Turkey was among the first countries to adopt neoliberal reforms in the early 1980s. Even though privatization has been a rather slow process, due to the presence of strong regulatory authorities and state-owned industries, the market orientation of the economy was gradually consolidated over the following two decades. Yet neoliberal restructuring gave rise to a series of major crises from the late 1980s onwards, the most recent of which, in 2000-01, resulted in a 9.4 per cent fall in GDP. The vulnerable, poorer members of society, along with salaried professionals and small to medium-sized company owners, shouldered most of the burden. Many skilled and well-educated workers lost their jobs and among smaller companies the bankruptcy rate soared. For the first time in Turkey artisans, shopkeepers, and small business-owning tradesmen went on strike, closing shops and demonstrating against neoliberal policies.

In the wake of this severe economic crisis, the pro-Islamic Justice and Development Party (AKP) came to power, supported by both prosperous and disadvantaged segments of society. Due to its broad electoral base, the AKP has been able to draw, ironically enough, on mass dissatisfaction with neoliberalism while also supporting the neoliberal economic model. The party promises to alleviate poverty and reduce extreme inequality, yet also advocates the privatization of public corporations, liberalization of trade, entrepreneurship, and private investment.

Alongside the AKP, other Islamic groups such as the Gulen Community Movement, or *Fethullahcilar,* have participated in the institutionalization of neoliberalism, especially under the banner of enlarging civic engagement in the economy. This has involved appealing to a variety of social groups affected by deep class- and region-based inequalities and culture-based grievances against Kemalism. All of these groups are subject, albeit in different ways, to the ebb and flow of the global market economy that create the
material conditions of inequality. But Kemalist ideology, which allegedly eviscerated Anatolia’s cultural richness by imposing a homogeneous secular culture, encourages such groups to think of themselves as victims of social injustice, what Mike Davis, in a very different context, calls ‘unequally endowed groups’. In the absence of a strong Leftist movement the connections between material and cultural tensions can make Islam an appealing political project. It helps to resist both Kemalist developmentalism, with its class bias in favour of large Istanbul-based industrialists, and secularism, as embodied in the authoritarian homogenizing culture of civil-military state bureaucrats. Islam appeals to those over whom Kemalist bureaucrats have cast shadows, questioning their cultural suitability for ‘western’ modernity.

These groups include capitalists from smaller Anatolian cities, some large firms established in Istanbul, highly-educated Muslim professionals from modest Anatolian families, and the urban poor and marginalized. All wish to reposition themselves in the state, which should be restructured on neoliberal lines but in a way that caters to their imputed Muslim cultural difference and regional background. In regard to the economically privileged, it is not difficult to see why they might support a policy orientation focused on greater integration into the world capitalist economy. The difficulty arises in relation to the economically weak. Especially crucial here has been the political re-signification of an Islamic orientation that ties their claims for ‘access rights’ to the broader ideological frame of neoliberalism. References to the need to respect Muslim traditions within the domestic context of the state are thus linked to, draw on, and blur into, the globalized ‘rights and freedoms’ discourse of liberal democracy.

THE AKP AND NEOLIBERALISM

In building a cross-class coalition the AKP has reframed an Islamic moral stance to fit a ‘Third Way’ party image that emulates Blair, Clinton and Schröder. It charts a course of integration between the neoliberal market economy and citizen-empowerment politics. In this way it addresses the two central themes of contemporary Turkish politics: neoliberal restructuring of the economy, and transformation of the state along liberal-democratic lines. Both of these are central to the AKP government’s push for Turkey’s membership in the EU, which also requires a broader shift in Turkish ‘political culture’. It is in relation to these transformations that an Islamic political stand has gained considerable ground in the discursive battles being waged in Turkey today.

The AKP’s ability to bring disadvantaged groups together with globally competitive large firms rests on its promise to realign state-society relations
in Turkey. Its coalition-building is explicitly premised on ‘a new social contract that facilitates an engagement between society and the state on the basis of universal justice and human rights principles’. As highlighted in its Development and Democratization Programme, the AKP argues for redesigning fundamental rights and freedoms in Turkey to make them congruent with ‘universal standards’ and with the EU’s Copenhagen political criteria for new members. Indeed the AKP program is generally very much in line with the ‘globalization’ and ‘democratization’ discourses of the EU.

This commitment to European norms comes with a particular political-culture twist by linking a neoliberal policy orientation to an Islamic version of what the World Bank calls ‘human capital growth’. It goes beyond conceptualizing this as an aggregate of free actors in society making rational choices, and the removal of state-imposed political, cultural, and administrative constraints. Rather, the AKP program argues that ‘combining world economic and European democratic normative standards with Turkish cultural values and moral precepts can produce an ethics that would apply in all aspects of the economy as a precondition for permanent and perpetual growth’. Islamic moral principles seen as a strategy for asset building in human capital are combined with the transformation of the authoritarian Kemalist tradition to achieve greater social solidarity.

Thus, for Prime Minister Erdogan, the implementation of the Copenhagen political criteria will enable Turkey to secure economic growth by aligning its own Muslim values, defined as ‘authentic’, with the European liberal principles of democracy, human rights, and individual freedoms, which are elevated to a level of ‘universality’.

The AKP’s Transition to a Strong Economy platform explicitly outlined a neoliberal program which redefines development as participation in the world market. It differed little from what was contained in the previous government’s crisis-management agreement with the IMF, which accompanied its US$ 8 billion bailout in 2001, on top of an existing US$ 11 billion loan package. Most notably it included provisions for the wide application of financial discipline to the ‘informal’ sector, the marginalized, and the impoverished elements of Turkish society. After promising to implement such policies the AKP government received an additional US$ 26 billion from the IMF.

It is by no means due to pressure from the IMF that the AKP openly proclaimed that it ‘supports a free-market economy with all of its rules and institutions, and adopts the principle that the state should not directly engage in economic activity’. It has intensified the process of privatization of public companies (approximately 170 public companies have since 1984
been completely privatized, and state shares have been sold off in 240 mixed companies). Although these included key infrastructure industries such as telecommunications, as well as petrochemicals and other energy-related industries, the fiscal returns from privatization are minimal – the amount of income generated has been only US$ 9.5 billion. The most important outcome appears to be the creation of a context for state downsizing and regulatory depoliticization, undertaken under the influence of the international lending agencies, rather than revenue generation. Yet there is more at work here for the AKP than adhering to policies adopted in accordance with IMF stand-by agreements and the World Bank’s conditionality terms. The AKP has its own reasons for wanting to dismantle the state-owned enterprises which since the 1930s have constituted the backbone of the Turkish economy.

THE REALIGNMENT OF TURKISH CAPITAL

It is important to appreciate how private capital has been realigned during the rise of neoliberalism and its embodiment in the Islamic politics of the AKP. This is best seen in terms of the divergence of interests that emerged within the Turkish Industrialists’ and Businessmen’s Association (TUSIAD), and between it and the Independent Industrialists’ and Businessmen’s Association (MUSIAD). TUSIAD, representing secularly-oriented big business interests concentrated in the Istanbul region, with strong ties to the Kemalist state, has largely kept its distance from the AKP’s Islamic-political project, although it supports the AKP government’s neoliberal policies. MUSIAD, on the other hand, representing both large and smaller-sized Muslim business interests, generally from smaller cities in Anatolia with very weak ties to the Kemalist state apparatus, is a key element in the AKP’s cross-class electoral coalition. It is no longer possible, however, to see political Islam as aligned only with ‘small and medium scale’ and newly-growing Anatolian capital, versus a secularly-oriented big bourgeoisie based in Istanbul. Since the mid-1980s the more successful pro-Islamic groups have already entered the ranks of big capital, and some of them are now located in Istanbul while maintaining strong family ties with Anatolian towns and villages. However, the political legacy of Kemalist developmentalism (which historically marginalized Anatolian small capitalists) still has a profound ideological effect on the reproduction of differences between large Istanbul-based and small Anatolian capitalists. This relates to the cultural signification of a ‘Muslim other’, and has lead to a debate within business between secularists and Islamists on the best direction for Turkish society. In this debate, pro-Islamic business groups combine their economic success stories with the theme of
Islamic social justice, while secularly oriented groups are concerned with the political future of the Kemalist state.

TUSIAD was founded in 1971 by the largest private industrial and commercial capital groups in the Istanbul region. Its headquarters is in Istanbul and it has only one Anatolian branch, which opened in Ankara in 2000. In 2005 TUSIAD had a membership of 458 firms which accounted for 43.2 per cent of total value-added in the Turkish economy, and 38.2 per cent of Turkish exports. These firms are primarily family-owned and managed conglomerates with origins in the state-led industrialization project of the 1930s. Indeed, high-level state bureaucrats were actively involved in the founding of industrial firms, transforming themselves into a private industrial bourgeoisie. Industrialization in Turkey has long been synonymous with nationalism, which directed social change onto a secular trajectory. Strong connections with state bureaucrats and dependence on state backing explain TUSIAD’s secularist political orientation.

TUSIAD member firms still maintain strong links to the state and enjoy easy access to government support, aided by joint ventures with the military in areas ranging from iron and steel, cement, automotive, pulp and paper and food, as well as artillery ammunition, small arms, military vehicles and rocket systems. The close ties between some of its members and civil-military bureaucrats often cause friction within TUSIAD because they tend to lead to a lack of concern with the military’s frequent intervention in civilian politics. Leading older-generation TUSIAD members were pleased when the military engineered a ‘soft coup’ on February 28, 1997, forcing the resignation of the democratically elected coalition government of the pro-Islamic Welfare Party. Many leading pro-Islamic businessmen were arrested, and 100 pro-Islamic companies were blacklisted: they were excluded from bidding for military contracts on suspicion of undertaking ‘Islamic fundamentalist’ activities against the secular state. For the owners of younger-generation TUSIAD firms, however, with limited linkages to the state, this was harmful to democracy. Although charges against pro-Islamic business groups were never proven, the military’s action served to dampen the competitive growth of Islamic capitalists. And while TUSIAD strongly supports market-driven policies its internal cleavages have tended to prevent it from giving unified support to depoliticized regulation of the economy and more democratic standards for the state.

During the 1970s TUSIAD’s primary focus was on the institutionalization of export-oriented industrialization to replace the post-war import-substitution model. It repeatedly argued that excessive state regulation was the source of Turkey’s economic problems. During the 1980s TUSIAD worked
broadly for the consolidation of market-oriented structural reforms (although they did so with some hesitation, as they felt increasingly challenged by the fast growth of smaller export-oriented companies), without paying much attention to the legitimacy problems associated with privatization and growing inequality. Since the 1990s, under the influence of younger-generation business groups, and in any case reflecting TUSIAD’s overall support for Turkey’s membership in the EU (which it welcomes as an agent of international discipline), TUSIAD has also supported the democratization reform requirements spelled out in the Copenhagen political criteria (the rule of law, respect for human rights, and protection of minorities). Thus, TUSIAD appears to have broken with the inhibiting social, cultural, and legislative arrangements of the old Kemalist state with which the older TUSIAD firms had been so closely associated.¹⁹

But although it broadly supports the AKP’s Development and Democratization Program, TUSIAD’s historical connections with the state have so far kept it out of the AKP’s cross-class alliance. MUSIAD, on the other hand, with a clear Islamic political orientation, is central to that alliance. Ten members of MUSIAD were among the founders of the AKP, and 20 members were elected as AKP parliamentarians in the 2002 elections.²⁰ MUSIAD rejects the Kemalist cultural hierarchy which privileged big Istanbul-based business. It represents itself as the champion of ‘Muslimness’, seen as a political category of those who have been marginalized in that hierarchy, even though many of its leading companies refrain from referring to Islamic symbols in their business activities. MUSIAD was founded in 1990 by a group of young businessmen called the ‘Anatolian tigers’; they were generally from modest Muslim-family backgrounds and included children of Anatolian rural immigrants in gecekondu (shantytown) neighbourhoods in the large cities.²¹ MUSIAD’s membership now exceeds 4,000 firms, the majority of which are export-oriented, small and medium-sized affairs employing fewer than 50 workers. In contrast to TUSIAD, 80 per cent of whose member firms were established before 1980, 70 per cent of MUSIAD companies were founded after 1980.²² Also in contrast to TUSIAD, MUSIAD has many branches throughout Anatolia.

The traditional sectors of concentration for these companies are labour-intensive industries such as textiles, garments, leather and carpets, construction, building materials, food processing and transportation. Since the mid-1990s, they have also been involved in big-box grocery retailing, furniture, computing and electronics, banking and the media. Although Istanbul has the highest concentration, with 523 MUSIAD members, most of its firms remain dispersed among smaller Anatolian cities. MUSIAD represents only
10 per cent of Turkish GNP (compared to TUSIAD’s more than 40 per cent), but its strength lies in its export competitiveness. It aims to improve trade ties with Muslim and Central Asian countries, in addition to seeking Turkey’s membership in the EU. It regularly organizes an International Business Forum (IBF) and a World Economic Forum for the Muslim World, as well as annual trade fairs within the Organization of Islamic Conference. MUSIAD is the headquarters for the IBF, whose key objective is to utilize Islamic ethical virtues in wealth creation and support global-business networking among Muslim countries.

MUSIAD represents itself as a civil-society organization which seeks to reduce state power in politics and the economy. This is the theme repeated in its publications since its Constitutional Reform and Democratization of Government report of April 2000. Like the AKP’s Development and Democratization Programme, and in line with the democratization discourse of the EU, MUSIAD’s reports call for immediate implementation of the Copenhagen political criteria and a reduction in the military’s political power. Although critical of the government’s fiscal-discipline policy which it sees as having disadvantaged smaller capitalists, MUSIAD supports the government’s commitment to the implementation of IMF policies that integrate Islamic financial organizations into mainstream banking and reduce the state’s involvement in the economy. Insofar as it represents a newly-growing bourgeoisie from Anatolia with weak connections to the state, it is hardly surprising that MUSIAD supports IMF policies and has embraced the World Bank’s advocacy of ‘human capital growth’, especially the shifting of the focus from state institutions to a reliance on the autonomy of the individual and giving primacy to human economic rationality. This is embraced as a necessary precondition for the development of an entrepreneurial spirit among the Anatolian lower and middle classes. However, it is melded with the notion that Islamic ethics also assert the primacy of the individual – which MUSIAD connects to an alleged Islamic requirement that humans must be free from political and administrative constraints – in order to realize their full potential and talent. As one of MUSIAD’s documents puts it: ‘Allah requires only those individuals with reason, intelligence, and freedom to fulfil their religious duties’.

The context of these claims is that the state’s large role in the economy during the early years of the Turkish Republic, and its urban, industrial and westernizing biases, gave rise to a politics of resentment on the part of regional bourgeoisies, articulated around cultural issues. MUSIAD members often believe that because of their Muslim beliefs and rural Anatolian family backgrounds they have been looked down upon and discriminated against by
government bureaucrats. They feel they are perceived as backward, lacking the secular, urban, modern cultural prerequisites for participation in Kemalist state-making. Reacting against this they have sought to gain economic success by adopting a strong Islamic work ethic, for both themselves and their children. Whereas the old Istanbul bourgeoisie embraced the Kemalist ‘idea of the state’, the Anatolian bourgeoisie resents the Kemalist state as an oppressive bureaucracy. As a culturally distinct fraction of capital they question the inclusiveness of the existing public sphere.

MUSIAD situates its wealth-creation strategies in the deployment of educational and disciplinary techniques at the individual level, whereby – consistent with its embrace of ‘human capital growth’ – an Islamic work ethic is combined with the need for high technical educational attainment. Although their upward social mobility is largely due to their achievement of a first-rate higher education at state-funded public universities, MUSIAD’s members have generally received their religious education in the private Koranic schools in the towns of their birth, or from family members; they embrace Islamic ethics for the purpose of creating disciplined, responsible individuals, and seek to build a culture of capital accumulation that ‘associates high morality and ethical values with modern technology’. MUSIAD often cites statements attributed to the Prophet Muhammed such as ‘poverty is close to heresy’ and ‘God loves those who earn’.

In contrast to the member firms in TUSIAD, state involvement in the economy brought little or no direct benefit for MUSIAD firms, so that they are strongly behind neoliberal economic reforms, and an Islamic asset-building strategy appears to have helped many of them to improve their international competitiveness. The best sources of investment capital for MUSIAD firms are the so-called ‘hidden wealth’ of pious Muslims, accumulated in the form of gold jewellery; the inflow of remittances from Turkish immigrant workers in Europe; and public share-holding. Workers’ remittances come through share-holding investments and as cash brought into the country in suitcases – mostly through the informal channels of religious communities. Kombassan Holding, YIMPAS, Buyuk Anadolu Holding, Sayha, and Ittifak are all holding companies that have grown with Turkish workers’ savings abroad sent home either as investments in equity shares or as cash donations.

Kombassan Holding, which owns 60 factories and 100 firms, was established in 1988 by Bayran Hasim, a teacher from Konya. It has grown significantly with monies received from Turkish workers abroad and now employs more than 30,000 workers. Although Hasim does not reveal his connections or the amounts he receives he has stated that Turkish workers in Europe
constitution the largest group of company shareholders. It is also well known
that the Association for a New World View in Europe, a Turkish pro-Islamic organization, collects cash donations from migrants in mosques and sends them to Islamic corporations through private couriers. The holding companies Kombassan, YIMPAS and the ULKER Group have been engaged in joint ventures in Germany, the Netherlands and Denmark since the mid-1990s. The Turkish military, and the Capital Market Board, accused these companies of collecting very large investment funds from unregistered sources via religious communities, and Kombassan’s and YIMPAS’ accounts were investigated after the 28 February 1997 ‘soft coup’, but no evidence was found to substantiate the claim.

There are now five Islamic interest-free banks operating in Turkey. Two are joint ventures established in the 1980s with Saudi and Kuwaiti capital, and three were established in the 1990s by Turkish Muslims. They are Anatolu Finance House, established by Istikbal Group in 1991; Ihlas Finance House, established by Ihlas Holding and the Turkish Religion Fund in 1995 (Ihlas Finance House went bankrupt in 2001); and Asya Finance House, established by the Fethullah Gulen community in 1996. Another Turkish Islamic bank, Family Finance, was established by the ULKER Group in 2001. These Turkish Islamic banks (excluding Ihlas) had about 4 per cent of total deposits in the Turkish banking system (profit-loss sharing accounts, which offer returns on savings without officially paying interest, constitute around 85–90 per cent of their deposits). Together with the unregistered financial dealings of religious communities, these banks play a significant role in mobilizing the ‘hidden wealth’ of Muslims in both Turkey and Europe for Islamic finance.

It is noteworthy that newly rich medium- and small-sized firms have proved to be highly successful within those sectors of the economy that employ informal labour. The ILO’s Decent Work and the Informal Economy report of 2002 defines the ‘informal economy’ as including not only wage employment in unregistered workplaces but also as encompassing paid work not covered by labour and social security legislation. It is estimated that informal employment constitutes about half of total employment and over a third of urban employment in Turkey, compared to 5 per cent in the EU 15 and 11–15 per cent in the EU 25.

Many MUSIAD companies specialize in textile and clothing production for external markets, a sector which tends to be labour-intensive. Their labour management philosophy is expressed by the idea of ‘mutual social responsibility’ based on moral values and duties, so that unregistered wage-employment is made socially acceptable. Accordingly, wage earners in this
context are not seen as members of a social class but as family members who are expected to provide services for the common social good based on mutual trust and respect.\textsuperscript{39} The TUSIAD leadership has called these informal types of capital mobilization and deployment of labour power illegal.\textsuperscript{40} For MUSIAD, however, the incorporation of ‘hidden wealth’, workers’ remittances, and informal labour into the process of private capital accumulation facilitates the integration of Islamic trust networks within a dynamic market economy, and has the added benefit of doing so without state involvement.

THE ISLAMIC TRUST NETWORK

The Gulen Community Movement mentioned above, the \textit{Fethullahcilar}, is one of the main mass-based civil society movements which emerged in the 1970s. It is named after Fethullah Gulen, an imam trained in state-run schools for higher Islamic learning and a follower of the teachings of Said Nursi, the Anatolian Kurdish Islamic intellectual. Nursi (1876–1960) re-interpreted the Koran to demonstrate that it contains scientific knowledge regarding the laws of order and harmony found in nature, so that Islam is seen as congruent with the ideas of science and progress.\textsuperscript{41} This is the basis of the \textit{Fethullahcilar}'s belief that an Islamic brand of modernity can emerge from an imaginative blending of Islamic values and scientific knowledge.

The \textit{Fethullahcilar} is also involved in \textit{da'wa} (preaching) work in the tradition of the Tablighi Jamaat of the Indo–Pakistan subcontinent.\textsuperscript{42} They often describe their activities as \textit{hizmet} (dedicated vocational work); their primary concern is moral self-renewal. The success of the \textit{Fethullahcilar} lies in its simple, direct, and personal appeal. It does not maintain a formal membership and makes no demands on its followers to practise Islam. Rather, individuals engage in religious learning and other devotional activities in small, community-based groups. Participants meet regularly to read and discuss commentaries on the Koran, the \textit{Risale-I Nur}, and the books of Fethullah Gulen. These groups foster strong interpersonal relationships and allow emotional engagement to flourish within a context of self-scrutiny and religious discipline.

The \textit{Fethullahcilar} maintains an apolitical stance in regard to Kemalism, which helps the movement to grow with little government intrusion. It should be noted that its practices bear some similarity to Kemalist notions of social solidarity (which in turn reflect the influence of Ziya Gokalp and his ideas on the role of religion in society).\textsuperscript{43} Kemalism made the state responsible for the management of national culture, including controlling the production and dissemination of religious knowledge. The \textit{Fethullahcilar} builds
on this legacy and argues that Islam contributes to the moral strength of the national society as a religion of self-development.

According to Gulen, Islam promotes the rule of law and rejects the oppression of any segment of society. He argues that Islam does not offer a totalizing ideology for reshaping society, nor a blueprint for an unchangeable form of the state. Gulen argues that ‘the Koran is a translation of the book of the universe, an interpretation of... the universe. Reducing it to political theories or forms of the state is a great disrespect’ to the spirit of Islam. For Gulen, Islam is complementary to democracy; it should be left to the people to choose the type and form of government according to their time and circumstances.

Insofar as the Fethullahcilar movement is fundamentally concerned with individual moral renewal, it has two primary objectives: to reconstruct individual thought in accordance with the ideas, moral values, and normative standards of Islam; and to connect individualized pious belief to the transformation of individual behaviour in the public sphere. In setting these objectives the Fethullahcilar is motivated by the belief that Islam is more than a religion. It is actually a ‘civilization for individual growth’, concerned with individuals becoming better, socially responsible citizens of the state. It advocates greater piety, to be attained through a high quality education that connects the spiritual and material worlds, but does not expect overtly religious behaviour. What is crucial is personal training in asceticism, piety, kindness, and sincerity.

The Fethullahcilar believes in disciplining the self in a way that strengthens civil-society engagement with the economy, rather than retreating from it. Such self-discipline is believed to mobilize certain values which can assist in controlling the body and emotions. To this end the Fethullahcilar has developed a web of some 20,000 micro-communities known as the nur evleri. These nur evleri, the first of which opened in Izmir in 1968, are groups of apartments that are normally rented out to university students. They also function as a kind of schools, insofar as they reinforce pious beliefs and moral values for self-development, and promote solidarity among members of the Fethullahcilar.

The Fethullahcilar has also founded primary and secondary schools, university preparatory dersanes (study rooms), and universities. These are privately run and governed. They follow a thoroughly secular curriculum and do not teach religion but focus on the study of science and technology, and the application of the resulting knowledge to economic development. Young people learn how to establish a meaningful life by tensil (example) rather
than by *teblig* (words or instruction). The institutions are funded through the philanthropic support of business communities.

The *Fethullahcililar* is now also one of the fastest-growing capital groups in Turkey, with about 500 affiliated firms, many of them very profitable and fully integrated into the market economy. Significantly, ethical discipline inculcated through educational *hizmet* is always supposed to be integral to the wealth-creation activities of the *Fethullahcililar*. In fact, the *Fethullahci* world-view resembles Adam Smith’s view that the pursuit of self-interest must be restrained by morality. For the *Fethullahcililar*, an ethical individual should not refrain from commerce but pursue it in a harmonious manner.

For Gulen, those who move with religious love ‘...are content and place their knowledge and understanding at humanity’s service’, while always respecting individual freedom – the ‘key to the mysteries of human identity’. Gulen’s Islamism attempts to shape a culture of individual righteousness and responsibility that enlarges the scope of civic engagement with the public sphere. Yet perhaps the most significant aspect of his approach is the articulation of Islamic political thinking as closely tied to the key norms of democracy, justice, and individual freedom as defined in Western liberal thought.

**THE CLASS AMBIGUITIES OF AN ISLAMIC ORIENTATION**

Why do so many people who suffer under neoliberalism support Gulen’s Islamism and sustain the AKP’s cross-class coalition? At one level this may be accounted for by the phenomenal economic growth rate experienced since the crisis at the beginning of the decade – reaching no less than 9.9 per cent in 2004. The fact that it was still as high as 6.1 in 2006 led a *Financial Times* report to exult: ‘Cumulative expansion over the past five years reached 40 per cent, making it the longest and most stable stretch of uninterrupted growth since at least 1970’. Moreover, the AKP government’s fiscal discipline has meant that inflation has fallen to a single digit for the first time in the past 30 years. On the other hand, high economic growth has been sustained by short-term capital inflows that alongside the massive foreign debt (growing from US$ 130 billion in 2002 to US$ 184 billion in 2006) render the economy vulnerable to a fresh crisis.

And in spite of the high growth rate the government has not been able to deliver what it promised in its social justice program. Unemployment remains a major social problem, reaching 11.9 per cent in 2006, and 87.4 per cent of agricultural workers, and almost all of Turkey’s self-employed workers, have no social protection. Women are the most severely affected; as of February 2007 only 23.4 per cent of women in the economically active
age-group were employed, compared to 69.6 per cent of men. In the last two decades Turkey has created only 6 million formal jobs, although the working-age population has grown by 23 million. In short, phenomenal growth in the economy has been achieved by heavy reliance on foreign borrowing and with limited formal employment.

The informal economy, however, is flourishing, absorbing otherwise unemployable labour. In 2004, 53 per cent of the employed labour force was unregistered – approximately one in three workers in urban areas and three out of four in rural areas. The World Bank estimates that over three-quarters of unregistered employees were working in unregistered workplaces in 2003, while underreporting of workers and the wage bill in registered workplaces is estimated to be about 24 and 28 per cent respectively. Employment for those with education has been particularly scarce. In 2006, the unemployment rate for young people aged between 20 and 24 with at least a secondary school education was 23.4 per cent, and for those aged 25-29, 12.2 per cent.

Relative poverty (defined in terms of an ability to obtain food and basic non-food necessities, and measured by household consumption expenditure of less than 60 per cent of the median) affects 27 per cent of the population, more than in any of the EU’s 25 member countries. The 2005 data also reveal very acute income inequality: the incomes of the richest 20 per cent of the population were on average 7.3 times higher than those of the poorest 20 per cent. Regional inequality is worse: Kocaeli, the richest city in the Marmara region, enjoyed a per capita income level of US$ 6,165 which was 11 times greater than Agri, the poorest city in Eastern Anatolia, with its US$ 568 per capita.

Turkey’s economic growth has thus led to an increasing number of people living in cities under substandard conditions and who are employed in the informal economy. Yet it is also highly significant that Turkey has a virtually zero poverty rate in terms of the standard measure of US$ 1 per person per day. The proportion of the population living below the food-only component of the national poverty line is also only 1.35 per cent, thanks largely to a very high degree of inter-household transfers of food, clothing, and housing – i.e. a high degree of social solidarity in the face of poverty.

About one third of the general population lives in gecekondus (houses built illegally overnight), with a 35 per cent poverty rate. They obtain assistance to build their homes and find jobs from kin, neighbours, hemseri (persons from the same region), es-dost (friends), tanidik (contacts), torpil (influential contacts), and kivre kardesligi (fictive kin).
These networks remain highly significant in Turkish society today in translating feelings of *durust* (trust) and *durustluk* (trustworthiness) into poverty alleviation, labour commitment and wealth creation. Symbolizing the importance of moral fibre and ethical solidity in Turkish society, *durustluk* underpins the political aspects of mutual reciprocity. Not only *gecekondu* dwellers, recent migrants, and the poor are integrated into the highly personalized networks of cash and employment in this way, but also capitalists seeking *durust* workers. Smaller capitalists prefer to hire *hemseri* as they trust them more; workers find jobs by informally mobilizing *hemseri*, *tanidik-esdost*, *torpil* and kin. The Ankara leather-processing industry, for example, largely clusters *hemseri* from Gudul, a small town near Ankara. In the context of economic hardship, the trust networks invoke a cultural consensus: employers expect *hemseri* to work for lower wages without social-security provision; labour is willing to do so but only in return for ‘charity’, care, and support when needed.

**CONCLUSION**

What are we to make of the Islamic commitment to social cohesion in the context of a neoliberal economic orientation which continues to generate massive inequalities? The AKP government has allocated funds for employment creation and job-training programs, offered credits to small entrepreneurs, and supported micro-credit, but this barely touches the real problem. More relevant is the fact that the AKP government bases its social welfare policies largely on family and social solidarity networks. Its family-centred social policy focuses on motivating and mobilizing civil society initiatives that can provide social assistance. Non-government charitable organizations, such as Deniz Feneri (Lighthouse), channel funds donated by Muslim businesses to the needy. Municipal governments have also become key players in providing social assistance, with budgets heavily reliant on donations from private individuals, thus acting as mediators between the local poor and Muslim charitable donors. This serves to support the privatization of social welfare under neoliberalism, and is reinforced by the *Fethullahcilar*’s Islamic ethic that relies on individual righteousness and charitable initiatives to solve social problems.

The symbolic relations of reciprocity in terms of mutual responsibility, respect, and trust may strengthen the role of Islamic charities, but it may also snap. The reciprocal relations between capitalists and workers are highly exploitative. Representing the emergent Anatolian middle class, many MU-SIAD member firms are overtly hostile to trade unions. They pressed the government to enact the 2003 Labour Law which excluded companies with
fewer than 30 workers from job-security coverage (the law previously only excluded those with fewer than ten workers). Although it shares a similar world-view, the pro-Islamic Hak-Is trade union condemns the government for intervening in strikes which are seen as slowing down exports, and for not taking poverty, unemployment, and informal employment issues seriously. Neoliberal reorganization of the middle classes through Anatolian resentment politics against the Kemalist state may yet give way to a new sense of resentment on the part of workers and the poor against class inequalities.

An interesting dialectic thus emerges from the dual character of an Islamic perspective: its embeddedness in both the liberal-democratic capitalist ideas emanating from the European Union and the Islamic narrative of righteous individuals seeking the ‘good society’. Islamic groups aim to enhance individual capacities in a capitalist economy and also support civil-society-based agents of charity. It may be useful in this light to rethink Weber’s famous thesis on the protestant ethic and capitalism. The Islamic emphasis on brotherly love and ethical discipline feeds into very personalized cultural processes of economic rationality which Weber seems to have ignored. The effectiveness of this Islamic ethic in materially addressing inequality depends on the individual will of believers who devote themselves to fulfilling hizmet (vocational work) and place it at the very centre of their economic activity.

This can hardly offset the actual dynamics of neoliberal capitalism in generating more inequality. Nevertheless, these inequalities will themselves not mobilize the weak and the poor to form a social-protest movement against neoliberalism. This is not necessarily because the symbolic relations of reciprocity and solidarity ‘contain’ potential opposition. Nor is it because marginalized members of society are unaware of the inequality that is masked by the culture of mutuality under which neoliberalism has developed in Islamic communities in Turkey.

Equally important, I believe, is the way opposition politics work: not entirely, and not always, based on economic grounds, but always context-bound. The ‘moral’ politics of resentment needs to be taken into account in order to understand why Islamic solidarity may not necessarily snap, despite the existence of such significant inequalities. Cultural tensions are also important; at times they are even ‘created’ by the military to justify its frequent interventions in civilian politics. The military’s opposition to the election of a pro-Islamic candidate as president, merely because his wife wears the hijab, is a case in point – although the massive public demonstrations in support of the military’s position remind us that Kemalism also has a strong popular base. What is clear is that even as neoliberalism generates massive exploita-
tion and subordination, in Turkey’s circumstances this has reinforced a politics of Islamic resentment against the Kemalist state, which has in turn led to the mobilization of mass support for Kemalist ideology. Resentment against the exploiters in the wake of neoliberalism still awaits such mobilization.

NOTES

6 AK Parti, _Development and Democratization_, p. 34.
10 AK Parti, _Development and Democratization_, p. 33.
14 It has two international branches, one in Brussels opened in 1995 and another in Washington, DC opened in 1998.
25 Ibid., pp. 7-32.
27 World Bank, Turkey: Knowledge Economy Assessment Study.
29 Ibid., p. 73.
30 These ideas are propagated in MUSIAD periodicals such as Homo-Islamicus (1993-97) and Cerceve, a Research Reports series, a newsletter called MUSIAD in Press, and an Internet-based Information Bank.
31 Omer Demir, Mustafa Acar and Metin Toprak, ‘Anatolian Tigers or Islamic Capital: Prospects and Challenges’, Middle Eastern Studies, 40(6), November 2004, p. 184. It is estimated that the Central Bank also receives around US$ 4 billion in remittances annually.
34 The Turkish-Saudi joint venture Faisal Finance House was purchased by Kombassan Holding in 1998 and later by the ULKER Group in 2001, with financial contributions from American Islamic Finance House – LARIBA. Faisal Finance thus acquired the name Family Finance.


39 In the absence of hard data, I can offer the example of female industrial homeworkers engaged in towel production in Denizli region, with an overall 50.2 per cent informal employment rate. Globally oriented firms account for almost 70 per cent of the city’s numerous towel firms. These women, both single and married with children, earn about US$ 2 an hour. Turkish towel producers established their reputation weaving towels on handlooms from pure cotton or linen, designed with unique traditional embroidery motifs, and often work at home, participating in the production of US$ 1.5 billion worth of towel exports from Denizli. These women see their paid work as a matter of ‘helping out’ the subcontractors, who will often be their male relatives and neighbours.


41 Said Nursi’s writings were collected into a six-volume commentary on the Koran, the *Risale-I Nur*, Kazan: Kul’turno-obrazovatel’ny fond “Nuru-Badi”, 2001.


43 This influential Ottoman–Turkish sociologist (who translated Emile Durkheim’s work into Turkish) contributed to the Kemalist notion that Islam can be functional in bringing about social cohesion in society, as long as it remains under state control. See İhsan Yılmaz, ‘State, Law, Civil Society and Islam in Contemporary Turkey’, *Muslim World, Special Issue: Islam in Contemporary Turkey*, 95(3), 2005.


48 There are no publicly available, openly disclosed data regarding the exact number of *Fethullahci* schools and student enrolments. Estimates are about 500 worldwide, of which some 150 are outside Turkey. It is well known, however, that the *Fethullahcilari* operates 7 universities in Turkey. See: Bayram Balci, *Orta Asya’da Islam Misyonerleri: Fethullah Gulen Okulları*, Istanbul: Iletisim Yayınlari, 2005, p. 191.


54 T.C. Basbakanlik Turkiye Istatistik Kurumu, Haber Bulteni, Sayı 76, 15 May 2007. These figures contrast sharply with the 2005 EU-15 rates of 64.8 per cent overall employment and 57 per cent female employment (World Bank, *Turkey: Country Economic Memorandum*, p. 42).


56 Ibid., p. iii.


61 Ibid., p. 34.

