Ayşe Buğra

CLASS, CULTURE, AND STATE: AN ANALYSIS OF INTEREST REPRESENTATION BY TWO TURKISH BUSINESS ASSOCIATIONS

This article presents a comparative analysis of the social role of two voluntary associations of Turkish businessmen: TÜSİAD (The Association of Turkish Industrialists and Businessmen) and MÜSİAD (The Association of Independent Industrialists and Businessmen). These associations are approached both as mechanisms of interest representation and as agents of two different class strategies. Hence, the article highlights two types of organizational activities that accompany interest articulation and representation: first, the activities which seek to bind the “bearers of interest” or “members of class” into coherent communities, and second, those aimed at the promotion of particular macro-level social projects.

One of the central themes of the discussion is that the attempts undertaken by TÜSİAD and MÜSİAD to enhance class cohesion and to influence the course of social and economic development could hardly be understood with reference to the standard accounts of bourgeois culture and capitalist hegemony, but should be examined within the social and historical setting in which they are situated. Capitalism is generally described as a rational order that presents a decisive break with traditionalism, an order in which individual pursuit of self-interest dominates impersonal relations between anonymous individuals and rules out ethnicity, religion, kinship, and other factors that define communal sentiments of trust and loyalty and that blurs the boundaries between the economic and the non-economic. As such, capitalism not only appears as an order in which economy appears “disembedded” from society but also one in which the logic of the exchange relation in its universalist character comes to dominate the totality of social life and renders the reliance on culturally shared values or personal ties increasingly irrelevant. This leads to the advent of a bourgeois society formed by individuals anonymous in their equality in front of impersonal and universal laws of property and contract.¹ Rationality interpreted as the individual pursuit of self-interest, rule of law, and formal equality appears, then, as the key component of the social project that the bourgeoisie is supposed to endorse and promote. It is precisely this idea of rational and universalist bourgeois order that is questioned in this article, which draws on an expanding body of political-economy literature in which human action is seen to be “embedded” in social relations. It should be clarified, however, that the methodological position adopted here is one

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which tries to avoid emphasizing the embeddedness of individual economic activity in a way that undermines the role of human agency. It is also an approach in which culture does not appear as an exogenous determinant of behavior, but is interpreted dynamically as the outcome of human interaction in a particular socio-economic and political environment. Purposeful human action that takes place in networks of social relations thus appears as the force that shapes and molds culture as well as social structure.²

The discussion here also addresses certain characteristics of the current international setting where it is witnessed that novel requirements of productive technology and consumer demand have called for a new logic of production, often called “flexible specialization” in its difference from “Fordist mass production.”³ In this setting, North American, European, and East Asian ways of instituting the economy have appeared as rival strategies that could be compared with reference to their relative success in adapting to the logic of flexible specialization.⁴ Since these models represent, more than anything else, alternative ways of “instituting the economy” and imply different articulations of economy, social structure, and culture, their emulation in different societal contexts is accompanied by deliberate attempts to re-interpret and mobilize culture as a resource in strategies of economic and social transformation.

In the American model, standard characteristics of the unregulated market economy—guided by the free choices of rational, self-seeking individuals unconstrained by non-economic ties—are presented as the guarantee of flexibility. This model is sometimes contrasted with the European model, claimed to be burdened by the rigidity of state regulatory institutions that hamper the functioning of an unregulated market system. As B. Stallings and W. Streeck put it, “trust, long-term cooperation, and acceptance of collective objectives in the European model are based on social, industrial, and political citizenship rights. Together these constitute a highly developed welfare state securing a high floor of provision for each citizen, as well as institutionalized rights of individuals and organized groups to participation to voice in the polity and at the work place.”⁵

In the European model, then, the emphasis shifts from universal rights of property and contract of formally equal market participants to universal rights of equal citizens in a “bargained economy.” These different definitions of equality in the two Western models in question is replaced, in the Asian model, by a pre-modern approach to the individual’s place in society where traditional relations of authority define both entitlements and commitments. Asian economies are often presented as being rooted in institutions that encourage and maintain personal ties in their cultural specificity and, hence, in a different manner from relations that characterize Western societies.⁶

It is in this particular global environment that TÜSİAD and MÜSİAD appear as agents of class solidarity and hegemony that advocate different models of economic and social development. Against the economic, political, and social characteristics of the European model that can be said to define TÜSİAD’s general outlook, MÜSİAD largely draws on the East Asian model in a rival strategy in which a certain interpretation of Islam is used as a resource to bind the businessmen whom it represents into a coherent community and to represent their economic interests as an integral component of an ideological mission. These rival strategies are adopted and
pursued against the background of the historical development of the private sector in Turkey. As it will be argued in the following section, TÜSİAD and MÜSİAD both appear as products of a particular societal environment where the state has a very significant "economy and society shaping role." It will also be shown, however, that being organizational forms of different vintages, their objectives and their ways of attaining these objectives manifest significant differences that define their positions and determine the macro-level implications of their activities.

The social position of these associations are, of course, significantly affected by the nature of their relations with their respective constituencies. A comparison of these relations will be presented in the section where the rival strategies pursued by TÜSİAD and MÜSİAD will be discussed. This discussion will be followed by an analysis of the recent political developments in which the state, largely in conformity with its traditional role in Turkish society, has appeared as the arena where the rivalry between the two associations has unfolded.

TÜSİAD AND MÜSİAD AS ORGANIZATIONS OF DIFFERENT HISTORICAL VINTAGES

The most salient features of the societal context of private-sector development in Turkey are found in state-business relations. Republican Turkey, like many other late industrializing countries, has followed a development strategy which is different both from the American free-market economy and the European "bargained economy" model in its much heavier interventionism and protectionism. The role of the state in the Turkish economy has not only been much more significant than in Western developed economies, but it also has been more crucial than in many other late industrializing countries as far as its impact on private-sector development is concerned.

In this regard, the Turkish business community shares many characteristics common to private-sector actors in some East Asian countries such as South Korea and Taiwan, where the partnership between the political authority and a state-created bourgeoisie appears as a crucial aspect of economic development. Yet this partnership manifests a marked difference from its counterpart in Turkey. One repeatedly underlined characteristic of the role of the state in East Asia is the commitment to a long-term, coherent strategy that has had a "market-augmenting" rather than a "market-repressing" impact. It is precisely the absence of such an uncertainty-reducing and risk-eliminating approach that characterizes the economic-policy approach in Turkey. The Turkish state has appeared as the major source of uncertainty characterizing the socio-economic and political context of business activity. Consequently, the coordinates which define the legitimate domain of private-sector activity and that of state intervention have remained ambiguous for a long time, which has, in turn, constituted an impediment to the development of a self-confident bourgeoisie which could be regarded as enjoying a hegemonic position.

Nevertheless, certain business enterprises could develop by taking advantage of the opportunities presented by frequently changing economic-policy choices and on the basis of largely particularist and informal relations with political authorities. These enterprises have almost invariably grown very big through a strategy of horizontal and vertical integration encouraged by politicians that had a distinct distaste
for small enterprises considered to be inefficient and inappropriate for the objective of modernization that has always remained a major policy goal. Consequently, the development of small and medium-size enterprises has been neglected, and economically important businesses have been institutionalized around the organizational structure of big and diversified holding companies.¹⁰

TÜSİAD was founded by a small group of businessmen consisting of the owner-managers of such holding companies that still had doubts concerning the basis of social legitimacy that they enjoyed in the beginning of the 1970s, when TÜSİAD was founded. A businessman who had acted as president of TÜSİAD at some point suggested, in the course of an interview that I had with him in 1991, that “TÜSİAD was founded not to pursue specific interests of businessmen but to prove [sic] the social existence of the private sector.”¹¹

MÜSİAD was founded at a later stage of economic development in Turkey, in 1990, and it brought together a large group of enterprises that manifest a much greater diversity of size and geographic location than those represented by TÜSİAD. Another very salient characteristic of the enterprises represented by this association concerns their date of incorporation. The overwhelming majority of these enterprises are very recently formed, with companies established before 1980 representing a small minority (see Table 1). These enterprises, and MÜSİAD as the association that represents them, thus arrived on the economic scene at a historical period characterized by certain important changes in domestic and global patterns of production and trade, as well as by certain new developments in the political arena. In Turkey, this was a period in which the traditional role of the state in the economy was questioned and significantly revised. It was also a period in which the old protectionist trade regime was largely discredited, and the growth of exports had become a significant policy objective. It was in this new environment that new enterprises had to compete with older ones that had already secured comfortable niches in protected and highly imperfect markets.

At the international level, with the accelerating pace of technological progress and shortened production life-cycles, efficiency increasingly required the down-sizing of large firms, the decentralization of vertically integrated enterprises, and the replacing of hierarchical management practices with less rigid ones. Given this new logic of “flexible production,” small enterprises in relationships of cooperation as well as competition have become important in an environment characterized by diverse interfirm linkages of suppliers, subcontractors, and end users.¹² The advent of “industrial districts,” where such networks of production relations between small and medium-size enterprises are supported by local institutions and maintained by personal relations of trust and loyalty, has also attracted attention as a new phenomenon reminiscent of the 19th century spatial dynamics observed in England by Alfred Marshall.¹³ In parallel to these observations, students of East Asian economies have drawn attention to the “successful network structure of Asian capitalism.”¹⁴

In this setting, the export potential of some smaller enterprises located in certain towns of Anatolia appeared as a hitherto neglected phenomenon of a crucial significance. References to “Anatolian tigers,”¹⁵—a term which clearly reflected the upsurge of interest in the successful economic performance of some East Asian countries known as the “Asian tigers”—have consequently multiplied and contrib-


**TABLE 1  Date of incorporation of TÜSİAD and MÜSİAD member companies**

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<td>744</td>
</tr>
<tr>
<td>After 1990</td>
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*Source: MÜSİAD Tanıtım Kataloğu (MÜSİAD Members' Company Profiles) (Istanbul: MÜSİAD, 1995); TÜSİAD Members' Company Profiles (Istanbul: TÜSİAD, 1989).*

...uted to the consolidation of the social position of MÜSİAD, which presented itself as the representative of these very dynamic segments of the business community. As such, it has suggested that its constituency had traditionally received unfair treatment from the state authority in terms of the possibility of access to investment funds and other privileges hitherto allocated mainly to large enterprises situated in big cities.16

The demands of MÜSİAD concerning a larger role in the economy for its members came at a time when the legacy of past Republican history was strongly challenged by the Islamist Welfare Party (WP). In fact, the manipulation of interest conflicts between big business on the one hand and small and medium-size enterprises on the other goes quite far back in the political career of Necmeddin Erbakan, the founder of the WP. By 1969, he had already won the Union of Chambers elections through a campaign against the candidate supported by the ruling center–right Justice Party. In this campaign, he had successfully mobilized the small and medium-size enterprises who felt alienated by the chambers' leadership, which was traditionally controlled by big business enterprises. The reaction against the established big business has remained an integral component of the anti-Kemalist political strategy of both the WP and its predecessor, the National Salvation Party. While these parties had hitherto been regarded as radical political formations of marginal significance, things have gradually begun to change in an environment where the rise of political Islam has appeared as a social phenomenon of uncontestable significance in Turkey in particular and in the Middle East in general.17 With the electoral victories of the Welfare Party, at the municipal level in 1994, and later at the general elections of 1995, MÜSİAD too has become increasingly visible and influential. After the formation of a WP-led coalition government by Erbakan in 1996, the association's increasing significance in the economy and in society has culminated in a rivalry with TÜSİAD which has involved the state as its main arbitrator.

**CLASS AND IDEOLOGY IN TWO DIFFERENT MANIFESTATIONS**

As mentioned in the introduction, TÜSİAD and MÜSİAD are class organizations whose social roles go much beyond narrowly defined representation of sectional interests. Yet the structure of interests that they represent determines the significance
that they have for their constituency and, consequently, their chances of assuring the loyalty and support of their constituency in the class mission that they pursue.

Table 2 shows that the majority of the 473 enterprises listed in TÜSİAD Members' Company Profiles (1989) are fairly large enterprises that are mainly located in Istanbul. The data presented in the table might, in fact, underestimate the geographic concentration of the association's member companies, because some of these enterprises located elsewhere are affiliates of holding companies based in Istanbul, and it is in these mother companies that the major strategic decisions are made. As the directory Who's Who in TÜSİAD 1988–1989 indicates, the overwhelming majority of the association's members are well-educated people who are university graduates. Most of the younger members of the association know at least one foreign language, the knowledge of foreign languages also being very widespread among older members, even among those who do not have university diplomas. We are, therefore, talking about an elite group who, not only by virtue of the small number, large size, and geographical concentration of their enterprises, but also thanks to their socio-cultural background, are likely to have different means of communicating, cooperating, and representing their interests than the ones provided by the association.

As mentioned in the previous section, from the outset TÜSİAD's attempts were directed at improving the social status of a largely state-created bourgeoisie. The social role of the association became increasingly important in the 1980s, in an international and domestic environment where political developments were clearly favorable to the private sector. It was mainly in this environment that the association began to question and contest the historical legacy of the highly unequal partnership between state and business, in which the state appeared not only as the dominant partner but also as the one that had the power to modify the rules of the game without consulting the business community that was expected to conform to the requirements of the "national interest" formulated and dictated by the political authority.18

This particular state of affairs, which the business community had accepted during the initial stages of capital accumulation, was being challenged at a later stage of private-sector development by a group of big businessmen who wanted a secure basis for their property and sufficient space to enable them to exercise their hegemony as the dominant class.

In pursuing this objective of creating an environment in which the business community would have a solid, uncontested status, TÜSİAD's administration drew mainly on the European model of economic and social development. The strategic vision of the organization thus incorporated a pro-European policy orientation advocated on both economic and political grounds. In the occasional reports, as well as in the bi-monthly journal Görüş published by the association, this strategy is pursued along with rather bold criticisms of the traditional role of the state in the Turkish economy and society. Especially in the recently published, and highly controversial, report, "Perspectives on Democratization," a boldly critical stand is adopted in the evaluation of certain legal and social problems which hamper social stability and create the risk of isolation from the Western world.19 As argued in the Board of Directors' introduction to the "Perspectives on Democratization," the objective of integration with the European Community not only forms an integral component of the state policy, but also constitutes a social goal supported by the majority of the Turkish pop-
TABLE 2 Geographical distribution of TÜSİAD member companies, according to size

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ulation. It is indicated that “Turkey can not accelerate its economic growth and acquire the competitive potential required for the 21st century through more intense co-operation with countries that are more backward than herself, but by co-operating with more advanced nations. We should design our strategies not according to our present position, but according to the objectives we set for ourself. We should have, as our model, developed Western democracies.” The report includes several sections on individual and social rights, as well as sections on the significance of labor-union organizations and their role in enhancing justice and stability in industrial relations, as integral components of the European model in question. Alternative models are rejected not only for their economic inviability, but also for their implications for individual and social rights.

With regard to these issues, the content of “Perspectives on Democratization” is not very different from other reports that TÜSİAD has commissioned on different socio-political issues. Yet there is a significant difference in that it does not include the standard introductory note to the effect that the views expressed in the document are those of its writers and do not bind the association. This is quite significant, because it implies that the administration endorses the critical stand of the report on the disturbing presence of the military in Turkish political life as well as on the problems engendered by the official, exclusively military strategy vis-à-vis Kurdish nationalism. TÜSİAD has thus adopted a very bold position on these issues that constitutes a very dangerous terrain in political debate, and it has emphasized the urgent need for de-militarization and democratization of society.
After the publication of the report, it became quite clear that in the pursuit of its strategic vision, TÜSİAD's administration had to convince not only society at large, but also its own constituency. In fact, starting in the 1980s, the leaders of the organization have often been criticized by its members for their too-outspoken, too-sharp, and even irresponsible criticisms of the state authority. These criticisms have largely come from the older members of the association who have long experience in business that has taught them about the significance of favors—but also about the harm that can come from the arbitrary exercise of political authority. These older members have accused the younger leaders of the association, who do not have similar experience, of putting the whole community in danger by risking offending the ruling politicians.24 Such accusations against the association's administration became especially important after the publication of the "Perspectives on Democratization." The president of one of the member companies even went as far as commissioning an alternative report that largely supports the present institutional structures and strategies.25

As in the case of TÜSİAD, MÜSİAD's strategic vision has incorporated a critical position against the traditional exercise of political authority. Hence, the relations of both associations with the state have involved at least a potential tension.26 Yet while this tension has also affected the TÜSİAD administration's relations with membership, MÜSİAD does not seem to face a similar challenge from its constituency. This might be attributed to the somewhat different significance that MÜSİAD has as a mechanism of interest representation. Moreover, there seems to be a conformity between MÜSİAD's narrowly defined interest-representation role and the nature of the strategic resources used in its class mission. MÜSİAD challenges the existing socio-political order in Turkey on the basis of both its cultural and economic inviability. In this process, it amply draws on the East Asian model of development, which it presents as a more viable alternative to the European one. The East Asian model, whose success is often attributed to the "strategic fit" between the traditional institutions that regulate social relations and the requirements of global markets,27 proves to be easily compatible with the ways in which MÜSİAD uses Islam at the international and domestic level as a basis for cooperation and solidarity between producers; as a device to create secure market niches or sources of investment finance; and as a means of containing social unrest and labor militancy.

In the analysis of the ways in which religion is used as a resource in MÜSİAD's class strategy, a recent re-appraisal of "ethnic capitalism" by I. Light and G. Karageorgis28 proves to be highly useful. These writers challenge the standard approaches to ethnic capitalism which claim that discriminatory attitudes prevailing in the society at large would constitute a disadvantage for minorities that seek a place in business life, and likewise economic success would accelerate the process of assimilation for ethnic entrepreneurs. Against these hitherto widely shared views, Light and Karageorgis argue that ethnic entrepreneurs might enjoy advantages that others do not, not in spite of but thanks to their minority status in society. Apart from culturally shared values both sustained within and helping to sustain multiplex social solidarity networks, "reactive solidarities" that are enhanced by "relative satisfaction arising from nonacculturation to prevailing labor and living standards" might balance whatever initial disadvantages minority ethnic identity could entail and render non-assimilation more lucrative than assimilation.
“In a country,” as both Islamist and secularist politicians often repeat in accusing each other either of being anti-religious or of using religion in a socially disruptive fashion in the pursuit of political interests, “where Muslims constitute 99 percent of the population,” it might appear surprising to draw an analogy between minority attitudes and the use of Islam by MÜSİAD. Yet it is extremely clear that certain elements of a minority psychology, manifested in the expression of a feeling of being excluded from economic life controlled by a big-business community supported by the secularist state, have a significant place in the organizing rhetoric of this association. In fact, its founders often refer to a particular episode that took place in 1990 when they, as a group of Muslim businessmen, were not allowed to participate in a meeting organized in the former Soviet Union by DEİK (the Association of Foreign Economic Relations), an umbrella organization that brings together both the chambers and TÜSİAD, as the decisive event which triggered the foundation of MÜSİAD.29

Whether the Muslim businessmen represented by MÜSİAD really face systematic discrimination or not, it is quite clear that they are in a position where they can derive considerable advantage from the activities of this organization that binds them in a coherent community. As Table 3 shows, the size distribution of 1,717 enterprises represented by MÜSİAD contrasts with those represented by TÜSİAD. Companies employing fewer than 50 workers constitute a large majority, although large enterprises are by no means absent. We also see that these companies have a rather balanced geographical distribution. Although Istanbul appears as the site of the largest number of MÜSİAD companies, a significant number are also located in central Anatolian cities such as Konya and Kayseri as well as in the eastern towns of Gaziantep and Urfa.30 This is clearly reflected in the head offices of the association, which are located in seventeen towns, whereas TÜSİAD, apart from its head office in Istanbul, has only a liaison office in Ankara and, significantly, an office in Brussels. These numerous, geographically dispersed enterprises among which smaller ones have an important place can hardly be said to enjoy the advantages of TÜSİAD’s members, who possess channels of communicating, collaborating, acquiring and sharing information, and presenting their demands to policy-makers different from those provided by their association. It is also highly unlikely that MÜSİAD’s members form a spontaneous network created by a common educational background and maintained in social activities of daily life.

Under these circumstances, MÜSİAD’s special commissions and professional committees, the conferences it organizes around economic and political issues, and its other social activities acquire a much greater significance both for providing technology- and marketing-related information and for enhancing group cohesion and solidarity than they would have in the case of TÜSİAD. The organization of international fairs in Turkey or the arrangement of foreign trips to fairs organized in other countries also constitute a very important aspect of MÜSİAD’s activities and they enable the association’s members to have information about and to participate in international developments likely to affect their business opportunities.

These activities play a very important role in fostering feelings of solidarity, especially because they all take place in a cultural frame of reference where Islam significantly contributes to the establishment of a shared understanding concerning business ethics, corporate responsibility, and commonality of interest. As was previously suggested, Islam can act as such a binding force, especially because it
TABLE 3 Geographical distribution of MÜSİAD member companies, according to size

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appears to be consistent with certain trends in global production and trade patterns that are emphasized by MÜSİAD’s administration. It is with reference to these trends that Erol Yarar, the first president of MÜSİAD, writes that “at the threshold of the twenty-first century, once again the Western side of the Pacific—that is, the East of China—is becoming the dominant center of the world economy.” According to Yarar, this shift of the center of the global economy has coincided with the advent of an information society that has many characteristics of “pre-industrial, agricultural societies.” The increasingly significant economic role of “small and medium-size enterprises” and, on the cultural plan, “family values” and “religion” appear to be the salient features of this information society which is contrasted with industrial society
characterized by “large-scale, capital intensive enterprises,” “social state” (sic), and “rationalism/positivism.” In Yarar’s approach, an important factor behind the successful adaptation of the Asian model of development to the requirements of the contemporary information society is the Asian nations’ faithfulness to their cultural identity and their resistance to the “civilization of the West,” with its “so-called rationalist, Cartesian philosophy [that] has drawn individual and social life into chaos by rejecting the value and existence of what cannot be measured or calculated. This overturning of religious values, and their replacement by a secular ‘morality’, transformed homo sapiens into homo brutalis.”

In spite of this clear stand against Western rationalism, mysticism in no way forms a component of the socio-economic strategy advocated by Yarar and other ideologues of MÜSİAD. In fact, they openly take issue with a certain idea of “proper Islamic attitude” internalized by Muslims who associate Islam with a mystical unworldliness. For example, Erol Yarar, in his discussion of the causes of the economic backwardness of the Muslim world, writes that “The mystical motto, ‘one mouthful food, one short coat’, was misconceived and opened the way to sluggishness. As a result, motivation towards the world was lost completely.” According to the founding director of the MÜSİAD’s Konya office (currently the chairman of the Konya Chamber of Commerce), such mistaken views about Islam’s being against wealth are created and disseminated precisely by the enemies of Islam. In fact, one of the ideas repeatedly emphasized and propagated by MÜSİAD is the need for Islamic solidarity against a basically hostile socio-political environment; the other is the necessity of getting rid of misconceptions about the incompatibility of Islam with entrepreneurial activity. As remarked mockingly by the mayor of Çorum, a WP-run municipality, “everyone nowadays is busy searching Koranic verses compatible with capitalism.”

Given the fact that Muhammad was himself a merchant, such verses do not seem to be very difficult to find. Muhammad’s professional background is explicitly discussed in the lead article of the collection “Islamic Man in Business Life,” edited by MÜSİAD, with the interesting subtitle “Homo Islamicus.” In this article, M. Özel refers to the rules set out by the Prophet himself to guide the exchange activity in the Medina Market, rules which, according to Özel, clearly define a competitive system with minimum state intervention. In MÜSİAD circles, Medina Market appears as a recurring motif and a point of reference in articles, speeches, and even audiovisual shows designed to emphasize the necessity of Islamic solidarity to change the current global situation characterized by the poverty and backwardness of Muslim nations.

While references to Islamic solidarity often appear in attempts to secure markets in Muslim regions, in MÜSİAD’s clearly Eastern-looking strategy, economic integration among Muslim countries acquires an additional significance as an asset that could be used in strengthening relations with East Asia, “the most dynamic region of the world with which even the receding Europe [sic] itself is trying to strengthen its ties.” The importance attached to Turkey’s cooperation with two Muslim countries of the ASEAN, Malaysia and Indonesia, for example, is clearly related to the idea that these countries could form a bridge between Turkey and the more advanced economies of East Asia.

Although the Asian emphasis sometimes overshadows the Muslim one in the geographical priorities of MÜSİAD’s economic strategy, even in the Asian context Islam
appears, besides its other uses, as a potential element of certain marketing strategies. In the discussion of the possibilities of trade with Malaysia and Indonesia, for example, the exportation of *halal* food items and the organization of joint ventures in hajj tourism to Mecca are mentioned. Similar marketing strategies with religious references are especially important on the domestic front. In the recent upsurge of advertising activity by MÜSİAD's member companies, such references are used to publicize a large number of consumer goods and services, ranging from clothing and household furniture to luxury hotels. Although some Muslims, such as the leader of the Muslim labor union Hak-İş, find "the marketing of tripods to put under trays with reference to Muhammad's statements about the merits of eating on the floor" rather distasteful, these marketing strategies have rapidly expanded and served not only to the goal of securing a market niche but also contributed, at least in some areas, to the previously mentioned objective of proving the compatibility of Islam with wealth, of underlining the idea that "Muslims, too, deserve to live well."

Islam appears as an important resource used to enlarge the market share of MÜSİAD's member companies, but its role in the generation of investment funds appears to be much more important. In this regard, Islamic banks that do not charge interest but operate on the basis of profit-sharing had already made their appearance in Turkey in the 1980s with the late Turgut Özal's initiative, an initiative that is said to have contributed significantly to the wealth and fortune of his brother Korkut Özal. Islamic banking now has an important place in the agenda of the WP. Yet enterprises active in areas other than the financial sector also use religious networks in innovative and effective ways to secure investment finance, especially by mobilizing the savings of Turkish guest workers in Germany and other European countries. Two of the member companies of MÜSİAD whose shares are not quoted on the stock market, Kombassan Holding (Konya, employing 1,725 workers) and Yımpaş (Yozgat, employing 85 workers), have recently gotten into serious trouble with the Capital Market Board authorities for collecting millions of dollars from thousands of individuals in an entirely trust-based system that eliminates the sinfulness of interest income but confers no legally valid guarantees. Whether the recent troubles of these companies—which, as will be discussed in the following section, in part reflects the power struggle between secularist and Islamist political forces—will halt the spectacular rise of the economic power of these companies is still uncertain. Yet the dimensions of the power in question clearly indicate the importance of the "relational" capital that Islamic networks generate. The mobilization of this type of capital is significantly based on personal, informal relations largely built on cultural identities that are defined to exclude the non-religious as well as to include the religious. In its difference from the formal, impersonal, and rule-based character of a typical market economy, an economic system based on such relations would require a certain type of state involvement whose defining feature would be an attitude of leniency and flexibility in the application of rules—of those pertaining, for example, to the functioning of the capital market.

Leniency and flexibility also appear as characteristics of Islamic economics in other areas, such as labor markets. In that area, too, ties that bind the community of believers are often evoked as an assurance of stable and productive industrial relations. Just remuneration of employees appears as a frequently emphasized attribute...
of Islamic business ethics.\textsuperscript{49} Several members of MÜSİAD also add to this the necessity of being close to one's workers, of treating them as family members.\textsuperscript{50} The counterparts to this appear in Muhammad's frequently quoted statements that "the income that is the most highly regarded by God is the income of the worker who is respectful to his employer" or "whoever goes to sleep exhausted by hard work for daily bread sleeps with all his sins forgiven."\textsuperscript{51} Hence, the relationship of mutual trust between the employer who is affectionate and just to his employees and the worker who is respectful and hard-working characterizes the functioning of "Islamic" labor markets, which, consequently, do not really need a formal labor code or, especially, labor unions. As an expert on Islamic labor relations explicitly states, harmony and peace as opposed to conflict and controversy is what Islam preaches; hence, while the presence of labor unions as voluntarily appointed representatives of workers can be accepted, strikes are clearly not to be permitted.\textsuperscript{52} As the president of the Muslim labor union Hak-İş indicated in an interview, such Islamic principles seem to be clearly endorsed by certain MÜSİAD members who would not allow unions to organize in their establishments.\textsuperscript{53}

\textbf{STATE, BUSINESS, AND DEMOCRATIZATION IN TURKEY}

In an interesting fashion, the rhetoric of commonality of interest and harmony as opposed to class conflict also joins the Islamic business ethic with its Kemalist counterpart, which has long emphasized national as opposed to individual and class interest. The Kemalist version of this rhetoric was in fact internalized by those elements of the big-business community who, for a long time, sought to legitimize their wealth on the basis of their contributions to the economic development of the country.\textsuperscript{54} Hence, the famous Kemalist dictum about Turkish society's constituting a "homogenous entity without class or privilege" is echoed by those new Muslim leaders, such as the founder of the Konya branch of MÜSİAD and the current chairman of the board of directors of the Konya Chamber of Commerce, who assert that "people who make their fortune along the true path of Islam would not constitute a class; if personal wealth is used to oppress other people, then classes emerge and this is something that our faith rejects."\textsuperscript{55} This rhetoric, in both of its manifestations, is one that constitutes an effective barrier against institutional arrangements that regulate relations between employers and employees and contribute to the improvement of income distribution in a system where impersonal rules govern social rights and responsibilities.

Throughout the discussions about their trouble with the Capital Market Board authorities, the presidents of Kombassan and Yimpaş often claimed that they were victims of a conspiracy of economic interests against the recent successes of the "Anatolian capital" which have started to challenge the monopoly of the state-protected Istanbul bourgeoisie.\textsuperscript{56} The same argument was also taken up by the founding president of MÜSİAD, Erol Yarar.\textsuperscript{57} The fact that the Istanbul bourgeoisie is, to a large extent, both state-protected and monopolistic can hardly be denied. Hence, from a strictly economic point of view, the rise of the new and more dynamic elements of the Anatolian business community would certainly constitute a positive development for the country at large. Yet, as already suggested by the discussion in
the previous section, there is another dimension to the conflict between the two segments of the Turkish bourgeoisie represented by TÜSİAD and MÜSİAD. Unlike MÜSİAD, which brings together "flexibility-demanding" businessmen such as the managers of Kombassan and Yimpaș, TÜSİAD's role in Turkish society involves a call for a rule-based, democratic system where political, economic, and social rights are guaranteed by law. As was argued earlier, the leaders of the association hardly enjoy the full support of their constituency in their activities to this end. In this regard, TÜSİAD finds itself in a weaker position than MÜSİAD, whose ideological and political stand seems to be uncontested by its members.

The position of TÜSİAD's administration has become even more difficult since the WP's electoral victories at municipal and national levels. The relations between the WP and the established big-business community represented by TÜSİAD have never been very warm. The party's rise to power after an electoral campaign marked by a populist discourse highly distasteful to these businessmen, and the unhinged closeness of Erbakan's coalition government with MÜSİAD circles, has presented a serious challenge for TÜSİAD. This challenge has come right in the midst of the administration's attempts to persuade the membership of the necessity to push for a political orientation toward a European-style democracy that would involve rejecting some aspects of the existing political system, where, from the early Republican era to the present, la raison d'état legitimized all kinds of abuses of individual rights. However, against the challenge of political Islam represented by the WP, military and civilian state authorities that are characterized, more than anything else, by full adherence to this tradition, where individualist values are clearly subordinated to etatist ones, appeared to be the most natural allies of the established big-business community. Consequently, it has become overwhelmingly difficult for TÜSİAD's administration to continue to take an open stand against these secularist state forces whose political position is clearly inimical to the views expressed in "Perspectives of Democratization."

The events that culminated in the collapse of Erbakan's government began at the end of February 1997, after a Security Council meeting where the council members representing the armed forces expressed concern about the developments inimical to the secularist principles of the Turkish Republic. This has accentuated the secularist civilian reaction against the government, whose representatives have dismissed it as the manifestation of the pro-military sentiments of a small Kemalist minority displaying their usual undemocratic attitudes against the will of the majority. Then, around the time that the Kombassan/Yimpaș episode broke, the military authorities took a public stand against the subversive activities of radical Islamist groups supported by "Islamic capital," which, it was claimed, had gained alarming strength during the WP-led coalition government. The chief of staff even released a list of companies that were said to be in alliance with Islamist political movements and were therefore going to be excluded from public bids for army contracts. This declaration seriously alarmed the companies in question, and in a rather pathetic fashion, the statements made in MÜSİAD circles about the merits of Islamic solidarity have rapidly given way to those emphasizing the irrelevance of talking about the "religious faith of capital." In this environment, in which Islam had ceased to be an asset and had become an obstacle to lucrative business, the founding president of
MÜSİAD, the president of Kombassan, and the WP authorities echoed one another in their statements to the effect that "money has no religion, no faith, and no ideology.”

TÜSİAD, in the meantime, joined the common front constituted by the Union of Chambers (TOBB); the Confederation of Turkish Employers (TİSK); two major labor-union confederations,DİSK and Türk-İş; and the Confederation of the Unions of Merchants and Artisans (TESK) to voice their concern about the political and economic situation. Many other civil-society associations were also engaged in joint activities against the government. Government authorities dismissed this civilian reaction as an opportunistic pro-military show. Whether this judgment was justified or not, given the traditional disregard of Turkish governments for civilian movements, which was clearly shared by the WP-led coalition, the civil-society associations could not force the government out of office without the involvement of the military. It was the position of the latter, taken and sustained via the institutional mediation of the Security Council, that effected Erbakan’s resignation and President Demirel’s appointment of the leader of the parliamentary opposition to form the new government. It is quite paradoxical that the role of the Security Council in the political arena is explicitly criticized in TÜSİAD’s “Perspectives on Democratization” as an undemocratic aspect of Turkish society. Yet the association was involved in a political alliance in which this criticism, as well as others pertaining to the nature of Turkish politics, had to be put aside, at least for a while. Even when the military authorities released the list of business firms with so-called dangerous Islamist affiliations, a step so clearly inimical to the rule-based, formal, law-protected economic order for which TÜSİAD has kept calling, no critical comments came from the association’s leaders.

This position of TÜSİAD in the alliance against Erbakan’s coalition government, which itself was far from being conspicuous for its adherence to democratic principles, can of course be considered as a tactical move that does not constitute a change in the association’s general stand. It nevertheless represents a clear loss of territory for the TÜSİAD administration in its attempts to bring about certain democratic changes in the existing political system. At present, therefore, the first round of the struggle for hegemony between the two segments of the Turkish bourgeoisie seems to have ended with very ambiguous results for the political development of the country.

CONCLUSION

On the basis of the preceding historical evaluation of the comparative strategies pursued by TÜSİAD and MÜSİAD, it is possible to make the following observations of a general theoretical nature:

1. The organizational strategies examined in the article suggest that “capitalist class” and “bourgeois culture” do not designate universal categories but appear as the outcome of society-specific forms of interest representation that necessarily address wider issues of a political and ideological nature.

2. As such, forms of interest representation involve different definitions of “national interest” and “national culture.” Strategies pursued by class organizations are successful to the extent that these definitions are accepted first by their members, and second by the general public.
3. The balance of power between the state and the business class manifests itself in highly different ways in different societies. In its different manifestations, it appears to be of crucial significance in determining the outcome of class strategies pursued by business associations to enhance class solidarity and social hegemony. In other words, the success of these associations to make their definitions of national culture and national interest acceptable to their constituency and to society in general is significantly affected by the nature of their relationship with the state.

4. At a given moment in time, political developments might be in full conformity with the short-term economic interests of a particular segment of the business class. This conformity does not, however, necessarily indicate the long-term success of the class strategy pursued by the organization representing those interests.

With regard to the societal characteristics and goals that define the “social projects” promoted by TÜSİAD and MÜSİAD, the article has shown that the former attempts to redress the balance of power between the state and the big-business community in an overall transformation of society largely in line with the characteristics of European democracies. In the case of MÜSİAD, on the other hand, the Islamic character of Turkish society is emphasized in an attempt both to show the compatibility of Islam with capitalism and to use religion as a resource to foster a sense of solidarity among those segments of national and international business communities that stand to gain from enhanced cooperation.

Given the structure of interests represented by these associations, MÜSİAD appears to be somewhat better situated than TÜSİAD in assuring the support of its membership. Not only are the information and cooperation networks formed by this association of significance to the enterprises it represents, but in addition the latter do not feel compelled to contest the ideological role it plays as TÜSİAD’s member companies often do for fear of endangering their privileged relations with state authorities.

The recent political developments in the country in many ways conform with the traditional characteristics of the relationship between the state and established big business in the country. As has been highlighted, these developments, while in conformity with the short-term interests of TÜSİAD’s member companies, are nevertheless of a nature to hamper, or at least delay, the attempts of the association’s leadership to make its strategic vision accepted by its constituency and by the society at large.

NOTES


5Ibid., 91.


10This economic-policy orientation against small business originated in the early years of the Republican era and remained effective until the 1990s. For early Republican attitudes, see, for example, S. İlkin and İ. Tekeli, *Uygulama Geçerken Türkiye’de Devletçiliğin Oluşuma* (Ankara: Orta Doğu Teknik Üniversitesi Yayınları, 1982), 24–25. A survey of the İstanbul Chamber of Commerce on the problems of small and medium-size enterprises conducted in the beginning of the 1990s found that about 90 percent of the enterprises covered in the survey had never used any incentives. See İstanbul Ticaret Odası, Türkiye’de Kucuk ve Orta Boy İşletmeleri: Yapisal ve Finansal Sorunlar, Gözlemler (İstanbul, 1991), 102–3.

11TÜSİAD manifestations many of the characteristics of those British and American elite associations that Useem discusses in his account of the emergence of “the inner circle”—that is, the network of class—as opposed to private—interest–conscious businessmen. According to Useem, starting in the 1970s, these businessmen have played a very significant socio-political role that has served to consolidate the social status of businessmen as a class, albeit through the sacrifice of some short-term interests of class members: M. Useem, *The Inner Circle: Large Corporations and the Rise of Business Political Activity in the U.S. and U.K.* (Oxford: Oxford University Press, 1984).

12See Piore and Sabel, *The Second Industrial Divide*.


15See, especially, the long series of articles on private-sector development in about 20 Anatolian towns published by the daily *Milliyet*, 3–23 June 1996.

16In the 1990s, the historical injustice against smaller enterprises and its negative consequences for the economy were also recognized and often mentioned by politicians from both the Welfare Party and the True Path Party. Tansu Çiller, the leader of the latter, was especially active in her efforts to change that particular economic-policy orientation. It was even suggested that when she was the minister of foreign
affairs during the Welfare Party-led coalition government, matters pertaining to small and medium-size enterprise development became the major concern of the ministry, and Turkish diplomats were constantly under pressure not to take steps to improve Turkey’s foreign relations, but to raise foreign funds to support such enterprises. See Nursel Gürdil, “Dişışlerinin KOBİ İşleri,” Radikal, 17 March 1997.

17Ümit Cizre Sakallıoğlu interprets these developments as a new phase of the complex relationship between the Turkish state and Islam, which has never conformed to the basic tenets of secularism: Ümit Cizre Sakallıoğlu, “Parameters and Strategies of Islam—State Interaction in Republican Turkey,” International Journal of Middle East Studies 28 (1996): 231–51. This interpretation does not contradict the observation that in the 1980s, Islam became a more significant factor in Turkish political scene.

18An extensive discussion of this unequal partnership is presented in Buğra, State and Business in Modern Turkey, esp. chaps. 2 and 5.


20Ibid.

21Ibid., 84–150.

22See, for example, the references to the pathetic state of political development in Islamic countries highlighted in an interview with Abdullah Gül from the Welfare Party, published in Görüş 29 (January/February 1997): 34–39. Gül was one of the ministers of state during Erbakan’s coalition government, and he was, in many ways, more active than Foreign Minister Çiller in the area of foreign relations. In this interview, Gül, who underlines the necessity of diversifying the country’s foreign relations in an approach that combines politics and economics, is challenged by questions that draw attention to the problems of such an approach given the authoritarian and undemocratic governments that rule Asian and African countries that the minister thinks should be included among Turkey’s close political and economic allies.


24In the 1980s, older members often attacked TÜSİAD’s outspoken president Cem Boyner, as well as other young presidents such as Ömer Dinçkök and Bülent Eczacıbaşı, and demanded that they speak for themselves and not for the association. See, for example, the reaction of the founding members Feyyaz Berker and Ali Koçman to the public criticism of the government by Boyner (Milliyet, 15 August 1989).

25In these criticisms, many references were made to the “irresponsible” attitude of the “youngsters” now controlling the administration of this previously very “respectable” organization founded by their fathers (Milliyet, 5 April and 13 April 1997).

26The intensity that this tension can reach is revealed by a particular incident where, during the rule of very private-sector–friendly Motherland Party government, Cem Boyner, president of TÜSİAD, was called to the prosecutor’s office for interrogation because of his so-called illegal political speeches (“The Report of the Experts to the Prosecutor’s Office,” 2 August 1990). The recently expressed hostility of military authorities toward some members of MÜSİAD’s constituency is another manifestation of the uneasy relationship between Turkish state and organized business.

27Biggatt and Orru, “Societal Strategic Advantage.”


29See the series of articles on “Islamic capital” by Kemal Can, “Tıkıktıddan Holdinge Yeşil Sermaye,” Milliyet, 11–18 March 1997, and idem, “Yeşil Sermaye Laik Sisteme Ne Yaptı?” Birikim 99 (July 1997): 59–65. When I asked the general secretary of DEIK about the episode concerning the exclusion of MÜSİAD members from the meeting organized in the former Soviet Union, she told me that the Muslim businessmen in question applied for participation so late that there was no way to include them officially in the group. According to her version of the story, their participation in the meetings was accepted, but they still created several scenes whenever it proved to be impossible to include them in pre-arranged activities such as formal dinners with statesmen.

30The MÜSİAD Bulletin of February 1997 lists, among new members of the association, eight companies located in the eastern town of Diyarbakır. This is not an insignificant achievement given the difficulties of organizational activity in this city, which is deeply affected by ongoing military conflict. In fact, the new membership in TÜSİAD of a Diyarbakır-based big enterprise employing 3,000 workers appeared in the front-page headlines of a daily newspaper (Radikal, 18 August 1997).


32Ibid., 8.

33Ibid., 50–51.
34 Ibid., 39.
35 Can, “Tekkeden Holdinge.”
36 Ibid.
39 It is the central motif, for example, in the multi-vision show staged for the Fourth International Fair organized by MÜSİAD in Istanbul. See MÜSİAD, Bülten 5:18 (1997): 15–18.
40 References to Islamic brotherhood are frequently used, for example, in the attempts to get a share of the post-war reconstruction activity in Bosnia. See MÜSİAD, Başbakan Necmettin Erbakan’ın Doğu Asya Gezisi ve MÜSİAD’in Bosna-Hersek Gezisi Raporu (İstanbul, 1996).
42 The MÜSİAD report on the first tour of diplomatic visits that Erbakan, as prime minister, made to a group of Muslim countries clearly reflects the attempts to turn Islamic cooperation into an asset in an Asian strategy. See MÜSİAD, Başbakan Necmettin Erbakan’ın Doğu Asya Gezisi ve MÜSİAD’in Bosna-Hersek Gezisi Raporu.
43 Ibid., 50, 52, 64.
44 Can, “Tekkeden Holdinge.”
47 See the comments on this subject of the minister of finance of Erbakan’s coalition government (Radikal, 7 June 1997).
50 Can, “Tekkeden Holdinge.”
51 Balci, “İslam’dan Çalışma İlişkileri.”
52 Ibid., 124–25.
53 Can, “Tekkeden Holdinge.”
54 Such statements abound in the autobiographies written by Turkish businessmen. For a survey of three autobiographies (by Koç, Sabancı, and Eczacıbaşı) from this point of view, see Ayşe Buğra, “The Late-Coming Tycoons of Turkey,” Journal of Economics and Administrative Studies 1:1 (Winter 1987): 143–55.
56 See Radikal, 7 June 1997.
57 Yeni Yüzyıl, 31 August 1997.
58 This closeness between the government and MÜSİAD was clearly seen, especially in their cooperation in the attempts to change the traditional pro-Western orientation of Turkish foreign policy. In MÜSİAD’s published accounts of these very explicit attempts, Prime Minister Erbakan’s efforts to foster and enhance Turkey’s economic and political relations with Islamic countries are discussed both in relation to their significance for the country and with regard to the opportunities they represent for MÜSİAD’s members. See, for example, MÜSİAD, Başbakan Necmettin Erbakan’ın Doğu Asya Gezisi ve MÜSİAD’in Bosna-Hersek Gezisi Raporu, and MÜSİAD, MÜSİAD’in Afrika ve İngiltere İş Gezileri Raporu (İstanbul, 1997). Similarly, Erbakan’s speeches at MÜSİAD-sponsored international meetings make explicit references to the opportunities his government will open to Islamic business networks: see, especially, Erbakan’s speech at the Second International Business Forum organized by MÜSİAD (MÜSİAD, Bülten, 5:18 [1997], 50–61).
60 Yeni Yüzyıl, 31 August 1997; Radikal, 10 June 1997. See also Kıvanç, “İslamcılar & Para-pul.”