

INTRODUCTION

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Over the past ten years, Turkey has been held up by the global media as an exemplary country for successfully reconciling Islam with democracy and a market economy. In reports published by both private banks and international financial institutions like the International Monetary Fund (IMF), World Bank, and World Trade Organization (WTO), the Adalet ve Kalkınma Partisi (Justice and Development Party, AKP) was praised for its economic miracles and political victories. Peter Boyles, chief executive of global private banking at HSBC, recently characterized Turkey as the new rising star of the world economy, adding that its startling economic success is not accidental and should be attributed to the government's strong commitment to "fiscal discipline" and a "well-regulated banking and financial system" (Boyles 2012). Similar statements can be found in the World Bank Group's "Turkey Partnership: Country Program Snapshot," published in the spring of 2013. The opening line of this report resolutely proclaims that "Turkey's rapid growth and development over the past ten years is one of the global economy's success stories." During the same period, internationally prominent publications like the *Economist*, the *New York Times*, and *Der Spiegel* regularly referred to Turkey's rare ability to combine Islam and capitalism, and the idea that Turkey could serve as a model for other countries in the Islamic world was widely circulated. However, the well-known events of June 2013 threw this much-lauded "success story" into serious doubt for both Turkish and international audiences.

What lay hidden behind the so-called economic miracle was in reality a structural transformation in the mode of capital accumulation that was achieved through undemocratic means. This process was initiated in the 1980s with the free-market economic policies of the Özal government. At the time, the political environment was devoid

of any serious opposition because of the restrictive legal order established by the military following its coup of 12 September 1980. The structural transformation was a typical case of “accumulation by dispossession” resulting in the redistribution rather than the generation of wealth and income. Its main pillars were privatization, financialization, the management and manipulation of economic crises, and the redistribution of state assets. Under the regime of privatization, public utilities of all kinds, most state enterprises, public institutions, and the provision of social welfare were gradually privatized to some degree. Financialization meant the deregulation of the financial system and its emergence as one of the main centers of redistribution through speculation. The Istanbul Stock Exchange and many mutual funds and investment banks were established. This all led to the development of a financial market in which both domestic and foreign investors participated. The management and manipulation of crises were carried out through a series of structural adjustment programs for trade liberalization, liberalization of interest rates, and deregulation of property rights. Under pressure from the IMF, the Turkish state reduced public spending on services such as education, health care, and social security, resulting in their deterioration. The neoliberal state also redistributed wealth and income through tax reforms in favor of both domestic and foreign capital, which included revisions in the tax code to benefit returns on investment for owners of capital.

The transition to a relatively more open and democratic order in the 1990s allowed for the reemergence of oppositional groups. Nonetheless, this decade saw the continuation of “market-oriented policies” and the creation of attendant institutions. Under Erdoğan governments in the 2000s, economic policies became increasingly neoliberal, leading to further consolidation of this mode of capital accumulation. By the end of this journey, Turkey had completed its transition from a mode of capital accumulation driven by import-substituting industrialization to a regime based on global flows of goods and capital, popularly known as neoliberalism.

This structural transformation in the economy, which was achieved over a thirty-year period, brought with it a series of important changes in the social and political arenas. First and foremost in the social realm was the appearance of an Islamist¹ bourgeoisie whose cultural formation was markedly different than the laic² bourgeoisie of an earlier period. Ideological divisions in the Islamist movement were reflected in the development of a new dominant class faction whose interests conflicted with the laic bourgeoisie. A new Islamist

faction emerged in the early 2000s, splintering off from the Milli Görüş (National Vision) movement, which had since the 1970s adopted a distinctive “anti-Western” position and served the interests of small-scale capital. The new Islamists supported a number of political initiatives that were not easily reconcilable with Islamism, such as deeper integration into the world market, greater openness to capital flows (and the interest-based profits that came with them), further integration with the European Union, and a willingness to serve as the strategic partner of the United States and the North Atlantic Treaty Organization (NATO) in the Middle East. Presenting themselves as “conservative democrats,” these metamorphosed Islamists founded the AKP and eventually came to power.

Several economists had predicted that the neoliberal policies implemented by the AKP would result in a fragile economy that was vulnerable to external shocks. Up until the summer of 2013, however, these critiques were not taken seriously outside of a small circle of observers. Regardless, it would be unfair to suggest that there were no material bases for the practically superstitious faith in the miraculous power of neoliberal policies. During the 2000s, Turkey appeared to be one of the fastest-growing economies in the world. Yet this growth, which had the effect of stifling any critique of the neoliberal agenda, was primarily predicated upon short-term capital inflows. Investment and consumption rose through external financing, which in turn stimulated the growth of the national income. The current account deficit reached record levels. Upon closer inspection of the sources of capital accumulation during this period, it becomes evident that the process was driven not by profitable new investments in the productive sectors of the economy, but by revenue obtained through the privatization of public assets. This rapid and astonishing accumulation spurred on by privatization was in reality nothing but large-scale dispossession. From late May 2013 onward, large-scale capital outflows exposed the fragile structure of the Turkish economy. The Turkish lira rapidly lost value. Mainstream media outlets began to voice critical viewpoints that had previously been marginalized. In September, the *Economist* wrote that Turkey was one of the most fragile economies in the global market. According to the magazine, future economic growth in Turkey depended on access to new loans, that is, new capital inflows. If these could not be secured, a crisis loomed on the Turkish horizon.

The eruption of the Gezi Park protests, a broadly inclusive social movement that marked a turning point in Turkish history, coincided with the economic free fall of June 2013. These events, which received

a great deal of international attention, can be analyzed from a variety of different angles. At their root, however, lies widespread discontent over urban transformation, a continuation of accumulation by dispossession. These urban renewal projects were premised on the argument that gentrification would lead to the creation of globally attractive centers. In fact, they were nothing more than the private enclosure of public spaces. Areas that had previously been open to public use, such as parks and forests, were being transformed into large hotels, residential buildings, and shopping centers. The plan to turn Taksim Square's Gezi Park into a shopping center was the tipping point. With the eruption of the June protests to take back the park, Pandora's box was thrown wide open. People from all classes and walks of life, particularly the middle class, which was most affected by the enclosure of city spaces, poured into public squares across the country to express their disapproval of the AKP's increasingly authoritarian posturing. Though the flames of protest appeared to be extinguished by August—owing in large part to the onset of the holiday season—they were rekindled in September. This time masses of people spilled into the streets to demonstrate against a project to build a highway through the forests of the Middle East Technical University (ODTÜ), one of Turkey's most prominent universities. Shortly thereafter large-scale protests erupted triggered by Alevi citizens over the construction of a *cemevi* (house of worship) in Ankara's Tuzluca'yır neighborhood, a project conceived by the Gülen movement, a behind-the-scenes partner of the AKP government. Just as it had during the earlier Gezi protests, the Erdoğan government set aside constitutionally guaranteed democratic rights and responded to the "September revival" with a level of police brutality rarely seen in the democratic world.

While the subject and content of this volume was established well before the ongoing popular uprisings that overlap with the undeniable manifestation of the vulnerability of Turkey's economy, its completion coincides with this historical turn of events. As such, this book has gained a new significance that its editors had not anticipated. We hope that it will help readers make sense of the extraordinary events that took place throughout the summer of 2013 by providing an overview of the historical developments that led to this current conjuncture.

During the writing of this introduction, a new surprising series of events unfolded in Turkey. On 17 December 2013, the country was shaken by a bribery and corruption scandal that included several ministers and their families. These scandals have raised questions

about the AKP's involvement in high levels of corruption. It appears as if government officials are attempting to cover up charges through new appointments in the Ministries of Justice and Interior Affairs, who in turn have replaced the prosecutors and high-level police officials involved in this inquiry. On the other hand, the AKP government claims that the Gülen movement has formed a "parallel state" within the state. If this claim is true, it puts the AKP in a very difficult position, because for many years, and despite similar claims by AKP critics, the party tried to cover up and protect the symbiotic relationship between the AKP and the Gülen movement. Ironically, the recent events have turned this partnership into an open struggle for hegemony.

The power struggle between these two partners is actually the tip of the iceberg. The Gezi Park protests have deeply damaged Erdoğan's credibility, which had already been eroding due to a series of domestic and foreign policy decisions. Erdoğan and the AKP can no longer convince their partners and supporters that they are able to govern the country with stability. The conflict between the AKP and the Gülen movement and the resulting crisis is an extension of these unfolding events.

It is clear by now that this power struggle has triggered a process that will largely weaken both sides. To this we need to add the ongoing fragility of the economy. Given the uncertainties in the political environment, this fragility may reach unmanageable levels. As we write this introduction at the end of January 2014, the Turkish lira continues to depreciate despite Central Bank interventions into the currency market and a sharp increase in interest rates. This puts a tremendous burden on the economy, where the private sector has borrowed heavily abroad. All these developments place Turkey at the top of the list of "the fragile five" countries. The future is highly unpredictable, and may lead to a collapse of the strongest government that the Islamist bourgeoisie in Turkey ever controlled.

The book focuses on different aspects of neoliberalism and the rise of Islamist capital. While previous works have analyzed these phenomena separately (see, e.g., Buğra 1998, 2002 for the rise of Islamist capital; see, e.g., Bekmen 2013; Balkan and Savran 2002a, 2002b; Harvey 2005; Rutz and Balkan 2009 for neoliberalism in Turkey), the contributions to this volume represent an approach that brings them together for the first time. In doing so, they examine the relationship between neoliberal policies, processes of Islamist capital accumulation, and the emergence of new class factions. In

this context, we are especially concerned with the rise of the Islamist bourgeoisie and the Islamist middle classes.

The collection begins with an overview of Islamism. In chapter 1, Gürel explores the meaning of Islamism and defines it as a political ideology that perceives current socioeconomic problems of the Muslim world to be the result of alienation from Islam. As a solution to this problem, Islamism proposes the creation of a state and society in line with Islamic principles. Gürel describes how in various countries the devout, conservative bourgeoisie seeks to be the dominant class by establishing hegemony over the working class. According to Gürel, the emergence of Islamist movements of various sorts in Muslim countries can be attributed to the crisis of secular and nationalist movements since the mid-1960s, and subsequent disillusionment in these societies. He describes how the Islamist movement in Turkey, as represented by the AKP, has become a model for some Islamist movements around the world because of its ability to acclimatize itself to neoliberalism while simultaneously establishing hegemony over labor. Gürel concludes with a less than optimistic account of the future success of Islamist movements considering the ongoing revolt in the Middle East against this ideology.

In chapter 2, Savran conducts an analysis of the AKP phenomenon by situating it in a long-term historical perspective of Turkey's relationship to Islam and Islamism. He starts out with a discussion of what he terms the exceptionalism of Turkey in the Islamic world, defining this in terms of the radical purging of the influence of Islam not only in the political and legal orders, but in the sociocultural and educational spheres as well. This separation was achieved in the early republican period under Kemal Atatürk in the second quarter of the last century. He stresses that this purge, unequalled in any other Muslim country, was part of a wider process that could be defined as a civilizational shift from the Islamic world to the Western world. Having thus set the background, Savran then proceeds to analyze the different stages through which Islam and Islamism regained prominence in sociopolitical life. Following the revival of social Islam in the form of religious orders in the quarter of a century after World War II, the half century that extends from the 1970s to the present saw the ascendance of Islamism as a political current, with two interludes in the early 1980s and the late 1990s. Savran points to the ironic contrast between the early twentieth and the early twenty-first centuries with respect to the fortunes of Islam in Turkey. The central questions that the author poses for this more recent period are, first, the dynamics behind the rise of Islamism and, second, the reasons for the success

and resilience of the AKP, given that earlier attempts by the Islamist movement had been frustrated mainly through the intervention of a Western-looking coalition with the hitherto all-powerful army acting as a battering ram. The explanation Savran provides for the first question relies on class analysis, emphasizing a bifurcation within the Turkish bourgeoisie and the rise of a specifically Islamist wing. As for the second, Savran relates this to the acceptance by the AKP of the Western alliance as an anchor for Turkey, whereas the movement had previously staunchly refused to cooperate with Western nations. In the end, though, Savran points to the limits of the AKP's resilience, as manifested by two outstanding events that occurred in the course of 2013: the Gezi Park protests and the internecine war that resulted in an open conflict between two groups that had historically worked in tandem—the forces headed by Prime Minister Erdoğan and those led by the imam Fethullah Gülen, in voluntary exile in the United States. Savran suggests that these historic events may even signal the opening up of a period of secular decline for political Islamism in Turkey and beyond.

In chapter 3, Tanyılmaz demonstrates that the objective bases of the polarization within the bourgeoisie and the contemporary contradictions in Turkish capitalism are not simply superstructural, but are rooted in a qualitative transformation in the structure of the capitalist class. His discussion shows that the present-day conflict within the ruling class cannot be explained in solely political or cultural-ideological terms. In this context, he first provides an overview of the various conflicts taking place among the two capitalist factions and the ways in which these processes have been analyzed. Next, he explains that the class basis of this differentiation is rooted in the separation of political and economic interests (markets, incentives, technology transfers, etc., and the political means by which changes in these domains are realized). Using statistical evidence, he then compares the economic strength and influence of the Westernized, laic bourgeoisie and the Islamist bourgeoisie. For Tanyılmaz, Islamist capital is the economic force behind the political ascendancy of the AKP and its “conservative democrat” political position. In his account, this faction of the bourgeoisie appears to be the one that has gained strength after the military coup of 12 September 1980.

In chapter 4, Öztürk focuses on the formation and development of Islamic big business—a topic usually neglected in discussions about Islamic capital in Turkey. After clarifying the reasons as to why identifying a big business group as Islamic remains debatable, he argues that the two variants of Islamic big business, Anatolian

holding companies and conservative finance capital, have constituted the basic forms of Islamic big business in Turkey up until today. He then provides a compelling historical narrative about how the growth and progressive development of political Islamism has been implicated in the conflict between the monopolist big business groups and smaller capital formations, which became increasingly visible at the end of the 1960s. According to Öztürk, as industrial monopolies internalized various economic activities (commerce, production, and finance) within their “holdings,” they effectively blocked the growing potential of smaller capitalists, unless this latter group accepted a junior partnership in the commercial hierarchy (as commercial distributors, vendors, subcontractors, etc.). With respect to the case known as the “Erbakan event” in Turkish political economy, he shows how the conflict between big and small businesses not only initiated the mobilization of political Islam in connection with the interests of small businesses, but also led to the formation of a separate business organization to defend the interests of big business in the 1970s. In this context, Öztürk argues, the “conservative” faction of Turkish finance capital emerged in collaboration with the “secular” one. Moreover, there was no visible difference between the two in terms of organization and business characteristics (such as diversification). Although conservative groups were definitely a part of Turkish finance capital from the beginning, Islamist big bourgeoisie as a whole was not very effective until the 1980s, when Turkey moved from import-substituting industrialization to export-oriented neoliberalism. In the neoliberal era, Islamist business associations created platforms for Islamic capital clusters of various sizes, including conservative finance capital, Anatolian holding companies, small- and medium-scale enterprises (SMEs), and the companies of religious orders. For Öztürk, these organizations formed the most dynamic elements behind political Islam at a time when Turkish capitalism was becoming increasingly integrated with the world capitalist system, especially during the reign of the AKP.

In chapter 5, Hoşgör critically reviews the current literature on Islamic capital in Turkey. Instead of a culturalist account that primarily focuses on conservative lifestyles and religious orientations of entrepreneurs as the main indicator of class formation, she tries to develop a criterion that will identify “Islamic capital” as a separate capital faction that can pursue a distinct and collective agenda. To this end, she first highlights different stages of capital accumulation in the Anatolian region. She interprets their growth and success as the product of multiple determinants that only became possible thanks

to the neoliberal transformation from the 1980s onward, and to the export-orientation strategy and its specific forms of promoting SMEs. Second, she discusses the symbiotic relationship between interest-free banks, firms, religious networks, and communal linkages in order to understand this peculiar way of capital accumulation in relation to Islamic motifs. She demonstrates the limits of communal, religious, and other nonmarket networks in pursuing further economic development, and the possible solutions these capitals have pursued to solve their dilemmas. Lastly, she reviews their present situation, with a particular reference to the process of internationalization of capital accumulation and to the emerging multiple power relationships among different capital factions in the present environment. In doing so, she attempts to go beyond simplistic analyses that merely differentiate capital groups in terms of distinctions based on Islamic/Anatolian versus Istanbul-based capitals or based upon the size of the enterprise (big vs. SMEs). Hoşgör also provides guidelines to understand what the future may hold for this specific capital faction and assesses the explanatory capacity of the term “Islamic capital” under present conditions.

In chapter 6, Balkan and Öncü focus on the middle class in general and the Islamic middle class in particular to help better understand the peculiarities of contemporary Turkish society. The authors first introduce the premises of their analytic framework, which sees class as a theoretical concept that provides a useful lens to analyze three interrelated social and political processes. These are: (1) the underlying material bases of ideological formations, competitions, and conflicts; (2) the structural roots of social inequality and social mobility; and (3) the economic factors involved in the emergence and prevalence of a set of social practices at work in processes of social reproduction. Next, they provide a brief historical account of the bifurcation of Turkish society into laic and Islamic social sectors, and the ramifications of this process for state formation and class dynamics in different eras of capital accumulation, namely, national developmentalism (1923–80) and neoliberalism (1980–present). Then, they turn to the question of the middle class in order to explain the ongoing social formation driven by the emergence of an Islamic bourgeoisie in the neoliberal era. Here, they first take up the theoretical puzzle concerning the difficulties involved in conceptualizing the middle class, and clarify their position in this debate by drawing on the work of Pierre Bourdieu. Following this, they present some of the major findings of their survey of middle-class households in Istanbul in a comparative manner to specify differences and similarities among the “new” laic and Islamic middle-class factions that have benefited economically,

socially, and culturally from the neoliberal regime. Based on their analysis of the findings of the survey concerning the cultural capitals of these middle-class factions, Balkan and Öncü suggest that in each faction a new middle class reflecting neoliberal values and lifestyles emerges and separates itself from the rest. Thus, although they have had different ideological and cultural histories and orientations, both the laic and the Islamic factions of the new middle class converge into a new status group as the “winners” of the neoliberal landscape.

In chapter 7, Hoşgör critically assesses the key features of the AKP’s hegemonic appeal. She offers a class-theoretical account of the power bloc and explains multiple (and contradictory) power relationships behind this hegemonic conquest from a Gramscian perspective. She argues that although the AKP’s hegemonic project allows for cooperation among different social forces within a coalition against a “common enemy,” it also leads to a series of contradictory and unequal power relationships among the partners of this alliance. She devotes the first two parts of the chapter to different moments of hegemony (i.e., economic development and political reforms) and discusses how a relatively unified coalition/a temporary balance behind AKP rule has emerged in a specific historical context as a result of constant negotiations and concessions among various contradictory interests. In the third part she focuses on the role of cultural hegemony, thereby exploring the means with which the AKP succeeded in establishing its intellectual, moral, and cultural leadership by winning the hearts and minds of the people. In the final section she problematizes the existing difficulties in dealing with multiple power relationships and discusses the intensification of such conflicts and the resulting problems for the institutional unity of the state. She elaborates on how contradictions among different social forces create tensions between the government and certain state apparatuses (namely, the military and the judiciary) and particular strategies of the government to control strategic state capacities. She concludes with a discussion of the transformations within the institutional architecture of the state and the wider political system in tandem with the pursuit of particular strategies and tactics in wars of position and/or maneuver.

In chapter 8, Hendrick draws from multisided ethnographic fieldwork in Turkey and the United States to illustrate how Muslim networks have taken advantage of economic globalization in an effort to passively transform the contours of social hegemony in contemporary Turkey. As a case study, he presents the Turkish Gülen movement, a globally expansive, Islamist movement that is rooted in education, media, and business. Hendrick argues that in coalition

with the AKP, the Gülen movement, with its market orientation, its of the AKP's "conservative democratic" political platform, its focus on education and civil society, and its global reach, indicates a move to mount a Gramscian "war of position" vis-à-vis rival factions in Turkey's elite. Unique within the field of Islamist activism, however, the Gülen movement works in the interests of domestic social transformation by striving to outperform rivals in the market, rather than to overcome them in political battle. The Gülen movement's attempt to wage a "passive revolution" thus appears to focus more on "increasing the Muslim share" than it does on "Islamizing" the secular institutions of the Turkish republic.

In chapter 9, Oğurlu and Öncü approach the question of hegemony in light of the schism that has developed in the dominant class between laic and Islamist factions in relation to neoliberal transformations, resulting in an intraclass struggle. Their focus is the media sector, particularly newspapers. Their discussion is divided into two parts. In the first part, they develop a theoretical argument concerning the implications of the schism in the dominant class for the "dominant ideology" of the capitalist class as a whole. By drawing from Althusser's concept of the ideological state apparatus, Herman and Chomsky's propaganda model, and Gramsci's conception of hegemony and its relation to the media sector, Oğurlu and Öncü emphasize that the mainstream media in Turkey is divided along the lines of laic and Islamist interests, and thereby fails to represent the interests of the capitalist class with a "single voice." Thus, neither dominant class faction can gain full "consent," nor do they lose their reputation in the public eye. In the second part, they focus on the Turkish mainstream media space and attempt to illustrate how the schism in the dominant class is reflected in what has come to be known as "media wars." Oğurlu and Öncü conclude that media wars in Turkey, like in other ideological state apparatuses, are signaled by a heavy focus on the struggle for hegemony. Each side of the dominant class, Islamist and laic, aims to be supreme in the commanding heights of the economy, and sees the media as an important power basis for gaining the consent of the masses by controlling their ideas and emotions.

In closing, we would like to emphasize our belief that this volume will add a new perspective to the theoretical and empirical debates of what we feel is an understudied phenomenon in Turkey, namely, the middle class. Greater attention to this perspective in future work on Turkey will provide a critical resource for the class-based analyses and solutions that are revived in politically salient moments like the Gezi Park protests and beyond.

Notes

1. Although the meaning differs considerably, the terms “Islamic” and “Islamist” have been used interchangeably in the literature. In this text the usage of these terms has been left to the preference of the authors, and we have respected their choice in the introduction where we present their chapters.
2. “Laic” derives from the French *laïcité*, which is often mistranslated as “secular” or “secularism.” As Andrew Davison (2003: 333) has observed, “secularism and laicism are not two different words for the same institutional arrangement, but rather, two distinct, complex, varied, contested, and dynamic possibilities in the range of non-theocratic politics. ... As concepts, secularism and laicism have different etymologies, institutional histories and normative theoretical implication.” *Laïcité* is an institutional arrangement that involves not the separation of church and state, but the subordination of religious affairs to the state. In other words, the state determines the limits of religious belonging in the public and political spheres. For a historical overview of the Turkish case, see Berkes (1998). In this text the usage of these terms has been left to the preference of the authors.

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