



## Culturalizing Economies, “Economizing” Cultures: Religion and Entrepreneurship in Turkey

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**Abstract.** This article aims to examine the relationship between global capitalism and culture through a case of Islamic entrepreneurs in Turkey. The process of globalization has often been considered as a universalizing and homogenizing process that would annihilate local and traditional cultural values and identity. The assertion of identity and cultural values, therefore, is seen as a resistance against the homogenizing effect of marketization and commoditization. This article criticizes such an antagonistic understanding of culture and commodity, culture and market economy. It argues that deepening process of global capitalism has led to a process of culturalization of economic practices wherein cultural symbols and values are increasingly articulated with economic logic of capitalism. Cultural values and symbols are used by corporations as resources for localization and entrepreneurship, while culturalizing and moralizing economy also works to mediate the inequalities it causes and attempts to neutralize the resistance against it. Within this theoretical context, the article examines social origins and characteristics of Islamic entrepreneurs, their development and cultural aspects.

**Key words:** Globalization, Culture, Economy, Entrepreneurship, Islam.

### Ekonomilerin Kültürleştirilmesi, Kültürlerin “Ekonomileştirilmesi”: Türkiye’de Din ve Girişimcilik

**Özet.** Bu makale, küresel kapitalizm ve kültür arasındaki ilişkiyi İslami girişimciler örneği üzerinden analiz etmeyi amaçlamaktadır. Küreselleşme süreci, genellikle, yerel ve geleneksel kültürel değerleri aşındıran veya ortadan kaldıran evrensel ve yeknesaklaştırıcı bir süreç olarak tanımlanmaktadır. Buna karşılık, kimlik ve kültürel değerlere yapılan vurgu ise, metalaşmaya veya piyasaya karşı bir direniş olarak algılanmaktadır. Ancak, bu makale, kültür ve metalaşma, kültür ve piyasa ekonomisi arasında kurulan böylesi bir karşıtlık ilişkisinin, günümüzde yaşanan ekonomik ve kültürel süreçleri eksik kavramsallaştırdığını ileri sürmektedir. Karşıtıktan daha ziyade, günümüzde kültürel sembol ve değerlerin kapitalist ekonomik mantık ile eklemlendiğini söylemek daha doğru olacaktır; Bir yandan, kültürel sembol ve değerler, yerel ve küresel ekonomik aktörler tarafından yerelleşmenin ve girişimciliğin kaynakları olarak mobilize edilirken, diğer taraftan, ekonominin kültürelleştirilmesi ve “ahlakileştirilmesi”, piyasa ekonomisinin yarattığı eşitsizlikleri meşrulaştırmakta, dolayısıyla da piyasa ekonomisine karşı muhalefeti nötralize etmektedir. Bu kuramsal bağlamda, makale İslami girişimcilerin toplumsal kökenleri ve karakteristiklerini, gelişim dinamiklerini ve kültürel özelliklerini incelemektedir.

**Anahtar kelimeler:** Küreselleşme, Kültür, Ekonomi, Girişimcilik, İslam.

## I. INTRODUCTION

This essay examines the emergent synergy between culture and global capitalism through a case study of Islamic entrepreneurs in Turkey. In western scientific thinking, Islam has long been viewed as incompatible with, and antagonistic to, entrepreneurship, economic development and capitalism. While this may be considered as the persistence of Orientalism tradition in the Western perception of Islam, it is important to note that such dualistic and antagonistic constructions are not applied to Islamic culture only, but to other non-western religions/cultures as well. Hence, recent assertions of identity and the so-called cultural turn in various localities have been described as a clash between “jihad” and “McWorld” in the western academia (Barber, 1995). In this formulation, jihad functions as an umbrella-concept referring to particularistic resistance of the local, traditional cultures to *marketization* and commoditization, while McWorld signifies the universalizing and homogenizing power of the global market forces.

The contradiction between commodity and culture has been one of the central themes in the nineteenth century romantic critiques -both left and the right- that foresaw in the advent of capitalist modernity, homogenization and destruction of local values and cultures. Local traditional values were regarded as obstacles for the operation of the market. While this may be true for the late nineteenth and mid-twentieth century’s managerial ideology which sought to impose a rigid rationality in the production and organization of consumption, contemporary global capitalism operates on a different logic, which could be called, borrowing Boltanski and Chiapello’s term (1999), as the “new spirit of capitalism.” In their study of the change in the corporate ideology, Boltanski and Chiapello argue that the organizing metaphor of global capitalism today is the notion of “network.” The metaphor of network, once associated with the mafia, or clandestine underground organizations, has become a popular concept with its closely associated notions such as “informality”, “respect”, “flexibility”, and “friendliness” under global capitalism. Incorporation of local cultural symbols by large global companies has been strategizing as a new corporate ideology for greater profit and smooth operation of the market capitalism. For instance, coca-cola commercials throughout Ramadan in Turkey frequently invoke its respect for tradition and religion. In short, corporations increasingly use cultural symbols and values as resources for localization.

Building on this argument, I identify three main areas where cultural symbols and values have increasingly been articulated into capitalist practices. First, local cultural symbols are used in marketing strategies in which commodities are not simply things but are *cultural things* signifying entire lifestyles and social distinctions as markers of identity and difference. Second, “social capital” that is shared religious, or cultural values and norms are mobilized for building networks and solidarity which are then translated into economic resources such as ethnic entrepreneurship. Third, at national level, as the state subjects its population to disciplinary as well as the productive powers of the market forces, collateralizing and moralizing capitalism works to mediate the inequalities it causes and attempts to neutralize the resistance against it (Adnan, 1990; Ong, 1999). The concomitant rise of neo-liberal and neo-conservatives forces to power in the North, particularly in the US and Britain (Davis, 1985, 1987; Hall, 1979, 1985; Jessop, 1985, 1987) and the revival of Confucian ethic and Islamism as state and elite projects in the Southeast Asia are the leading examples of these emergent *cultural capitalisms*, i.e., capitalisms that attempt to draw legitimacy from religion and culture (Adnan, 1990; Shamsul, 1997; Ong, 1999).

Within this broader theoretical sketch, I would like to discuss how the recent expansion of global capitalism has led to the development of new, religiously conservative economic actors who re-work and re-define the meanings of Islam, economy and entrepreneurship in Turkey. First, I would like to look at briefly about the class and local origins of this entrepreneurial

class, and then I will discuss the development and characteristics of Islamic entrepreneurs and enterprises.

## II. ISLAMIC ENTREPRENEURS AND ENTERPRISES

### 1) History, Class and Local Origins

Islamic entrepreneurs are relatively new economic actors in Turkey. While one can trace the origins of this class back to the 1970s, the majority of these entrepreneurs emerged after 1980. In terms of their class origins, Islamic entrepreneurs predominantly come from petty-bourgeois families such as small shop-keepers, merchants and artisans, while there are entrepreneurs coming from the ranks of peasantry, public servant and working class backgrounds as well. They also display certain commonalities in their local origins. Islamic entrepreneurs were typically born in the periphery, provincial cities and towns and migrated to the metropolitan areas later in their life. In other words, majority of these entrepreneurs comes from provincial petty-bourgeois families.

The traditional petty bourgeois in provincial towns and cities in Turkey have been known for their religious conservatism and remained as the main bearers of Islamic pietism and culture in peripheral Turkey (Lewis, 1961). Furthermore, the religious conservatism of this petty-bourgeoisie worked as an obstacle preventing their social mobility until very recently. While the state favors have been important for the development of secular big business community in Turkey, small shopkeepers and artisans have been by and large excluded from this state favor mechanism because of the cultural gap that existed between the religious conservatism of the traditional petty bourgeois and the secular values of the state elite. In other words, small businessmen of provincial areas who lacked the affinity with the state ideology also lacked the necessary social capital, that is, the social and political ties with the ruling elite to gain access to the state favors that others enjoyed (Bugra, 1994; Keyder, 1987).

However, things have started to change for the members of this class in the 1980s. The changes in the economy and society in 1980s and 1990s provided them opportunity to flourish and expand their businesses.

### 2) Development and Characteristics of Islamic Enterprises

Behind this recent proliferation of Islamic entrepreneurship, I identify three important developments that are closely linked to the expansion and penetration of global capitalism. First, Turkey made a shift from state-led development strategy to the export-oriented market economy with the military coup in 1980. Both the military regime and the new right governments throughout 1980s implemented several economic reforms that are commonly known as "structural adjustment programs" in the development literature. During this period, several Anatolian cities, whose economies were characterized by small scale enterprises primarily dependent on low wage and labor-intensive production, have emerged as crucial nodes within new international division of labor through sub-contracting relations with large firms. The promotion of export-oriented economic growth and entrepreneurship by government policies provided an environment conducive to local economies to mobilize their entrepreneurial capacity (Bugra, 1998; Pınarcıoğlu, 1998).

In addition to this economic restructuring, there was also a decisive shift in the state's policies toward religion, which I call as "religious adjustment reforms." The major defining characteristic of these religious adjustment reforms was the construction of a new national cultural policy, known as the "Turkish-Islamic synthesis"<sup>1</sup>. The "Turkish-Islamic synthesis" stressed the importance of Islamic values in defining Turkish national identity and attempted to

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<sup>1</sup>As expressed in the 1983 State Planning Organization document (SPO 1983: 18), the *Report of the Special Experts Commission on National Culture*, "the role of religion was significant "in safeguarding the state and national unity in the current period of rapid industrialization and social change."

promote a “tamed” version of Islam as a factor of national unity and harmony (Akin & Karasapan, 1988). These changes in the state’s economic and cultural policies created conditions in which Islamic actors emerged as important political and economic actors, developed strong connections to the political center, and hence access to the state resources.

Secondly, the emergence of Islamic Banks at both global and local levels played a central role in supporting the Islamization of economy and Islamic economic actors in Turkey. The Islamic banks or “special financial houses” as called in Turkey made their appearances in Turkish economy in the 1980s after the government’s special decree in 1983. The permission granted to Islamic banks was part of the financial liberalization process and was additionally justified on the grounds that it would help the Middle Eastern capital to invest in Turkey; and Turkey to establish better economic relations with her Muslim neighbors.<sup>2</sup> Following the arrival of Islamic banks of the Gulf countries, local Islamic banks were also established by Turkish nationals during this period. Both Islamic banks and Islamic entrepreneurs proliferated together and displayed a parallel development. By building partnership with the Islamic banks, especially with those originated from the Gulf countries, some of the Islamic entrepreneurs extended their economic activities toward the Middle Eastern countries in construction business, oil trade and transportation (Bulut, 1997: 398-99). Islamic banks also played a central role in the extension of the local economic activities of the Islamic entrepreneurs.

Finally, transnational networks between Islamic entrepreneurs and Turkish migrant workers in Europe have been critical in supporting proliferation of Islamic companies. During the 1980s and 1990s, several Islamic holding companies emerged in Turkey through the mobilization of the savings of hundred thousands of pious Turkish migrant workers. While overwhelming majority of Islamic companies are family-owned and family-run companies, Islamic holding companies embody a different property structure. Thousands of small investors, in theory, appear to be the owners of these holding companies. They are managed by small numbers of people who are called “representatives<sup>3</sup>”. Although these representatives are the legal owners of the assets of the company on paper, they do not present themselves as full-fledged owners but claim to function as the entrusted representatives of the thousands of small investors. The shares of these holdings are not quoted on the stock exchange and the collection of millions of dollars from thousands of individuals has no legal basis. Shared Islamic ideology and values have been important in the operation of these transnational networks. Hence, the relationship is entirely based on trust and facilitated through formal and informal transnational networks between Turkish Islamic entrepreneurs and the migrant workers in Europe<sup>4</sup>.

Islamic entrepreneurs engage in highly diversified economic activities. They exist in almost all modern economic sectors from manufacturing to commerce and service sectors. With the development of Islamic economic sectors, Islamic entrepreneurs have established their own business organization, MÜSİAD in 1990. Within a short time, MÜSİAD has become the largest voluntary businessmen organization in Turkey. It positioned itself as an alternative business organization against TUSİAD, the established secular big business community in Turkey.

### **3) Culture and Politics of Islamic Entrepreneurs**

While Islamic entrepreneurs are culturally conservative, they are strong supporters of free market economy. Islamic entrepreneurs and intellectuals argue that one of the basic tenets of Islamic economic system is free-market economy. They support privatization and liberalization

<sup>2</sup>Prime Minister Turgut Özal’s essay (1987).

<sup>3</sup>These representatives are typically entrepreneurially minded, educated and owners of small company but lacked enough capital to expand his business.

<sup>4</sup>Recently, some of these companies have bankrupted leaving many small pious investors with literally nothing. The small investors across Europe and Turkey are forming associations to fight legal battle and to put pressures on governments in Turkey to compensate their losses. There are several lawsuits against the managers of these holding companies for their illegal money collection and fraud in Europe, particularly in Germany.

of economy. They strongly criticize state intervention into economy. Drawing from Islamic values and tradition, Islamic entrepreneurs believe that Islam encourages hard work, accumulation of wealth and productive investment (Özdemir, 2006). According to them, Islam is entrepreneurial that encourages risk-taking, commerce and trade as the prophet himself was a merchant (Adas, 2006).

Until recently, MÜSİAD called for Islamization of economy and society. It blamed economic underdevelopment of the country on the westernization project of the Turkish elite and instead, it sought to promote a new project based on modernization through Islamization like the Islamist Welfare Party. The political discourse of both Islamic political and economic actors represented a certain degree of radicalism that wanted to change political, cultural and international parameters of the secularist republic. They both called for severing ties with European Union<sup>5</sup>. Instead of EU, they called for establishing a greater economic and political integration with Muslim countries, even desired to form an Islamic Union.

However, in 1997 there was decisive shift in the politics and ideology among some Islamic actors in Turkey<sup>6</sup>. While still Islamic in their cultural orientation and pro-free market in their economic orientation, radical elements in their political discourse have diminished dramatically. They hardly make any explicit references to Islamization of society and politics. The new ruling party in government under the Prime Minister Erdogan with his roots in political Islam emphasizes issues of human rights, democracy and freedom of belief. Interestingly, they are now strong supporters of Turkey's membership to the EU, and undertook series of reforms in accordance with EU's political programs. Behind this radical change in the political orientation of Islamic groups in Turkey was the military intervention in politics in 1997. With the initiative of the military, the secularist civil society organizations and middle classes were mobilized against the Islamist-led coalition government in 1997 that eventually led to resignation of the prime minister and the fall of the government. Following couple of months, Islamist Welfare Party was closed down by the Constitutional Court and several Islamic politicians as well as businessmen were persecuted for their anti-secularist activities. This process interestingly led some Islamic groups to revise their own political stance in the society. Islamic entrepreneurs and some Islamic politicians have come to realize that political polarization in society would harm their economic and political interests. This process led to the formation of a new political party, AKP severing its ties with political Islam. The change in discourse of Islamic actors was dramatic in the sense that radical Islamic claims were dropped and more accommodative and moderate political discourse has been adopted. The orientation of both political and economic actors were economically liberal supporting integration with global capitalism, adopting a political stance that displayed strong desire for the political integration with EU and culturally conservative, defining Islam not as a political force but as a cultural force.

## CONCLUSION

The case of Islamic entrepreneurship signifies not an antagonism but an unfolding new synergy between Islamic values and capitalist practices. However, I should note that this development is not limited to Islam but one can see similar developments in the other parts of the world. In China, Confucian values have been constructed by business groups as well as academics as the most important elements behind the recent take-off in the economy. In India,

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<sup>5</sup>As the founding president of MÜSİAD argued "Everyone unites with his own brother. The EU [European Union] united Christians and this is their natural right. Our highest goal is to unite with our brothers. Any effort to prevent this will remain unsuccessful" (1997: 45).

<sup>6</sup>After February 28 Military Intervention, the discussion and evaluation process within Islamic political actors led to a political split within Islamic movement in Turkey between the traditional leadership of Islamist Welfare Party and relatively young new cadres who later formed the AKP.

BJP, previous ruling party, was promoting Hindu fundamentalist agenda along with free-market economy. One can also find writings and discourses on affinity between Buddhism and entrepreneurship. All these examples show that the geographical expansion of capitalism and its deeper penetration into social relations have not brought about the decline of religion as some modern writers, including Weber, anticipated. On the contrary, religion paradoxically has become the lubricant for the wheels of the market to ensure the smooth operation of “glocal” capitalism where in economic discourses and practices are increasingly culturalized and *vice versa*.

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