Research Article

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Social Determinants of Modernization of Political Economy in Turkey: The Effects of Islamic Culture

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Abstract: The problem of underdevelopment in the Muslim world is often associated with their weak economy and lack of a capitalist system. Turkey, as a Muslim dominated but secular state, aims to integrate itself into the Western world and capitalist economy as well. Since Weber claimed that modern capitalism first emerged in Western societies because of a Protestant work ethic, many scholars from various areas have examined whether the capitalist system is compatible with Islamic culture. Analyzing the transformation of Islamic culture, and Turkey's Islamic-Ottoman heritage and top-down modernization process may help better understand the relationship between Modern Islamic culture and economy. Building upon previous research on Islam and capitalism, this article analyses the interaction between religious culture and other social factors and assesses transforming Islamic culture as one of the important determinants to explain the development of the modern capitalist economy and its sociopolitical consequences in Turkey.

Keywords: Islam, Capitalism, Turkey, Protestant Work Ethic, Islamic Work Ethic, Modernization

1 Introduction

Although there are various criticisms and resistance against capitalism, capitalist countries have better life-standards, material and social resources than non-capitalist ones. Therefore, many non-Western scholars and policymakers aim to integrate or transform their system to capitalism. Since Weber famously proposed that the ethics of ascetic Protestantism was one of the main prerequisites for the emergence of capitalism, other faith systems, including Islam, are often evaluated as lacking in these work principles.¹ Also, for the Muslim world, such transformation encounters resistance from Islamic culture because many Muslims evaluate capitalism as one of the most evil systems, causing exploitation and social injustice around the world.²

In addition to the economic imbalance between the West and non-West countries, increasing political conservatism and faith-based polarization all around the world brings back the discussion of religion and its effects on various social domains including economics. The relevant discussion has gained acceleration in Turkish media and intellectual arenas as well, particularly after the European Stability Initiative (ESI) published the report titled “Islamic Calvinists: Change and Conservatism in Central Anatolia.”³ The report includes some results from a field study on the Turkish work ethic in central Anatolia. According to the ESI report, Turkish entrepreneurs are predominantly religious and

1 Bryan S. Turner, *Weber and Islam*, v. 7 (Routledge, 2014); Max Weber, *The Protestant Ethic and the Spirit of Capitalism* [Dover Publications, 2012 (1958)].

2 For an example, see Muhammad Abdul-Rauf, *A Muslim's Reflections on Democratic Capitalism*, Studies in Religion, Philosophy, and Public Policy (American Enterprise Institute, 1984).

3 European Stability Initiative, “Islamic Calvinists: Change and Conservatism in Central Anatolia,” 2005, https://www.esiweb.org/pdf/esi_document_id_69.pdf.

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because of this finding, the report claimed that Turkish Muslim businessmen are “Calvinists” by referring to Weber’s theory of Protestant ethic and capitalism. After this claim was broadcast on televisions and in newspapers, the interested researchers⁴ have been stimulated to pay more attention to religious individual’s economic behaviors and the association between religion and economic transformation in Turkey.

In the following, I briefly review capitalism and the Weberian work ethic. Next, I criticize a Weberian perspective assuming that capitalism is not compatible with Islamic culture. Then, I introduce the rise of Islamic economies in the Muslim world in general. Finally, I discuss how Turkey’s unique sociopolitical and religious culture affects economic life and illustrate how religion as a durable culture may determine economic activities.

2 Capitalism, Weberian Work Ethic, and Islam

Capitalism can be defined as an economic system based on the private or corporate ownership of the means of production. Private property, accumulation of capital, and competition in a free market can be central characteristics of a capitalist economic system. The definitions of capitalism often do not refer to any evil things or injustice but, it is frequently blamed for growing inequality in society, and opponents generally see capitalism to be almost the same as imperialism. Relying on positive definitions, proponents of capitalism accept capitalism as the best system to live in, whereas those who contradict capitalism often emphasize pure brutal capitalism as Marx and Engels pointed out in the 19th century’s England. Brutal capitalism can be explained as the way in which free-market principles have been applied purely, which serves all profits and advantages to the capitalists while grabbing all fundamental needs from working class.⁵ In fact, the capitalist system transformed itself by corresponding to sociopolitical requests from society. This may be why capitalism still has not collapsed.

Capitalist ideology does not only focus on the greatest possible amount of material profit; rather, it pursues renewable profits. For this aim, capitalist ideology aims to regulate and reconstruct society in which capitalist ideals can be accomplished. Therefore, capitalism is not only an economic model but also a sociopolitical model which often requires social and developmental movements to sustain economic growth. In this sense, many adversaries of brutal capitalism may support today’s socialized capitalist system. Additionally, capitalism is a flexible system that can adjust itself into any cultural or ideological transformation in this quickly changing world. For instance, the main requisites of today’s modern capitalism, such as notions of social democracy and welfare state, are adapted from the socialist system.

Modern capitalism has been explained by various theorists. For instance, Marx claimed that capitalism is the highest stage of commodity production and an inevitable stage of history. Weber⁶ explained the rise of capitalism in accordance with cultural values in contrast with many popular theories in his time. Accordingly, different cultures can create different paths of progress as seen only in the West due to a specific Protestant culture, capitalism emerged.

Weber explained that the spirit of capitalism stems from the work ethic of ascetic Protestantism which grants worldly activities as religious practices and values material profits. In accordance with the Protestant faith, specifically Calvinism, the principles of self-discipline, hard work, frugality, conserving resources, seeking more profit, and so on are counted as worshipping God and making his glory real in this world. After Weber’s famous study *The Protestant Ethic and the Spirit of Capitalism*, these work principles derived from the Protestant ethic have been frequently assumed as prerequisites for modern capitalism. He conceptualized the Protestant Ethic as an ideal type to interpret material conditions of what caused the emergence of capitalism. He demonstrated that superstructure, i.e., culture, can cause radical changes in the mode of production as an alternative to Marxist views.⁷

⁴ See, Emin Baki Adas, “The Making of Entrepreneurial Islam and the Islamic Spirit of Capitalism,” *Journal for Cultural Research* 10, no. 2 (2006): 113–37; Yıldız Atasoy, “The Islamic Ethic and the Spirit of Turkish Capitalism Today,” *Socialist Register* 44 (2008): 121–40; E. Duzgun, “Class, State and Property: Modernity and Capitalism in Turkey,” *Archives Europeennes de Sociologie* 53, no. 2 (2012): 119–48; Erdem Kirkbesoglu and Ali Selami Sargut, “Transformation of Islamic Work Ethic and Social Networks: The Role of Religious Social Embeddedness in Organizational Networks,” *Journal of Business Ethics* 139, no. 2 (2016): 313–31.

⁵ Karl Marx, *Capital, Vol 1: A Critical Analysis of Capitalist Production* [Penguin Classics, 1992 (1867)].

⁶ Weber, *The Protestant Ethic and the Spirit of Capitalism*.

⁷ Max Weber, *From Max Weber: Essays in Sociology*, ed. Hann H. Gerth and C. Wright Mills (New York, NY: Routledge/Taylor & Francis Group, 2013).

Weber claimed that the Protestant work ethic is mostly implemented by the Western, particularly English-speaking societies. He did not clearly state that capitalism cannot be developed in the Muslim world, but he presented the Islamic system as an example of non-rational systems to prove his claim about non-rational institutionalization which cannot lead to capitalist development. Thus, many practitioners and theorists interpret his assumptions and evaluate Islam as inherently incompatible with capitalism. However, this Weberian perspective ignores the fact that the Islamic culture is the product of the Quranic sacred script as well as the traditional values Muslim societies encountered during the history.

According to Weber, during the monotheistic Quran ruled period, profits from war and having land ownership for Muslims were encouraged. Muslims in the early Islamic period would have developed rational, durable institutions, but Islamic asceticism was blocked by three factors: warrior ethic, oriental despotism, and Sufism.⁸ First, Islam was established through war and expanded through conquering; thus, one of the most applauded Islamic activities was martyrdom. The military religiosity created a sort of feudal ethics and discouraged the bourgeois lifestyle and trade in Islamic society. Second, the Islamic State aims to regulate every aspect of life including the economy. The State's excessive power suppressed private entrepreneurial spirit and Islamic orders restricted the essential economic activities for capitalist development such as the accumulation of wealth, free-market, competition, private property and so on. Third, during the period of Islamic expansion, Islam absorbed different conventional mystery and beliefs some of which may have been evaluated as opposed to Islamic principles established in the early Islamic period.

The most important mystical effect on Islam was Sufism⁹ which can be defined as a spiritual interpretation of Islam. During the stagnation and decline period of the Ottoman Empire, Sufism had become very influential in the empire via Janissary soldiers who were the main part of Ottoman military forces, and spiritual principles of Sufism affected the individual's consciousness in reaching the way of Allah. According to Sufism, the better Muslim should engage in other-worldly activities and give up all this-worldly activities. Sufism emphasizes the inward search for God and rejects material benefits. The Sufi mysticism's effect on monotheist Islamic structure caused radical, almost opposite changes in the structure that prevented the development of modern capitalism.¹⁰

Similar to Weber, Ülgener¹¹ separates *Quranic Islam*, which is derived from Quran scripts, and *conventional Islam* which is influenced by mystical tradition. From this perspective, early Islam should be investigated separately from Islam which is transformed by diverse cultural effects after conquest has started. Quranic Islam was encouraging Muslims to work hard, trade, have property, help poor people and be successful such as the Western Reforms. Even doing nothing was taken as a sin for early Islam. Thus, the early Islamic work ethic praising productivity and wealth was similar to the work ethic of Protestant asceticism. After Muslims met different cultures and beliefs, the interpretation of Islam started to change in accordance with the existing mystical ideas in the local culture and Muslims became against being rich and disdained trade. Even though the Prophet Mohammed was a commercial man and his wife Khadijah was a very rich woman in Meccah, Muslims became reluctant to accumulate wealth. For instance, in the Ottoman Empire, tradesmen were predominantly non-Muslim even though the Muslim population was the majority.¹²

Weber argued that the work ethic derived from the Protestant faith rationalized Western societies in the 18th and 19th centuries. The economy as well as politics, science, art, technology, etc., were rationally institutionalized through the development of bureaucracy and specialized officials. Although the protestant work ethic is developed from religious faith, these work principles influenced people to engage in work with a secular way by developing rationality under the helpful effects of Western enlightenment and reform movements. Meanwhile, in conventional Islamic society, the other-worldly oriented Sufi faith and a military-based culture discouraged worldly activities, and a patrimonial Islamic

⁸ Turner, *Weber and Islam*.

⁹ For more detailed information about sufism see Sami Zubaida, "Economic and Political Activism in Islam," *Economy and Society* 1, no. 3 (1972): 308–38.

¹⁰ Niyazi Berkes, *The Development of Secularism in Turkey* (montreal: McGill-Queen's University Press, 1964); Timur Kuran, "Why the Middle East Is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation," *Journal of Economic Perspectives* 18, no. 3 (2004): 71–90; Turner, *Weber and Islam*; Sabri F. Ülgener, *Zihniyet ve Din: İslam, Tasavvuf ve Çözülme Devri İktisat Ahlakı* (derin yayınları, 1991); Zubaida, "Economic and Political Activism in Islam"; Sami Zubaida, "Civil Society, Community, and Democracy in the Middle East," in *Civil Society: History and Possibilities*, ed. Sudipta Kaviraj and Sunil Khilnani (Cambridge University Press, 2001).

¹¹ (1991)

¹² Berkes, *The Development of Secularism in Turkey*; Kuran, "Why the Middle East Is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation."

State hindered the emergence of capitalist entrepreneurship by strictly controlling the private capital accumulation and social movements.¹³ Rationalization accelerated capitalist development in the Western world whereas non-Western institutions stayed traditional and thus did not provide the conditions sufficient for the development of capitalism.

Today's widely disseminated capitalism confirms that many non-Western cultures including Islamic culture are capable of working with capitalism. Some researchers¹⁴ show that entrepreneurs from non-Western countries including Muslim ones apply capitalist-like work principles and those non-Western entrepreneurs follow the business ethics ascribed to Protestant asceticism more than their Western counterparts. Research findings also suggest that the principles attributed to Protestant faith may not religiously affiliated principles and the Protestant work ethic may be evaluated as a type of secular work ethic as well.

In addition to empirical findings, the preventing factors of warrior spirit, oriental despotism, and Sufi understanding in Islamic culture have been transformed into the capitalist entrepreneurial spirit in today's Muslim society. The last two centuries have witnessed how economic superiority determines political power and many Muslims have recognized that business activities are important to gain power. Thus, the conquering spirit among Muslims has been transformed into a desire for economic expansion. Similarly, today's many Islamic States have allowed private entrepreneurship and reduced their interventions to the free-market. Finally, Sufi understanding has been altered to a "this-worldly" faith and applauds economic success.¹⁵

Overall cultural transformation in Islamic values influenced the Islamic way of living and practicing. Weber interpreted and concluded that not Islam itself as a monotheistic religion, but the transformed Islamic culture did not produce the spirit of capitalism in the 18th and 19th centuries. If he would analyze today's societies, he could advocate that modern Islam and capitalist principles work in harmony.

3 The Rise of Islamic Economies

Many countries in the Middle East established their nation-based sovereignty by the 1950s and 1960s, but they failed to achieve economic standards the Western nations had. Therefore, Islamic economics emerged as an economic attempt to reform Muslim society and raise living standards. When Muslim countries searched for an economic solution, two main systems, namely socialism and capitalism, were dominant in the world.¹⁶ Muslim thinkers and policymakers were affected by these dominant systems.

Some Muslim thinkers were closer to capitalist ideology because capitalism is open to embrace religious principles and make them fit to the capitalist system. On the other side, some Muslim thinkers evaluated capitalism as equal to imperialism and socialism as an anti-imperialist, progressive, justifiable alternative. Some principles of socialism underlying social harmony and economic justice in society are clearly matching with Quranic scripts. However, most Muslims were reluctant to accept a socialist system because the socialist manifesto is clearly antagonistic to religions and strictly constrains economic liberties, including the right to private property and the free-market system.¹⁷ Also, capitalism has become the most dominant system in the world since the late 1980s, when socialism collapsed in Eastern Europe while capitalism successfully transformed itself into a socialized version.

Additionally, large-scale structural changes all around the world, including international migration and globalization, have brought many different ethnic groups together. These changes have dissolved national identities but reinforced religious identities. In this context, religious communities and charities have played a key role in supporting

¹³ Turner, *Weber and Islam*; Weber, *The Protestant Ethic and the Spirit of Capitalism*.

¹⁴ See, for instance, Mahmut Arslan, "A Cross-Cultural Comparison of British and Turkish Managers in Terms of Protestant Work Ethic Characteristics," *Business Ethics: A European Review* 9, no. 1 (2000): 13–19; Adrian Furnham et al., "A Comparison of Protestant Work Ethic Beliefs in Thirteen Nations," *The Journal of Social Psychology* 133, no. 2 (1993): 185–97; Timur Kuran, "Islamic Economics and the Islamic Subeconomy," *Journal of Economic Perspectives* 9, no. 4 (1995): 155–73; Kuran, "Why the Middle East Is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation"; Yavuz Fahir Zulfikar, "Do Muslims Believe More in Protestant Work Ethic than Christians? Comparison of People with Different Religious Background Living in the US," *Journal of Business Ethics* 105, no. 4 (2012): 489–502.

¹⁵ Arslan, "A Cross-Cultural Comparison of British and Turkish Managers in Terms of Protestant Work Ethic Characteristics."

¹⁶ For a detailed review see, Thomas Philipp, "The Idea of Islamic Economics," *Die Welt Des Islams* 30, no. 1 (1990): 117–39.

¹⁷ Philipp.

political, economic, and social participation.¹⁸ The capitalist transformation has taken these changes into account successfully by incorporating religious values and capitalist ideals.

Some early Muslim theorists and practitioners evaluated both capitalism and socialism as morally unsuitable for Islamic ideals because capitalism provides too broad an economic freedom whereas socialism strictly constrains economic liberties. According to the Islamic ideals, economic liberties should be provided, but with moral filters and state supervisions. The early theorists and practitioners aimed to integrate with the developed Western capitalist and Eastern socialist economies, but their primary intention was not to adopt a capitalist or socialist system directly. In fact, the Islamic doctrine typically articulated that an Islamic economy should be constructed as a unique developmentalist movement within the Islamic social welfare approach and loyally follow the Islamic principles.¹⁹ Some Muslim thinkers, such as Abdul-Rauf²⁰, claim that Islamic economics is a nicer version of democratic capitalism by emphasizing its concern with equality, social justice, and welfare. Others, such as Asutay,²¹ show that these Islamic values are supposed to carry the conventional financial system beyond the capitalist enterprise.

The reactions of Muslim opponents as they hear the word “capitalism” resemble the reactions of many Westerners as they hear the word “socialism” because both groups refer to the rough systems and ignore their adjusted versions in accordance with social, economic and political needs. However, the socially revised versions of capitalism (e.g., the welfare state, social capitalism) which concern human welfare as maximizing profit can easily be accepted by many Muslim opponents. Specifically, the orthodox Muslims tend to be economically egalitarian and seek community interests at the expense of individual interests. This leads them to obey a totalitarian control over their life including economic, political and social activities. They prefer strong state control reducing inequalities, taking care of needs in the community. However, such state intervention weakens civil society and hinders sociopolitical movements.²² The social and developmentalist objectives suggested by most social democracy and welfare states to reach a sustainable system are satisfying for the Islamic morality; thus, today’s transformed capitalism is compatible with Islamic culture even with orthodox Islamic thinking.

Even though many Muslim theorists often introduce Islamic economics as an alternative to capitalism or socialism, research²³ shows that the Islamic financial institutions were transformed into a successful capitalist endeavor and most Muslim dominant countries have capitalist-like systems.²⁴ Also, the comparison of the Islamic economy and capitalist system may not be very accurate because thinkers mostly compare the Islamic ideals to the harsh reality of the western capitalist economy.

¹⁸ Greg Smith, “Religion, and the Rise of Social Capitalism: The Faith Communities in Community Development and Urban Regeneration in England,” *Community Development Journal* 37, no. 2 (2002): 167–77.

¹⁹ Khurshid Ahmad, *Islamic Approach to Development: Some Policy Implications* (Institute of Policy Studies, 1994); Khurshid Ahmad, “The Challenge of Global Capitalism: An Islamic Perspective,” *Making Globalization Good: The Moral Challenges of Global Capitalism* 1, no. 1 (2003): 1–29; Mehmet Asutay, “Conceptualisation of the Second Best Solution in Overcoming the Social Failure of Islamic Banking and Finance: Examining the Overpowering of Homoislamicus by Homoeconomicus,” *Journal of Economic and Management* 15, no. 2 (2007): 167–95; Mehmet Asutay, “Conceptualising and Locating the Social Failure of Islamic Finance: Aspirations of Islamic Moral Economy vs The Realities of Islamic Finance,” *Asian and African Studies* 11, no. 2 (2012): 93–113; Kuran, “Islamic Economics and the Islamic Subeconomy”; Walid Mansour, Khoutem Ben Jedidia, and Jihed Majdoub, “How Ethical Is Islamic Banking in the Light of the Objectives of Islamic Law?,” *Journal of Religious Ethics* 43, no. 1 (2015): 51–77; Syed Nawab Haider Naqvi, *Islam, Economics, and Society*, Routledge Library Editions: Politics of Islam (New York, NY: Taylor & Francis, 2013); Muhammad Nejatullah Siddiqi, *The Economic Enterprise in Islam*, Ishaat-e-Islam Trust Publications (Islamic Publications, 1972).

²⁰ Abdul-Rauf, *A Muslim’s Reflections on Democratic Capitalism*.

²¹ Asutay, (2007; 2012).

²² Nancy J. Davis and Robert V. Robinson, “The Egalitarian Face of Islamic Orthodoxy: Support for Islamic Law and Economic Justice in Seven Muslim-Majority Nations,” *American Sociological Review* 71 (2006): 167–90.

²³ For instance, Adas, “The Making of Entrepreneurial Islam and the Islamic Spirit of Capitalism”; Asutay, “Conceptualisation of the Second Best Solution in Overcoming the Social Failure of Islamic Banking and Finance: Examining the Overpowering of Homoislamicus by Homoeconomicus.”; Asutay, “Conceptualising and Locating the Social Failure of Islamic Finance: Aspirations of Islamic Moral Economy vs The Realities of Islamic Finance”; Maxime Rodinson, *Islam and Capitalism* (Pantheon Books, 1974); Zulfikar, “Do Muslims Believe More in Protestant Work Ethic than Christians? Comparison of People with Different Religious Background Living in the US.”

²⁴ Islamic financial institutions have been criticized for failing to contribute to social justice and well-being as adhering economic gains. For some detailed discussions, see Asutay, “Conceptualising and Locating the Social Failure of Islamic Finance: Aspirations of Islamic Moral Economy vs The Realities of Islamic Finance.” and Mansour, Ben Jedidia, and Majdoub, “How Ethical Is Islamic Banking in the Light of the Objectives of Islamic Law?”

Some theorists²⁵ claim that the so-called Islamic economy is just another version of capitalism. Islamic principles can get along with capitalist ideals because even though some Islamic principles are immutable and timeless, many more are subject to changes in accord with the standards of each age.²⁶ The Islamic ethical system is based on the Quran, the sayings and behaviors of Prophet Mohammad and his companions as well as interpretations of Muslim scholars. Therefore, it is open to being influenced by cultural changes. Consistently, the Islamic financial institutions and economic practices can be adjusted in accordance with capitalist principles. For instance, the interest payments of conventional banks are not allowed by Islamic order; therefore, Islamic banks operating all around the world claim that they work without interests. However, the account holders received *profit shares* which operate very similar to interest rates while substantially different from interest system. Through this way, the Islamic banks claim that they follow capitalist principles while not violating Islamic order.²⁷

4 Social and Economic Modernization in Turkey

Throughout Islamic and more specifically Turkish history, economic and political attitudes of Muslim individuals were dominantly determined by the Islamic principles and the central government assured that Muslims conduct their economic behaviors by following these principles, whereas non-Muslims were given an opportunity to follow the Western ruling system. Some of the Islamic principles not only hinder the development of modern financial intuitions but also discourage enterprise culture among Muslim individuals. By following modern legal systems of the West, non-Muslims in the Ottoman Empire were capable of eliminating or at least reducing the limits of Islamic economic institutions. In addition to the legal advantages, non-Muslims were not serving in the Turkish military, while military service was mandatory for every male Muslim. Considering the era, military service may have taken a long time, caused injuries or death, etc. and prevented Muslims from focusing on their business. Consequently, non-Muslim minorities became economically advanced with respect to the Muslim majority. At the end of expansion period of the Ottoman Empire, non-Muslim minorities and outside forces became stronger and started rebelling against the Empire's authority; for this reason, the Empire necessarily made some western-inspired rationalization movements and regulations to overcome the forthcoming dissolution of the Empire.²⁸ In spite of these modernization attempts, the Ottoman Empire collapsed, and the Republic of Turkey was founded by Atatürk and his friends by 1923 as a national and secular country.

The progress of Turkish modernization and rationalization is different from Western progress. First, Turkish transformation was a radically rapid, top-down change, contrary to Western modernization. The economic development in the West brought not only material profits but also strong civil society and innovation in other domains of life. The lack of modern economic development has prevented Turkish society to develop a strong civil society and active individuals which can force authorities to implement modern forms of legal and political institutions.²⁹ Therefore, the State designed Turkish modernization as a Western-inspired and progressive transformation aiming to reform all aspects of life in order to catch up with the modern world. Second, the Protestant faith in the West assisted the development of rationalist institutions whereas Turkish rationalization did not receive support from religion. Therefore, the place of religion in society was arranged pragmatically by the new government and religious intervention to the new system was rejected. The founders of the Republic aimed to apply a progressive and secular reform to build a Western-like nation; therefore, when building the Republic, they also abolished caliphship, nonsystematic Sharia legal systems, and irrational religious institutions including Sufist *tekkes*. The progressive philosophy of the Republic was

²⁵ Such as Rodinson, *Islam and Capitalism*; Turner, *Weber and Islam*.

²⁶ Davis and Robinson, "The Egalitarian Face of Islamic Orthodoxy: Support for Islamic Law and Economic Justice in Seven Muslim-Majority Nations."

²⁷ Kuran, "Islamic Economics and the Islamic Subeconomy"; Kuran, "Why the Middle East Is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation."

²⁸ Kuran, "Why the Middle East Is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation"; Rodinson, *Islam and Capitalism*.

²⁹ Berkes, *The Development of Secularism in Turkey*; Nikos Moudouros, "The 'Harmonization' of Islam with the Neoliberal Transformation: The Case of Turkey," *Globalizations* 11, no. 6 (2014): 843–57; Turner, *Weber and Islam*; Zubaida, "Civil Society, Community, and Democracy in the Middle East."

in conflict with Sufist teaching which encourages indolence and is open to abuse.³⁰ Ideological rationalization in the Republic was founded as strictly secular and even contrary to the conventional Islamic tradition because the new Turkish government considered the Ottoman Islamic regulation as a barrier to achieving the durable institutions and Western life standards³¹.

At the beginning of the post-war period, the Republic did not have economically powerful actors; therefore, the secular state became the biggest entrepreneur. Then, the Republic appealed to create a Turkish bourgeoisie class to reach Western rational capitalism and started to encourage dominantly Turkish people to enter capitalist entrepreneurship. The emergence of the Turkish bourgeois at the beginning of the Republic era can be accepted as a new movement because Turkish people were not doing economic activities for a long time in a rational and modern way. The economic power was shared with the secular entrepreneurs, but those emphasizing their Muslim identities and following the traditional Islamic order were inevitably excluded from Turkish economic, political and social activities because of their desire to revert to the traditional Islamic order. Although economic growth was wanted by the Turkish Republic, the secular state and institutions, which were built absolutely on the refutation of the Ottoman Islamic regulation system, could be threatened by a strong religious power. In this context, Islam was evaluated as an alternative political system rather than a cultural or individual practice. Consequently, the Turkish political economy stayed as a state-controlled, semi-closed system for a long time³².

As discussed before, Islamic culture is a blend of Quranic Islam and local culture, but both were refuted by the new republic in order to protect the secular system. Within the strong secular structure of the state, religious identities and values were often accepted as hindrances to integrate Turkey into the Western world. Nevertheless, by the 1980s, the state-oriented political economy in Turkey began to transform itself into the liberal economy. Neoliberal global transformation in the Turkish economy, as well as all around the world, allowed religious entrepreneurs to join economic activities. Especially during the Özal leadership in Turkey, Islamic heritage was embraced by policy-makers and other Turkish and Islamic nations were recognized as alternative alliances to the Western alliances.³³

The conflict between secularists and those who aim to synthesize Islam and modern capitalism escalated by the 1990s. The secularist political and military actors reacted to the rise of Islamic figures and values in the economic, social, and political domains of Turkish society. The secular State and institutions were suspicious about the religious businessmen (aka *green-wealth owners*) and accused them of being religious fanatics and bigots,³⁴ but the Western-oriented, secular understanding was shaken by this structural transformation. In addition to structural changes inside, growing desecularization all around the world and the neoliberal global economy's endorsement for the integration of religion and entrepreneurship in Muslim world restructured Turkish political economy. Accordingly, previously excluded religious groups began to appear in the political, economic and social aspect of life and began to support moderate Islamic political, economic and social changes in Turkey. Finally, a conservative liberalist party, the Justice and Development Party (*Adalet ve Kalkınma Partisi*, JDP), has won the political election and become the leading political ideology in Turkey since 2002.

The shift in political power has encouraged economic activities among religious entrepreneurs and enabled the emergence of a new bourgeois-like class in Turkey.³⁵ Although the Islamist political power supports and favors the religiously-affiliated businessmen with respect to capitalist engagement, they do not legally practice the Islamic control mechanism, such as the Zakat system, which is used to reduce economic inequalities in some Islamic societies.³⁶ Similarly, Muslim businessmen's participation in charitable activities to satisfy their religious sensation is voluntary. Thus, the Turkish State supports primarily free-market principles while Islamic principles of social justice and equality

30 Berkes, *The Development of Secularism in Turkey*; Ülgener, *Zihniyet ve Din: İslam, Tasavvuf ve Çözülme Devri İktisat Ahlakı*.

31 Berkes, *The Development of Secularism in Turkey*.

32 Duzgun, "Class, State and Property: Modernity and Capitalism in Turkey"; N. Gole, "Islam in Public: New Visibilities and New Imaginaries," *Public Culture* 14, no. 1 (2005): 173–90.

33 Muhittin Ataman, "Leadership Change: Özal Leadership and Restructuring in Turkish Foreign Policy," *Alternatives: Turkish Journal of International Relations* 1, no. 1 (2002): 120–53.

34 Adas, "The Making of Entrepreneurial Islam and the Islamic Spirit of Capitalism"; Arslan, "A Cross-Cultural Comparison of British and Turkish Managers in Terms of Protestant Work Ethic Characteristics"; Kuran, "Why the Middle East Is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation."

35 Duzgun, "Class, State and Property: Modernity and Capitalism in Turkey"; Gole, "Islam in Public: New Visibilities and New Imaginaries."

36 Kuran, "Islamic Economics and the Islamic Subeconomy."

stay as suggestions to follow. These facts illustrate that Islamic culture is transformed in accordance with capitalist principles in Turkey rather than interpenetrating its social welfare values to Turkish economy, and that Muslim businessmen are primarily motivated to maximize their profits, not to promote Islamic values in the business world.

When a conservative and Islamist party started to rule Turkey, the suspicion about pro-business and pro-West policies increased within Turkey and abroad. The accession of Turkey to the European Union has been evaluated as the most important strategy to integrate Turkey to the Western world since the European Union has been established. The membership of Turkey to the European Union requires Turkish enterprise culture to convert itself to rational Western capitalism. Many Europeans are skeptical about Turkey's membership because of its Islamic values which are seen as backward, impoverished and thus not fit for the capitalist system. Many opponent groups within Turkey and abroad also doubt about the social consequences of an Islamic political economy and blame the rise of Islam for the increased political polarization in Turkish society.³⁷ However, the new Islamist political and economic actors declare that they are willing to participate in the European Union and are thus highly encouraged to enter into rationalist Western capitalism as a candidate of the European Union.

In addition to their self-report, the ESI, a European Institute, reported a rapid and progressive transformation among religious businessmen in Turkey that substitutes the traditional work ethic to the Western Protestant-like work principles. Correspondingly, today's Islamic approach to economic practices is cleared from mystical and disincentive elements. These religiously-affiliated businessmen aim to maximize their material profit while individually practicing their religious responsibilities (e.g., daily praying, fasting, etc.) which does not interfere with secular capitalist principles and not differ from a conservative form of neo-liberal global capitalism in the West. Overall ethical support facilitates the development of rational capitalism and brings economic success for religious entrepreneurs. Thus, the ESI report³⁸ concludes that not only secular but also religious entrepreneurs in Turkey are engaged in the capitalist world economically.

Although Turkish Muslims have successfully engaged in the global capitalist enterprise, this success has not brought social and political developments automatically as expected from the Western example. The unequal developments in economy and culture might be explained by culture-based explanations for economic activities. Similar to Weber, this approach underlines how cultural values impact people's expectations and preferences and how these expectations and preferences determine economic activities. The causal relationship between culture and economy can be reversed: economics can influence cultural values as well. However, cultural values resist more to change than economics.³⁹

As one important aspect of culture, religion can be treated as a determinant factor in explaining economic activities. From this perspective, religious values and constraints are socially transmitted to economic as well as political, scientific, artistic, communicative, and so on domains of society. Accordingly, capitalistic modifications in Turkish Islamic culture led to the emergence of a new bourgeoisie-like class which is very similar to Protestants in terms of their religious lifestyle and work principles, but unlike the Westerner bourgeoisie, they did not act as an innovative, liberal, progressive leading social class for Turkish society. Overall sociopolitical background and religious culture did not lead this new class to play a key role in Turkish society so far. Their religious sensation and economic interests led them to reinforce their relationship with the conservative government at the expense of creating a strong civil society.

5 Conclusion

Previous research and experiences confirm that Islamic principles are compatible with capitalism and religious motives encourage economic activities in the Muslim world. Particularly, investigating Turkey as an exceptional example may provide deeper insights to better understand how changes in religious culture affect economic activities. This is related to Turkey's complex modernization progress history and has become a current issue because of Turkey's international relationships with the Western World as a secular, meanwhile dominantly Muslim country.

³⁷ E. Fuat Keyman, "The AK Party: Dominant Party, New Turkey and Polarization," *Insight Turkey* 16, no. 2 (2014): 19–31.

³⁸ (2005)

³⁹ Paul DiMaggio, "Culture and Economy," in *Handbook of Economic Sociology*, ed. Neil Smelser and Richard Swedberg (Princeton, NJ: Princeton University Press, 1994), 27–57; Luigi Guiso, Paola Sapienza, and Luigi Zingales, "Does Culture Affect Economic Outcomes?," *Journal of Economic Perspectives* 20, no. 2 (2006): 23–48.

Parallel with the rise of Islamist political power in Turkey, a new entrepreneur culture, which is very similar to Weber's⁴⁰ early-Islam work ethic or Ülgener's⁴¹ Quranic-Islam work ethic, has been developed among religious businessmen in Turkey. The new understanding of Islam directs Muslims to engage in "this-worldly" activities by using a more rational way. Focusing on profit maximization leads Muslim entrepreneurs to support rational capitalism and thus integration to the Western world and global economy. In this sense, this work ethic consists of secular elements and thus either religious or secular enterprise may fortify the economic modernization of Turkey. As a result, under the condition that not referring to the mystical-conventional Islam, the answer for the question of whether Islam gets along well with a capitalist economy is obviously a "yes". However, this moral basis does not seem enough to lead Turkey to establish a new social class which is urgently called for in building a new sociopolitical life which may be better than existing ones.

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