial values, lifestyle or political conservatism without any radical or extremist political connotations.

Similarly, there is another confusion on the sociological definition of this Islamic entrepreneurial group. Yankaya (2014) defines this group as the 'new Islamic bourgeoisie' by discussing the social and cultural change and the mobility of this group. On the other hand, Buğra & Savaskan (2014) argues this group is a 'new, different Islamic capitalist class', and Savran (2015) views this group as 'a fraction of capitalist class'. In this study, to describe this Islamic entrepreneurial group, the terms of 'class', 'movement' and 'interest group' are used depending on the context. It is argued in this study that Islamic business people constitute a faction within Turkish capitalists and have features of a 'capitalist class' in terms of the context of labour relations. It is also considered in this research that this group has features of an 'interest group' because these Islamic businesses share common interests beyond being members of the same association. In fact, the people sharing common interests might be banded together through the pioneering and persuasive figures that can theorize and legitimize these common interests in the public sphere, not only in economic but also in cultural and political terms (Grossman, 2006, p.14). In this sense, as a result of the research, MÜSİAD and TUSKON are more than typical interest groups because they represent not only the interests of the business people but also the common political, traditional and religious principles of certain social backgrounds. For this reason, these

associations and the Islamic elite that these associations represent, independent from any particular context, could be best defined as a ‘movement’, which has economic, political and social aspects. In addition to the representation of the interests of an economic group, these two factions of Islamic business people (MÜSİAD and TUSKON) attempt to highlight and represent some political and social principles, values and ideals. This is the reason that Islamic entrepreneurs are held as an important actor in the rise and rule of the AK Party and also in building a new, alternative cultural elite by spreading an idea of a different, conservative way of life, consumption and cultural identity.

### **7.3. Contribution to Literature**

This study focuses on a social, economic and political group that emerged in the 1990s and started to become an important factor in Turkey during the 2000s. As a new phenomenon, the literature that specializes on Turkish Islamic entrepreneurs is not wide and well developed. Also, the literature on these factors in Turkey’s development has some serious flaws, and so one contribution of this study is to review the existing literature and to critically expose these flawed misinterpretations.

First, while most studies about the new Islamic business elites in Turkey connect the rise of Islamic business to the influence of the conservative AK Party Government, this study proposes that the surge in both Islamic businesses and in conservative politics (AK Party) is based on an interdependent relationship in which both support and assist each other’s growth.

Second, the majority of studies on the Islamic business class in Turkey adopt a Marxian approach by focusing solely on the justification of false assumptions that these entrepreneurs are successful because of the exploitation of labour through religious coercion. Such studies seek to justify the view that this faction of Turkish capitalism is essentially no different from any other except in their public presentations of their religious identities in public spaces. This reductionist perspective is questioned in this study, which analyses this social group not only in the aspect of their way of presenting their religious identities in public space or their labour relations, but also in many other and more complex aspects.

Third, this is the only research that adopts the perspective of analysing the emergence and rise of this social group as an alternative manifestation of Turkish

modernization into a republican-Westernist modernization, and on the basis of the ‘multiple modernities approach’. Without seeing culture or religion as the reasons for backwardness and underdevelopment, and in opposition to the idea of transferring or importing a culture, the rise and development of Islamic business people as industrialists, tradesmen and manufacturers into an important social, economic, and political actor is discussed in this study as an example of a conservative development strategy that affords economical growth, technological renovation, increase in the rates of employment and wages, reaching high rates of exports and contribution to the country as a result without sacrificing the traditional, religious or cultural traits and identity towards cultural Westernization.

Fourth, this study is not the only study that attempts to combine theoretical approaches with field study to analyse Islamic business people (Ozdemir, 2006; Durak, 2011; Yankaya, 2014). However, this research comprises the only study to analyse both Islamic business factions (MÜSİAD and TUSKON) in order to make a comparative analysis of them as two cases. Previously, most studies of Islamic businesses were conducted on MÜSİAD alone and almost no other research has been conducted to examine TUSKON as such. As MÜSİAD and TUSKON are the two largest factions of Islamic entrepreneurship in Turkey, any analysis that does not cover both is misleading.

Fifth, the timing of this research distinguishes this research from others because of the high degree of fragmentation among Islamic business factions that occurred at the end of 2013. The timeliness of this study provides a unique opportunity to observe and to include recent incidents that have influenced the fortunes of Islamic business people. Moreover, the pronounced polarization between the secularists and the conservatives raised with widespread Gezi Park anti-government protests gave this study an opportunity to observe and to interpret the consequences of this social polarization on Islamic business people, a polarization that strengthened their identities.

#### **7.4. Suggestions for Further Research**

It is important to remember that this research is based solely upon the small sample of Islamic business people who I managed to interview, and makes no claims to

represent all of the Islamic business people in Turkey. However, this study combines a historical analysis of the emergence and rise of Islamic business people with the data extracted from the interviews in order to make some further assumptions.

Second, as happens with all social research, this research is specific to a certain time and place, and thus this is a limited snapshot of more global perceptions and attitudes. The perceptions and attitudes expressed by interview subjects in this study could differ dramatically in another time and place.

These two main limitations of this research also open new doors for further research in the future. First, further research on Islamic business people should include a wider sample composed of a larger number of interviewees and of Islamic business people from different regions of Turkey. Second, further research should be repeated with the same sample of Islamic business people at different temporal intervals in order to follow and analyse their change. Additionally, further research should be conducted to examine family members and to analyze their changing social dynamics.

Furthermore, this study focused on the two largest and most influential Islamic business associations: MÜSİAD and TUSKON. However, there are numerous other, smaller associations in terms of size and power. Further research could be done to include these smaller factions to provide a more developed and broader analysis of Islamic business people in Turkey.

Lastly, the emergence and rise of new Islamic entrepreneurship could be investigated in other Islamic societies or in other societies where Muslim communities are involved in order to provide a more holistic comparative analysis.

## APPENDIX – LIST OF INTERVIEWEES

Name	Association	Place
O. T.	MÜSİAD	Istanbul
N.L.	MÜSİAD	Ankara
E.O.	MÜSİAD	Ankara
N.I.	MÜSİAD	Ankara
E.T..	MÜSİAD	Ankara
K.L., F.	MÜSİAD	Istanbul
H.C.	MÜSİAD	Ankara
T.U., F.	MÜSİAD	Istanbul
H.G.	MÜSİAD	Ankara
S.Y.	MÜSİAD	Ankara
N, Y.	TUSKON	Ankara
R.Z.	TUSKON	Ankara
N.M.	TUSKON	Ankara
G.A.	TUSKON	Ankara
Y.S.	TUSKON	Ankara

# ABBREVIATIONS

AK Party : Justice and Development Party (Adalet ve Kalkınma Partisi)

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

MHP : Nationalist Movement Party (Milliyetçi Hareket Partisi)

MÜSİAD : The Association of Independent Industrialist and Businessmen (Mustakil Sanayici ve İşadamları Derneği)

TUSKON : The Confederation of Businessmen and Industrialists of Turkey (Türkiye İşadamları ve Sanayiciler Konfederasyonu)

TÜSİAD : Türkiye Sanayici ve İşadamları Derneği

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