

Turkey's Interest Group Politics Revisited: The Role of Associations of Conservative Muslim Businessmen in Transforming the Turkish State and Policy-making Tradition

Ebru İlhan¹
PhD Candidate
King's College London

Abstract

Turkey gradually transformed from a militaristic Republic to a democratising, liberalising country in the last three decades. At the core of this transition lies Turkey's Islamic bourgeoisie, the product of an internationally monitored program of market liberalisation and the EU integration/reform process. Turkey's Islamic bourgeoisie is allegedly engaged in a tug of war with the Turkish state and its Republican elite. Muslim businesses' curious relationship with the secular Turkish state and traditional business elites presents a compelling case for interest group theory. This paper will discuss interest group theories' propositions on policy-based interaction between state institutions and business interest groups. It will assert that globalisation and economic integration proliferates business interest groups in many countries around the world. Newfound associational pluralism, in most countries, urges states to redesign their working relationship with business interest groups in especially economic policymaking but does not effectively abolish traditional state corporatist structures, which enforce organised policy-making through centralized, hierarchical bodies that represent labour unions, chambers of commerce, business interest groups and employers associations. Instead, emergent pluralist organisations and traditional corporatist organisations combine to form hybrid structures for policymaking. Turkey's traditional neo-corporatist policymaking structure is arcane and unable to represent different groups in Turkish society today. On the other hand, Turkey's Islamic business associations are contemporary constructs and may potentially transform the Turkish state to represent the economic, social and political interests of diverse – and historically underrepresented – groups in society. This research hypothesizes that Turkey will hasten democratic consolidation as Islamic business associations establish a pluralistic, representative policymaking practice within the corporatist institutions of the state.

Introduction:

A state of fury, anxiety or surprise usually accompanies popular (mainstream) observations on the Islamic in Turkey. Islam has always been a staple of Turkey but it has in the recent years become more visible and more embedded in Turkish politics, culture and economics. However, even when treated as a central feature, Islam does not singly explain nor trigger Turkey's transformation in the last two or three decades. 'Islamic' will be employed interchangeably throughout this paper to refer to the following: Where it is an adjective to describe an enterprise, it will be used to define a set of attributes, which that particular enterprise is expected to have, such as the avoidance of interest-based transactions, the adoption of Koranic and prophetic principles of economic morality, the issuance of Koranic taxation systems². Where the word Islamic precedes a person, e.g. businessman, or a community, it refers to a system of faith, Islam, which that person or community believes in and a lifestyle that is ascribed to that faith by its practitioners. Assuredly, as a faith system and as a culture/lifestyle, Islam has multiple interpretations, some of which are native to Turkey. As a consequence of the wealth of different denominations, sects and groups in Islam, the faith, in the Turkish context, is defined either internally, by its practitioners according to their individual or collective understanding of the faith or externally by its sanctioners, which are both state and non-state actors. Traditionally, the Turkish state monopolized the management of the Islamic – since the Kemalist Revolution abolished the caliphate, the sultanate and the *Şeyh'ül İslam* (Cizre-Sakallıoğlu, p. 232) – but in the last three decades, the control that the state has over the influence of Islam on politics, business and culture/society in Turkey gradually shifted from the hands of the state to non-state organizations and entities. The forms and degrees of engagement may have transformed but not

¹ PhD candidate, War Studies Department, King's College London

² An extensive body of work is available on Islamic enterprises and Islamic economics. An accurate description of an Islamic enterprise is provided by Ahmed Abdel-Fattah El Ashker in *The Islamic Business Enterprise* (London: Croom Helm, 1987). El Ashker's *Islamic Economics: A Short History*, Leiden, Brill, 2006, which he co-authored with Rodney Wilson is another useful source for tracing the evolution of Islamic economics. Other key sources include M. Umar Chapra's *Islam and the Economic Challenge* (Leicester: The Islamic Foundation, 1992), M. Alam Choudhury and U. Abdul Malik's *Foundations of Islamic Political Economy* (Basingstoke: Macmillan, 1992), and M. Nejatullah Siddiqi's *Muslim Economic Thinking* (Leicester: The Islamic Foundation, 1981).

towards engendering an absolute domination of the Islamic at the hands of new actors. The product of the change of hands in managing the Islamic in Turkey was a discomfiting spectacle: Islam already was or would soon become omnipresent in the state, market and society in Turkey. In contemporary Turkey, the Islamic is definitely traceable in realms of the state, the economy and the civil society and these realms are, as Michael Walzer (1992, p. 89) accurately described, “the crucial social formations that we inhabit, but we do not at this moment live comfortably in any of them”.

The presence of the Islamic on Turkish state, market and society may be traced by studying interest group politics in Turkey. Interest group theories set out to understand and to generate political, economic and social change. Interest group theories demonstrate that in time of crises, unorganized or unmanaged interests present a potential threat. The fear or expectation of uncertainty or threat urges lawyers, thinkers and leaders to invent or revert to mechanisms that ensure stronger regulation of interests in markets and a stronger and more protective state; eventually, the state responds by tightening its hold on market, leading to contraction. Economic development, rise in welfare and expansion of liberties lead to a relaxation of state’s grip on markets and representation of interests in national policy-making become more pluralistic and competitive. Interest group theory – as insufficient it may be regarded in offering a comprehensive system of governance – effectively documents the course most (advanced) capitalist nations have taken and will continue to take in responding to episodes of political, economic and social change. As Turkey undergoes a period of remarkable change, with inevitably discomfiting reverberations, interest group theories would provide guidance on objectively assessing the nature and direction of transformations.

One precursor of the shift in the engagement of the Islamic in Turkey’s state-market-society relations has been the burgeoning of businesses owned and operated by conservative, Muslim and middle-class businessmen. Codified as an emergent class, the Islamic bourgeoisie fuelled Turkey’s growth and economic recovery since 2001. Because Islamic business associations represent the interests of the Islamic bourgeoisie businesses most profusely and effectively, an analysis of policy-based interaction between Islamic business interest groups and state would deliver an accurate picture of the state-society-market transformation in Turkey. This paper hypothesizes that interest group representation is increasingly carried out through hybrid mechanisms, which combine elements of modern corporatism and pluralism. The evidence from Turkey and beyond demonstrates that contemporary business associations often provide the impetus for attaining more representative and pluralistic interest mediation processes at and above the level of a nation state while states strive to maintain elements of traditional, often corporatist, arrangements.

Business associations and interest group politics: Theoretical and practical considerations

Contemporary theories of interest representation, pluralism and corporatism³, emerged in early twentieth century as a “sociological revolt against legal formalism [where] group interaction constituted the reality of political life operating behind the formal legal-institutional disguises of society and the state.” (Almond, 1983, p. 245). There is therefore, in interest group theories, an inherent belief in the existence and prevalence of group interaction. Interest group theories have effectively underlined the importance of associations to a representative process of policy-making in any system. Some theorists held that the freedom of association is a part of the basic rights and liberties of citizens and ought to be safeguarded while others claimed the existence of associations alone could legitimize a regime. All agreed that states need associations to implement, delegate to and test their authority in national policy-making. Interest group theories singled out business /employers’ organizations and labour interest organizations (trade unions where applicable) as two types of associations to peruse on to understand state-market-society relationships. This research does not presuppose that business associations are the only channels of state-market-society interaction. Business associations are particularly important because in the development of interest group theories, it was commonly held that the relationship between government and business determines the character of the regime and that power struggles exist primarily between government and business (Walker, 1983, p. 395). While this may be an overstatement, especially in the global era when multiple non-profit actors rose to the forefront of international policy-making, business associations effectively initiate and host group interaction in market societies.

Business associations bring together individuals and companies that generate and manage a large share of national revenue; employ vast numbers of people; create know-how and carry out innovative research; and provide services such as recreation, child-care, environmental protection, etc. They are

³ Alternative theories of interest group politics, namely monism and clientalism, have been omitted for the sake of brevity and since they lack relevance to post-modern state-market-society relations.

therefore incremental to the provision and preservation of welfare. Business associations, in advanced capitalist states with diverse and pluralist associational environments, are able to represent individuals and companies from different sectors, sub-sectors, and of various sizes. Therefore, private sector organizations are able to capture interests, inclinations and demands in markets where pace of change, innovation are faster than in the public sector. Unlike public sector interest organizations, business associations operate in the private sector and they are more likely to preserve a critical distance from the state institutions' or governments' view on economic policy. Business associations are generally more vulnerable to market pressures and are able to portray the real impact of economic change or deterioration on market actors more accurately. Finally, they are legally recognized, accountable bodies of institutionalized representation that have a working knowledge of interacting with the state institutions and governments.

From a very functionalist viewpoint, businesses converge around associations so that they may obtain public goods. There is a dependency relationship between institutions, either at or above state level, that provide public goods, and market actors. Some organizations, in neo-corporatist systems, are supported directly by the state and are therefore providers of public goods as well as training, services, trade promotion and support. In Austria, for instance, the structure that exists within business organizations, which have mandatory, fee-based membership, is one where a democratic and representative process of interest mediation between the government and the business is possible. There is a high rate of membership in business associations and members are actively involved in the affairs of the association (Teufelsbauer, 2003, pp.33-41). France has, on the other hand, a neo-corporatist structure where business associations cannot recruit hard-working, enthusiastic members and are ineffectual lobbyists - when compared with representatives of large French corporations (Boucek, 1993, pp. 67-85). Regardless of whether membership to a business association is voluntary or compulsory, businesses join business associations in pursuit of a gateway into the realm of the state – and if successful, business associations are very effective mechanisms of exerting policy influence.

Pluralist systems contain multitudes of loosely organized, voluntary associations, engaged more often in competition than in cooperation with one another, that lobby for the interests of their constituencies with the state. Both classical and modern pluralist theories accepted that associations played a central role in building a working relationship with the state for their members. William Y. Elliott stated that “the whole structure of modern society is associational.” (1928, p. 434 – cited in Earl Latham, 192, p. 376). While Elliott's assertion may be an exaggeration, classical pluralism relies heavily on associations in society as the most noticeable and effective form of institutionalising group interests. Pluralism endorsed the association as a basis of group interaction by accepting that associations deliver and enhance democracy. Certainly, Tocqueville's statement that “liberty of association” is a “necessary guarantee against the tyranny of the majority” (Dahl, 1984, p. 234) confirms for the pluralists this link between democracy and associations. On the other hand, pluralists adopted an apologetic tone when they elaborated on the influence that interest groups – especially business associations – had or ought to have on policy-making. In trying to curb the absolute power of the state, pluralists have long advocated interest group liberalism but interest group liberalism had the potential to lead to “the ascendancy of private power over democratic public interest” (Grant McConnell, 1966 cited in John G. Gunnell, 1995, p. 20). Rousseau claimed that associations may be represented unequally in a system and they may “exaggerate certain aspects of a citizen's interests against the other, perhaps broader attachments, loyalties, concerns, interests and in this way help to produce a deformed civic consciousness” (Dahl, 1984, p. 235). Both British and American pluralists accepted that by the beginning of twentieth century, interests of the business elite were already widely represented in policy-making. John N. Figgis attempted to clarify the position of pluralism on the role of big business in national policy-making by arguing that pluralist theory's defence of corporate rights to business associations does not mean a defence of “high finance” or corporate societies. Both James K. Pollock and E. Pendleton Herring suggested that “sinister lobbying” (Pollock, 1927, p. 338) by the big business in America ought to be controlled by strong legislation, enforced by the state. Thus, in excusing the strength that business interest groups have over other groups in society, pluralists reaffirmed that pluralist systems may be just too competitive to write off a degree of state control on the process of bargaining for national policies. Dahl excused modern pluralism's endorsement of associations, by arguing that “the particular purposes of these associations need not conflict with the purposes of others or the common good; in fact, by fulfilling their purposes they would contribute to the common good” (Dahl, 1984, p. 233). In the same breath, however, Dahl warned that organizational pluralism varies vastly and implied that the favourable policy outcomes of a process of interest representation through associations are not always attainable.

Interest group theory diversified as scholars sought alternatives to the inadequate or inapplicable theories of pluralism in the post Cold war era. A milestone in the study of state-market-society relations is the re-introduction of corporatism, as the main theory of interest representation to rival pluralism, in 1974 by Gerhard Lehmbruch. The main feature of corporatism is that public policy is determined “by an established structure of organized group interests” (Streeck, 1983, p. 267) unlike pluralism, where group interests existed in an unorganized, competitive environment. To corporatists, structure and organization are critical to ensure that the non-competitive interest representation delivers equitable policy outcomes. Consequently, corporatist theories are inclined to emphasize systemic or structural aspects of interest representation. Philip C. Schmitter underlines the systemic quality of corporatism in his frequently-quoted definition: “Corporatism is a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, non-competitive, hierarchically ordered, and functionally differentiated categories, recognized or licensed (if not created) by the state, and granted a deliberate representational monopoly within their respective categories and in exchange for observing certain controls on their selection of leaders and articulation of demands and supports” (Schmitter and Lehmbruch, 1979, p. 13). Schmitter’s systemic definition, which laid the foundation for theories of corporatism, is not exhaustive. Lehmbruch sees corporatism as simply a model of policy-making in liberal democracies where centralized business and labour interest associations engage in policy-based bargaining with governments in an institutionalized setting (Wilson, 1983, p. 108). Whether presented as a system of representation or a model of national policy-making, corporatism rests on state-created or recognized hierarchical organization of interest groups, institutionalization of bargaining processes and supporting structural arrangements.

Corporatist theorists, like their pluralist counterparts, rose to the defence of associations, which have long been treated by mainstream theories as “a basis for disorder” (Schmitter and Streeck, 1985, p. 120). Schmitter and Streeck argue that associations are in fact useful in guaranteeing order in capitalist market relations, which are characterized by parties with conflicting claims. They add that societies are not naturally divided into associations of individuals with shared notions of faith, culture, occupation, etc. As a consequence, the authors stress that a corporative associative order is necessary to deliver equal protection and predictable treatment to all groups (1985, p. 121). In the corporative-associative order, the association is as crucial to the system as the state, the market and the society are; association is held to be the fourth model of social order according to the authors. Unlike pluralism, where theorists disclaimed allegations that the interests of capitalist class or business elites were overrepresented in policy-making, corporatism apologizes for its endorsement of a strong state in interest mediation. Schmitter asserts that corporatism is not a system that will undermine capitalism but one that seeks to rescue and consolidate capitalism. This according to Leo Panitch is exemplary of the apologetic manner that corporatist theories adopt when advocating for a substantial state in capitalist systems (1979, p. 123). Modern corporatist theory, in order to disassociate itself with non-capitalist, authoritarian systems that classical corporatism engendered, affirmed its link with advanced capitalism.

Both theories and practice of corporatism, similar to pluralism, have several shortcomings. First of all, corporatism fails to reduce the cost of compliance to the actors in interest mediation process and to take into account a wide array of interest groups and civil society organizations. Corporatism assumes that there exists an interdependence of interests whereas pluralism assumes that interests compete. When competition among business actors increases, they tend to organize around common interests instead of trying to diverge or marginalize because individual members value the opportunity costs of membership rather than competition within the organization (Traxler, 2007, p. 29). This impetus partially explains the proliferation of business associations in countries that enter market integration such as the post-communist transitions in Eastern Europe. As larger companies join associations, their chances of mitigating costs of non-compliance, which are proportional to corporate size, increase. However, the perception of costs and the competition among members weakens the effective governance within associations. The higher the expectations of its members on effective political and economic influence, the lower the chances are of undemanding governance. However, when corporatist state delegates the monopoly of representation to designated associations, business lose the option of choice – of changing lanes or moving to associations where interests would be better served. Secondly, Panitch and Sabel claim that closely interwoven associations often complain about the overburden of cooperating with their states (Wilson, 1983, p. 111). In certain cases, states abuse organizational resources to the extent that resources are not employed primarily for the interests of the shareholders but are reserved for the benefit of state agencies. In others, states redesign or change rules and regulations governing association activity to accrue more benefit to state actors or agencies. Thirdly, corporatist theories overlook the role of non-state and non-business actors, such as NGOs, multinationals, international organizations or domestic non-producer interests groups, in policy

negotiations. Finally, individual/business action or inaction is often neglected because corporatist theory's gaze is fixed on intermediary associations and state-strengthening arrangements in corporatist interest representation (1983, p.112).

Since corporatist and pluralist theories failed to satisfactorily represent interests of businesses effectively in policy-making, they converged in a variety of cases into hybrid forms of interest representation. Contemporary business associations operate within pluralistic corporatist or corporate pluralistic arrangements, which formed to accommodate country-specific dynamics as well as to respond to practical shortcomings of the two seemingly competing theories. Modern business associations endorse corporatism because in engaging with the state through organized bargaining, they become more publicly aware and acquire state-induced benefits, e.g. automatic legal recognition and preferential access to policy bargaining. Simultaneously, associations support pluralism because they are more efficient, autonomous and responsive to member interests in a plural, diverse and competitive policy-making environment. Therefore, neo-corporatist structures evolved to include pluralistic arrangements in them; states governed policy bargaining with interest groups through their traditional representative mechanisms but alternative associations, platforms, and independent bodies were also able to express an opinion, access state and political elites to lobby for their organized interests and publicize their opinion widely. Grant Jordan argues that neither pluralism nor corporatism was divergent and original theories to begin with. Furthermore, he posits that corporate pluralism, presented by scholars like Robert Kvavik and Martin Heisler in the late 1970s was not a novel concept either; this hybrid model merely portrayed the problems of corporatism and pluralism: "[Corporate pluralism] is a statement to the effect that there are patterns of regularity, although there are a growing number of active groups which introduce uncertainty and disorder to the system" (Jordan, 1984, p. 147). Even when convergence of corporatism and pluralism cannot amount to a comprehensive theory of interest politics, the fact that convergence occurred shows the adaptability and applicability of hybrid interest group theories to various contexts.

Globalisation accelerated the process of hybridisation of interest group politics. The expansion of the global economy diversified business and labour interests in nation states and proliferated national business interest groups as the so-called third sector expanded. As new groups emerged, the agendas of issues diversified and subsequently impeded centralized policy negotiations within larger, peak associations. Moreover, the interaction or diplomacy among firms and between business associations and nation states transformed arguably to challenge and reduce the state, particularly in predominantly pluralist contexts (Strange, 1992). In corporatist contexts, on the other hand, "quasi-autonomous NGOs and quasi-autonomous governmental organizations which stand between business, government and trade union organizations" (Burrell, 1985, p. 227) increased substantially. The interaction of these new actors with the traditional business interest groups and states complicated multilateral bargaining that existed in advanced capitalist states. Most importantly, globalisation induced the internationalization of policy-making to the extent that business associations began to operate more profusely above and beyond nation states, national electorate and legislative bodies. These transnational actors engage in policy dialogue with regional or international organizations, like the European Union and the World Trade Organization, to complement or to replace their presence in national (economic) policy-making. Globalisation, therefore, blurs the conception of market, state, society and association in traditional interest group theories, as the relationships, roles and realms of all four actors become ephemeral in practice.

Broadly, Anglo-Saxon state-market-society relations are characterized by pluralism while state-corporatism is more common in South America and societal-corporatism in East Asia. Central and Eastern European states, on the other hand, are home to hybrid structures that combine pluralist and corporatist models (Burrell, 1985, pp. 227-230). The introduction of transnational policy-making in the European Union altered traditional interest representation mechanisms in member states to the extent that European-level bargaining became identified with a new paradigm, transnational pluralism, when individual member states retained or sought to preserve their national policy-making traditions (Schmitter and Streeck, 1992, pp. 192-232). Compared to Europe, North and South America, and East Asia, references to or features on the Middle East in interest group studies are brief and sporadic. Limitations to access to information and field research may have been the immediate reasons for the lack of scholarly output.⁴ It is also likely that students of Middle Eastern politics, economy and society

⁴ In certain countries, like Saudi Arabia, researchers of Middle Eastern interest group politics struggled to carry out surveys and interviews on the field because businessmen were unwilling to cooperate; corporate accountability was seldom practiced and businesses did not have a tradition of record keeping (J.W. Wright, *Business and Economic Development in Saudi Arabia*, London: Macmillan Press, 1996).

have collectively resorted to the dominant Orientalist thinking that Arab and Middle Eastern states are corporatist, by default. Nazih Ayubi detects the inherent tendency in Western scholarship on the Middle East to analyze Islamic society as a community where individualism and pluralism are unthinkable; Islamic politics is allegedly characterized by authoritarianism supplemented by a celebration of the community of believers, umma, over individuals. While Koranic teachings, social and political practice affirm some of the conclusions reached by mainstream theories, Ayubi concludes that ubiquitous corporatist structures in Arab and non-Arab Middle Eastern states are products of a battle between an egalitarian, almost utopic vision of Islamic society and the “governments’ increased need for more defined and fairly stable social bases to organize production, control diversity and secure support for the state” (Ayubi, 1996, p. 186). Islamic corporatism, assuming that a specific type of corporatism is attributable to the Muslim world, is therefore designed to organize, manage and co-opt interests of different groups in the Middle Eastern society. In that sense, interest group representation in the Middle East, similar to European, North and South American contexts, varies according to country and historical period and tends to operate through hybrid arrangements.

Locating trends in interest group representation in policy-making through economic, social and political change: The case of Turkey

Modern Turkey has a corporatist system of interest representation; in fact, Philippe Schmitter identified Turkish interest group politics as “corporatist and exotic” (Schmitter and Lehmbruch, 1979, p. 11). Turkey’s neo-corporatism is based on state-led institutionalization and bureaucratisation to control and organize interest groups. Since 1999, when Turkey signed an accession agreement with the European Union and embarked on a carefully monitored program of reforms, Turkey’s neo-corporatism began to face significant changes. As Turkey moved closer towards Europeanization and perhaps towards becoming less exotic, its corporatist policy-making structure began to readily accommodate pluralist elements, and therefore, became more representative and democratic. Present day Turkish state plays the key role of an initiator, appointing certain organisations as representatives of business and employee interests in Turkey at the European level. On the other hand, Turkish state assumes an ancillary role or is in some cases absent in the transnational communication between business organizations and their counterparts overseas. The following section will briefly discuss the role of Turkish state in political economy of Turkey, outline certain elements of Turkey’s traditionally corporatist structure of representation for business interests and will then demonstrate the impact of the advent of pluralism in Turkey’s associational landscape in the recent years.

Traditionally, Turkey’s Republican economic policy, formulated in the early 1920s, is state-centric and developmentalist. The idea of a welfare state presiding over a government-controlled and national economy was generated during the Young Turk revolution, in early twentieth century, when its revolutionary ideologues chose to abandon the late Ottoman decentralized economics for a more centralized system (Özbudun, 1976). Development based on import-substitution industrialization stymied the development of a competitive, free market environment until the end of 1960s while strengthening the centrality of the state in economic administration. Before Turkey’s transition into market economy, Malcolm Cooper observes, “Turkish enterprise was influenced by a combination of tariff protection and a weak domestic competitive environment” (Cooper, 2002, p 122). The State-owned Enterprise (SOE) was a staple of the statist economy of the Republic. SOEs were created to realize productive growth and planned expansion of the economy. In other words, SOEs fulfilled the functions that private enterprises would in a market economy; except in Turkey, private enterprises did not exist before late 1950s (Önis, 1991, p. 163). Even after the proliferation of private enterprises, SOEs remained intact and the Turkish state, through episodes of price deregulation implemented across the five-year plans of the period between 1963 and 1978, maintained its monopoly over the consumer goods market. Thus, from a standpoint of free market actors and particularly the private enterprises, the Turkish Republican economy was a challenging host as the state affirmed its traditional role as the single most important determinant of distribution, growth and profitability.

Starting with market transition in the 1980s, the Turkish state’s traditional role in the economy was gradually minimised. Financial and market liberalisation programme was spearheaded by the Motherland Party (Anavatan Partisi, ANAP), under the leadership of Turgut Özal; the ANAP government launched an ambitious package of reforms to overturn the crippling economy and to resuscitate the feeble lira, hard-hit by the international price shocks following the OPEC crisis (Boratav and Yeldan, 2006, pp. 418-450). Turkey’s liberalisation, in its early stages in the 1980s, was premised on adjusting the economic structure so that the state’s engagement in distributive and productive activity was minimalised while the influence of external anchors - acting as consumers to sustain the

export-led growth strategy; as financiers of institutional and economic development; and as monitors of economic progress – was maximalised. Structural adjustment programme entailed privatisation of Turkey's state enterprises. Turkey's state and private banking were to be reformed as a liberal foreign exchange regime was introduced. Monetary tightening and nominal anchoring would reign in inflation. Private actors would take over the state's core responsibility of providing growth, which would be realized thenceforth by promoting foreign direct investment in Turkey and by opening the Turkish financial markets to international markets (Ertugrul and Selcuk, 2001). After the first four years of structural adjustment, several important steps were taken towards realizing the ultimate goal of market liberalisation: in 1984, Turkey launched trade liberalisation programme and in 1989, it liberalised its capital accounts. International investors, debtors and monetary bodies, who collectively hailed Turkey as a model of shock-therapy market transition, backed Turkey's structural adjustment programme most ardently (Boratav and Yeldan, 2006, p. 419) and Turkey confirmed its commitment to opening-up by becoming a member of the World Trade Organization - known at the time as GATT. After the first four years of 1980s dubbed by Boratav, Türel and Yeldan (1996) as the "military phrase" of shock-therapy market transition in Turkey, the Turkish state was effectively reduced and the structural adjustment programme was therefore carried out by new liberal economic institutions, e.g. the High Planning Council (Yüksek Planlama Kurulu, YPK), and with the intervention of external actors, e.g. Foreign Investment Advisory Service, FAIS.

Although Turkey's market transition, coupled with structural adjustment, attempted to diminish the state's involvement in the economy, Turkish state maintained its dominant role in many areas of the economy until the turn of millennium. Market liberalisation continued in the 1990s and during this decade, the internationally imposed recipes for institutionalization of the liberal economy combined with measures to consolidate democratic (political) institutions and to secure rule of law marked the path of market transition. Impediments to sound progress in market liberalisation were usually generated from within the Turkish state and ruling elite. Politicians suffered from reform fatigue and state institutions suffered from resistance to reforms; these conditions inflicting the administration of market liberalisation dampened the commitment that market and social actors have towards opening up as well. There was a growing vulnerability in Turkey's transitional economy towards external monetary and fiscal shocks as well. Thus, the lack of political will combined with the negative impact of international financial actors and economies engendered calamitous market conditions for Turkey's business and society. Finally, in the latter half of the 1990s, "the state assumed an active role as a regulatory agent, overseeing the distributional conflict over the national product. And..., the fiscal operations of the state bore the major brunt of adjustment in resolving the distributional conflict in favour of capital-owners" (Cizre- Sakallıoglu and Yeldan, 2000, p. 504). The 1990s was therefore marked by a strong state and populist capitalism of political elite.

Market transition had a series of ramifications for Turkey's growing private businesses. Shock-therapy transition in the 1980s, coupled with measures to redesign state's role in the economy, relied heavily on financing growth by the export potential of Turkey's private enterprises. Furthermore, as Turkish market opened to external investors, foreign direct investment became a pivotal source of development. Ziya Öniş claims that reliance on foreign direct investment without offering tax-based and legal protections or infrastructural incentives to investors was an error on the part of the state and state's erroneous FDI policies hampered business development for foreign enterprises. Meanwhile, state subsidization to hasten domestic business development presented another implicit barrier to entry for foreign firms to the Turkish market and hindered the development of market competition. A relative absence of competition at home did not translate into remarkable export performance of Turkey's domestic enterprises as they stepped into the international markets. However, opening up did encourage Turkey's medium to large enterprises to pursue business ventures abroad. Anecdotal evidence demonstrates that Turkey's private enterprises invested ambitiously in European, American and Asian markets in the 1990s and 2000s – thanks for the trade and market liberalization policies of Turkey's marketisation and globalization (Boratav and Yeldan, 2006, p. 423).

Two decades of market transition in Turkey went hand in hand with bureaucratic transformation. The Özal administration combined the fiscal and monetary reforms in the shock therapy transition programme with structural reforms, a move which indicated the post-coup government's plight for democratic revivalism, which precipitated the disintegration of the traditional patrimonial bureaucracy. Metin Heper attributes this palatable shift to the more benign coup-makers of the 1980 intervention and hails the dawn of rational democracy under the leadership of an apolitical leader, Özal (Heper, 2000, pp. 63-83). While it is problematic to posit that the 1980 military intervention may engender

democratic rationale and may initiate Turkey's departure from Republican/authoritarian politics, Heper's concession that Turkey's political bureaucracy evolved simultaneously with the economic liberalisation during the Özal years is accurate. However, bureaucratic transformation did not incur a clean break from corporatist arrangements between state and business actors. Instead, globalisation and market transition induced a new form of rent seeking communication between the business community and the state bureaucracy. Where the liberal rent-seeking relationship differs from its protectionist counterpart is at the level of decision-making and implementation of the activities for which rent is sought. In an effort to eliminate big government during the market transition, members of the established economic bureaucracy were made redundant. Then, ANAP cadres in the Ministry of Finance, the State Planning Organization and the Central Bank readily adopted the role, which the bureaucrats previously assumed in balancing rival claims to distribution of favours from the state to the business community. Economic institutions of the state, filled with freshly imported technocrats and a new political class, eventually engendered a more arbitrary and politically determined form of allocating rent, where businessmen's access to resources depended almost single-handedly on their personal ties with the new politico-economic bureaucracy. "Since all segments of the business community could not have equal access to the highest echelons of the political layer, it was natural that these orientations, in the end, created more adversaries than supporters and led to the emergence of a strong sense of uncertainty and dissatisfaction within the bourgeoisie at large during the late 1980s" (Boratav, Türel and Yeldan, 1996, p. 378).

Another development that characterized the fundamental shift triggered in 1980s in economic and political spheres in Turkey is the introduction of Islamic capitalism. The Özal administration permitted Islamic banks and financial institutions to operate in the Turkish financial markets in 1983. The permit was granted in the form of a decree, released on 16 December 1983 and enforced from 19 February 1984, which allowed special finance houses to establish their operations in Turkey. This decree was later amended by the Turkish Banking Law, introduced in 1999 as part of an IMF-regulated plan to survive the banking and liquidity crisis at the time. In fact, Turgut Özal was not only an initiator but also a beneficiary of the emergent Islamic financial sector in Turkey. One of the first Islamic banks to establish in Turkey, the Al-Baraka Turkish Finance House (Al Baraka Türk) was owned by the Saudi Sheikh Saleh Kamel, whose partners in Turkey were Eymen Topbas and Korkut Özal. Both Topbas and Özal were directly linked to Turgut Özal; the former was the head of ANAP's Istanbul headquarters and the latter was Özal's younger brother, a former Minister of Agriculture in 1970s and a deputy of the conservative National Salvation Party. Today, the size, volume and extent of Islamic financial organizations' operations in Turkey are still limited – dwarfed by the prevalence of non-Islamic commercial and corporate banking in Turkey. However, the existence of such organisations is both a source of diversity for the Turkish financial sector and a cause of concern for some of Turkey's private organizations and members of the public. Five out of the six prominent Islamic banks in Turkey, namely Al Baraka Türk, Kuveyt Türk, Faisal Finans, Anadolu Finans and Asya Finans increased their market shares remarkably between 1999 and 2008 by almost five fold and their assets amount to approximately 25.8 billion New Turkish Lira (Yeni Türk Lirası, YTL) in 2008 (*Akşam*, 2009). However, given the percentage of market share that Islamic banks have in Turkey, 3.6% in 2008 (TBB, 2009), the Turkish financial sector would not be seen as invaded by Islamic financial organizations – despite deepening anxieties of political and social actors who associate the expansion of Islamic business as a telltale sign of regime change in Turkey.

Connections between Turkey's pre-1980 political elite and the capitalist investors of the Islamic financial institutions, which bloomed after 1983, extend beyond the Motherland Party and its leader, Özal. Faisal Finance, established in Turkey by the Saudi Prince Mohammad al- Faisal, was launched in Turkey in 1980s and among its shareholders were former and active politicians of the era, including Salih Özcan, then an MP for the NSP, and Ahmet Tevfik Paksu, the Labour Minister for the coalition government of Justice Party, NSP, and Nationalist Action Party between 1975-1977. After the sale of Faisal Finance to Sabri Ülker in 2001, the bank's majority shares transferred from the hands of the political elite to Islamic business elite. The investment into Turkey's flourishing Islamic financial sector did not always pour from the Gulf (Başkan, 2004, pp. 216-240). Turkey's own İhlas Finance House and Asya Finance House were founded by Turkish businessmen but without hosting Turkey's ruling elite in their boards or the higher echelons of their administration. These connections indicate that the establishment and proliferation of Islamic business and financial institutions has long been anticipated before the Özal administration and that the politically conservative and economically liberal elite almost single-handedly promoted the development of Islamic business in Turkey. Thus, from the very beginning of globalisation in Turkey, Islamic capitalism and Islamic business enterprises

developed simultaneously with political and bureaucratic transformation in Turkey. This development assuredly contributed to the fundamental transformation in state-market-society relationships where the locomotive of change were inevitably the newly empowered conservative Muslim market actors.

Turkish business interest groups and policy-making

Associations in Turkey have traditionally been embedded in hierarchical and centralized state corporatist institutions, which organise interest representation. A contemporary institution in state management of organised interests in Turkey is the Department of Associations. The Department of Associations is a state body - formed fairly recently, in 2002 and became fully operational in October 2003 – that is responsible for registering, monitoring and providing a wide range of services to associations in Turkey. Based in Ankara within the Ministry of Interior, the Department presides over provincial directorates established at the city and/or township level. Each association operating within a city or township is registered under the corresponding provincial directorate. The Department is founded as part of Turkey's commitment to converging its legal and institutional structures with those of the European Union. Prior to the establishment of the Directorate, Turkey's Security General Directorate (Emniyet Genel Müdürlüğü, EGM) maintained the registry database for associations. This change in the administration of associations demonstrates that associations are no longer treated as sources of potentially illegal activity. They are furthermore not subjected to highly securitized registration, monitoring and auditing processes. Although the Department of Associations relieved associations from a largely securitized administrative structure, it is nevertheless indicative of the centralized structure of interest representation in Turkey. Moreover, the *étatiste* and security-conscious approach to interest group representation lingers in the language used in the current state legislation on associations. A recent amendment made to the Law of Associations, which sets out the rules of registration, administration, management and monitoring for all civic associations in Turkey, shows that the associations are still culprits of illegal and divisive activity for the Turkish state. The amendment states that “aliens” – that is organizations that are not native to Turkey or founded/represented by non-Turkish individuals – have to acquire a clearance from Ministry of Foreign Affairs and Ministry of Interior Affairs to found an association in Turkey.

Corporatist structures are presently employed in managing not only the registration but also the process of internal management and intercommunication of business organisations in Turkey. For Turkey's companies, membership in a chamber of commerce or industry is enforced by public law and each registered member is required to pay fees, undergo external and state auditing and inspection and comply with institutionalized monitoring and accountability measures of the state. Annual membership fees are distributed to the corresponding chamber of commerce or industry in the city where the fee-payer company is located. The local chamber carries out a wide range of services delegated to it by the state. Local chambers are tied to a hierarchical structure of representation, which consists of intermediary/regional organizations and peak associations, called federations. Federations are engaged in national decision-making through their participation in advisory boards and councils, in conferences and talks with state bureaucracy, government officials, and international investors, and in tripartite bargaining. Although they are independent bodies, they are treated as quasi-governmental bodies both by their regional and local members and by international organisations. For instance, the state-sanctioned horizontal business organizations in the EU that are able to enter into social policy dialogue with European bureaucrats; these horizontal associations include members from Turkish public and private sector employers and business organisations. Turkey's own craftsmanship and artisans federation, TESK, is represented in the European Association of Crafts, Small and Medium Sized Enterprises (Teufelsbauer, 2003, p. 39). Consequently, most of the internal and external communication of Turkey's registered business associations occurs via neo-corporatist structures erected by the Turkish state.

Another institution, whose existence in present day Turkey confirms the predominance of state corporatist arrangements despite decades of market liberalisation, globalisation and EU integration, is the Union of Chambers and Commodity Exchanges (TOBB). TOBB, founded in 1950, is the highest state-funded, legally recognized entity in Turkey that represents the interests of private sector organizations. Unlike the Department, TOBB is not a state body but has direct ties to the corresponding ministries and the government. It currently has 365 members, which are local chambers of commerce, chambers of industry, maritime industry chambers and commodity exchanges. Mandated to serve private entrepreneurs and particularly small to medium sized enterprises in transferring the opinion and demands of businesses to Turkish Parliamentary commissions, ministries and other relevant state bodies, TOBB strives to strike a delicate balance between working towards fulfilling its members' expectations and maintaining its preferential relationship with the state. TOBB exercises policy-

influence equal to Turkey's peak guilds and trade unions. However its clout increased since the Justice and Development Party (AKP) elected to government in 2002 hastened market liberalisation and since AKP's version of neo-liberalism prioritizes private sector development over appeasement of labour. An important political actor, TOBB, operates both at the state and civil society levels to present itself as an observant, concerned party to government policies and an ardent supporter of the Turkish state and its institutions. TOBB, different from trade unions and guilds in Turkey, is able to provide Turkey's legislature and state bureaucracy expert opinion and technical assistance on a number of issues. Through its subsidiary, Economic Policy Research Foundation of Turkey (TEPAV), TOBB generates reports and analyses on Turkey's micro- and macro-economic performance, its trade, agricultural and industrial policies, and to cooperate with international organizations such as the World Bank, International Monetary Fund and the European Union and the Turkish government to implement quasi-governmental projects on economic development.

Assuredly, the state plays a significant role in determining the sphere of business activity in Turkey. Turkish businessmen are admittedly engaged in a love-hate relationship with the state. Business success is conditional to their management of this relationship with the Turkish state. Turkish businessmen regard the state as the primary source of their difficulties since state institutions are able to exercise relatively unchecked authority over and exert arbitrary measures on businesses in Turkey. Businessmen also acknowledge that they owe the state their wealth, status and political influence. In her detailed analysis on autobiographies of members of traditional Turkish business elite, Ayşe Buğra (1994) observed that traditional urban businessmen have never referred to the neoliberal orthodoxy, where the emphasis is on individual gains or profit as opposed to a state's provision of livelihoods of the individual. Members of the traditional Turkish business elite were accustomed to the arbitrary distribution and removal of benefits and punishments by the parental state and conformed to state corporatism without introducing revolutionary pluralism. Secular, liberal and urban big businesses, currently represented by Turkish Businessmen and Industrialists Association (TÜSİAD), received ample support and recognition from the state since the early Republican era and have traditionally prevailed in interest-mediation and policy making in Turkey. Most organized forms of interest representation in Turkey's business environment are either institutionally or ideologically aligned with TÜSİAD, which has traditionally seen the Turkish state as its main arbitrator. In fact, TÜSİAD, acting as a peak association for Turkey's businessmen and industrialist organizations (SİAD, short for Sanayici ve İşadamları Derneği) imitated some of the centralized, hierarchical state corporatist means of interest intermediation to produce inter-associational coordination. TÜSİAD presides over and organizes the annual SİAD summits and designs and implements an economic and political agenda based on information and feedback it collects from hundreds of SİADs in Turkey. TÜSİAD, an emblem of Turkey's traditional, secular and pro-establishment business elite, is also the most influential civil society actor, especially when stating its intended course of action in Turkey's foreign and economic policy. Consequently, businesses and corporations that form TÜSİAD's membership use this peak association not only to bargain with the state for wage changes, measures to increase Turkish economy's creditworthiness, etc. but also to "prove the social existence of the private sector" (Buğra, 1998, p. 524).

There are also emergent independent organizations representing business interests in Turkey. These organizations are signs of rising associational pluralism in Turkey as they have voluntary membership and do not have organic ties to the state except for their registration to the Department of Associations. All SİADs in Turkey have individuals or companies as members and are located above members in a hierarchy of organizations representing business interests. TÜSİAD is a SİAD as well, and has since its foundation in 1971 by a group of Turkey's leading industrialists and businessmen, dominated the associational landscape in Turkey by representing businesses of approximately 156 billion USD annual revenue. Its persistent emphasis on Turkey's EU integration proved to be a positive force in overcoming popular and military resistance to the opening of accession talks with the EU in Helsinki summit and throughout the EU integration process, TÜSİAD has been an ardent supporter of reforms. This shows that the traditional and established business elite has more experience in organized and representative power-sharing or interest mediation with the state institutions and governments; a tradition of organizing within and across sectors and industries and of collective action, and a greater ability to usurp the conventional channels of dialogue with the state. Again, the goal of eventual membership in the European Union increased the practical and rhetorical importance of business interest groups, especially TÜSİAD, in policy-making in Turkey. However, the most vigorously prolific SİADs are those that do not recognize nor seek the leadership of TÜSİAD and instead reap the benefits of a liberalising civil society in Turkey to set up their own spheres of policy influence. They are rather the amalgamation of urban, and more often, peripheral associations that traditionally

operated as guilds or chambers and have for decades struggled to participate in the process of policy bargaining but been pushed to the margins of interest representation arrangements. Local chambers of commerce and industry have served primarily as places of socialisation for their members and for the larger part of the history of the Republic, local businesses tapped into solidarity networks built around these chambers to finance and support their business. In the absence of sufficient presence of or acceptance from state corporatist arrangements, business solidarity networks based on tradition, family values, and faith supplanted the state in providing safety nets, credits and business opportunities to local businesses (Özcan, 1995, pp. 265-282). Although the Islamic character of the local business associations and the informality of their networks have constantly been scrutinised and criticised by the Turkish state and business, local businesses never suffered from a lack of interest from small investors (Özcan and Çokgezen, 2006, pp. 132-140). Interestingly, the exclusion from state corporatist arrangements encouraged local businesses to coalesce around pluralistic associations, which were more democratic and representative in nature than their more traditional, secular counterparts⁵.

It would be wrong to conclude that new SİADs are categorically composed of more conservative, pious small to medium sized enterprise owners whereas established business associations represent secular urban Turks. Present day Turkish civil society includes business interest organisations representing a wide range of businesses and businesspeople, different in size, sector, orientation, and values, faiths and aspirations. It is possible to assert, though, that effective and outspoken business interest organisations in Turkey have traditionally been formed by the traditional Republican business elite while the relatively ineffectual business lobby was comprised of associations of local or national non-Republican and non-elite businesspeople. Eventually, the period of market transition beginning in the 1980s and the advent of the so-called Islamic business associations in Turkey marked the departure from the privileged policy-based influence enjoyed by the more established business lobby. As a result business associations coming from both backgrounds contributed to the pluralisation and diversification of Turkey's associational landscape.

A common assumption about business associations in Turkey holds that the Islamic business associations expanded at the expense of the traditional business elite organizations; consequently, Turkish business interest groups engaged in a battle of recognition and influence over the state. The following objections need to be raised against this assumption. Firstly, the space occupied by Islamic business associations in Turkish civil society is not homogeneous and static. Organizations like MÜSİAD or İŞHAD, which flourished in the mid 1990s, carved out a space for the Islamic in Turkish business environment – much to the chagrin of traditional Republican business associations. However, the initiation and proliferation of Islamic business organizations did not stop at the elementary stage when MÜSİAD and its affiliates were received with awe and caution. Instead, Islamic business organizations expanded at a considerable pace and their growth followed their decentralization, diversification and fragmentation. Smaller business associations in the periphery, i.e. associations of businessmen and industrialists that are not based in Istanbul, Ankara and Izmir, the three major cities of Turkey, implicitly and explicitly communicate their affiliation with a particular ideology, faith, sect or ethnicity but seldom display overtly partisan behaviour. Rather, most associations were founded and continue to pursue economic and political gains from the state for their members. These associations, in sharp contrast to more traditional business interest groups of earlier Republican era that refrained from politicisation, volunteer to exist as politically vocal entities in Turkey's booming civil society. The gradual relaxation of the security establishment's grip on Turkey's public sphere since the 1980s; the EU integration process, which brought in EU funding to public and private sector organisations in the periphery; and Turkey's economic growth and market stability, which translated into more trade and capital gains for Turkey's peripheral businesses, since the end of 2000 enabled associations to expand the boundaries of conventional interest group politics and to answer calls for more representative arrangements. Secondly, and following the chain of progressive developments in Turkey, traditional Republican organisations began to welcome associational pluralism in Turkey. They agreed in rhetoric and cooperated in practice with the Islamic business associations. The following section demonstrates that on a policy-level, since 2002, business associations in Turkey moved collectively towards encouraging pluralism in Turkey's neo-corporatist landscape.

⁵ Most new SİADs, especially those associated with Islamic businesses, are decentralized. MÜSİAD and ASKON both have representative offices in Turkey's cities but those offices act autonomously from the central office. MÜSİAD, ASKON, and İŞHAD have a more diverse membership, consisting of firms of different sizes and people from all levels of managerial hierarchy. These associations also both have sizeable grassroots youth movements. TÜSİAD and other urban business associations do not have representation in peripheral Turkey and do not delegate responsibility to other organisations. TÜSİAD has a decidedly elite membership and represents large international corporations in Turkey. The young urban professionals with a traditional Republican conviction form their own associations, such as TÜĞİAD, GİYAD because TÜSİAD does not have in-house youth mobilization programmes.

Economic reform and policies

Hasan Hanafi argues, “the state is merely an agent of Muslim society in the realization of distributive justice goals” (2002, p. 182). If so, then the involvement of organised civil society in the distribution is an obligation, not a choice. By implication, the society ought to step in automatically when the state fails to act as an agent on its behalf. Therefore, civil society organisations are expected to sidestep the state in welfare distribution, provision of economic benefits, etc. This principle that Hanafi claims as central to Islam induces a transfer of policy-making power and authority from the state economic institutions to non-state economic/social institutions following the former’s poor performance or simultaneously to support the former’s performance. The previous section established that Turkish economy is traditionally corporatist and statist; it may be asserted then that economic distribution in the secular Republic of Turkey is governed centrally by the state and the society is a mere benefactor of state’s generosity. In other words, the state does not act as an agent of society in realizing distributive justice. Consequently, economic actors in the society either demonstrate rent-seeking behaviour to maximize their share of state’s distribution or invent non-state mechanisms of distribution. By analyzing the recent history of economic policies generated to manage state distribution, it is possible to observe how business organisations interaction with the state regarding their access to state distribution and to test whether conventional forms of communication, rent-seeking, are replaced with different (pluralistic) patterns of state-market-society interaction. In the following section, public procurement is selected as *the* economic policy area where the questions posed above may be answered better than policies on for example minimum wages– which are more common features of academic research on theories of corporatism and pluralism – because procurement policies have changed as part of Turkey’s EU accession programme and effectively demonstrate Turkish state’s transforming relationship with domestic and global business actors.

Public procurement is a practice embedded in the public spending policies of developed and developing capitalist economies and as such does not preclude the principle of small state in neo-liberal capitalism. Public procurement in Turkey takes up 15% of GDP and close to 90% of the state spending is channeled into small to medium sized enterprises; so state business cooperation through procurement is currently very lucrative for both sides. The Turkish state disciplined its public procurement practice as early as 1982 by adopting a public procurement law but the limitations on the scope and extent of the public procurement policies in Turkey were lifted much later during the second phase of market liberalisation in Turkey after the end of 1990s. In fact, the first public procurement law was passed at a time when the transition of bureaucratic state control over economic policy-making was transferred to the hands of political elite. For the rest of the two decades until the turn of the millennium, public procurement policies have often been a source of controversy as calls for more public accountability and transparency in state-business tenders remained unanswered. Beginning with 2000s, the policies governing state spending changed due to pressures from international financial institutions to precipitate Turkey’s institutionalized market reform and from the economic actors hard-hit by the 1999-2001 banking and financial crisis, the Turkish state was “left in a position to choose among the actors of the public procurement process, which also involves a process of decision making about the scale of the procurement market” (Ercan and Oğuz, 2006, p.648). Between 2001 and 2004, as part of the IMF and World Bank recommendations, the public procurement law was amended several times to level the terms of involvement for domestic and international companies in tenders released by the Turkish state. The political elite did not welcome the externally enforced reduction in their role in determining the scale and direction of public procurement, especially when populist practices were required to appease social and economic actors. Accordingly, there were attempts to delay or write off reforms in procurement law.⁶ For instance, the AKP after the enforcement of the amended procurement law in 2003, passed several provisions, which would reintroduce some of the corporatist state controls on releasing tenders and working with domestic private actors. AKP also wrestled with the IMF, World Bank and the European Union to balance the different procurement policies recommended by these international institutions. The political elite wished to have the best of both worlds: They supported further integration with international organisations and global capitalism to reap the economic benefits of openness while trying to preserve the traditional corporatist structures through which state fine-tuned its business with domestic (especially small to medium sized) private enterprises.

⁶ Gareth Jenkins refers to the newly elected AKP’s apparent failure in handling economic crisis as an indicator of the widening gap between the state and the government in 2003. One of the examples he uses is the AKP’s attempt to overturn the new procurement law, which would make public tenders transparent.

Ercan and Oğuz conclude that the contemporary procurement law and policies in Turkey benefit only larger domestic businesses, foreign-owned companies and upwardly mobile medium-sized business. In other words, the liberal reforms on state spending did not correct Turkish state's record for distributional justice; on the other hand, Turkish ruling elite's relationship with domestic and global business actors shifted from national to global as new sets of policies and institutions permeated into the state corporatist arrangements of the pre-liberalisation period. However, evidently, in the case of procurement policy, the interests represented by groups across the pluralistic associational landscape seemed to converge around the goal of favoring domestic businesses over international or foreign companies in tenders. Chambers and business associations in peripheral Turkey especially underline the necessity of maintaining procurement practices in Turkey free from 'foreign intrusion'⁷ – their persistence may perhaps be a result of their vigorous catch-up development, combined with a consideration that they are now the rightful heirs to the favors distributed by the state after the decline of traditional Republican politics. Therefore, there was almost an automatic alignment of state and civil society interests around populist economic policies. An exception to the rule was TÜSIAD, which professed that European harmonization and reform processes called for a bold change in procurement policies and that the endorsement of open and competitive markets for business would benefit everyone (*Milliyet*, 2008). As a consequence, where the political elite was able to make concessions to the domestic business interest groups by flexing the rules imposed by international organisations, the domestic business associations were then able to collaborate more closely with the political elite. Hence, the traditionally corporatist economic policy-making ensues and rent-seeking behavior were not abandoned. At the same time, the political elite was better able to ascertain where the true interests of the businesses lie so as to confirm the predictions of politicians on popular economic policy. However associational pluralism enhances the possibility to sanction the state and the political elite where they fail to deliver distributional justice. The sanctioning power of organized business is manifest in the countless meetings, press conferences held and delegations sent to the state institutions and the legislature to discuss procurement policy. In fact, thanks to associational diversity different business groups with different agendas are able to balance each other's policy claims.

Finally, European Commission, as part of its support to candidate countries, offers several different sources of funds for economic and business development. Some of these funds are disseminated to joint projects of public and private institutions or enterprises that are designed to promote international trade, community welfare, or sectoral development, or to build or improve infrastructure, etc. The Commission's calls for proposals are tracked down and replied by various associations of small to medium sized businesses and by larger umbrella organisations. Both Islamic and traditional Republican business associations have since the beginning of accession negotiations perfected their consultancy services to their members on the basis of EU tenders. There are apparent differences in the selection, delivery and monitoring processes of Commission funding and the applicants of EU funding are therefore obliged to practice transparency, accountability and ethical conduct. The selection criteria are often not politically charged and business associations therefore emphasize the quality of applications over the proximity of applicant's relationship with the financier. EC institutionalized its distribution of funds and extension of business opportunities to Turkey's enterprises by cooperating with TOBB to create the European Union Business Development Centers (Avrupa Birliği İş Geliştirme Merkezi, ABİGEM). The ABİGEMs were opened thanks to EC funding in cities like Afyon, Kayseri, Konya, Malatya, Denizli and Çorum, where the conservative Muslim businesses are more prolific and better organized (*MÜSİAD AB Bülteni*, 2007). This development further empowered Islamic business associations in peripheral Turkey to grasp economic policy influence via domestic corporatist (TOBB) and transnational (EU) organisations. Above all, the availability of Commission funding – despite its smaller size and its more strenuous requirements – assured business associations in Turkey that there are alternative means of doing business with local and national government. This realization erodes the monopoly of the state or the political elite in distribution and promotes associational development and pluralism by strengthening the civilian actors *vis a vis* state actors. The European Commission and other EU bodies may have been more instrumental if the AKP administration passed a legislation permitting EU companies to enter into Turkish state tenders but this option is out of the question – at least until the vague promise of Turkey's full membership into Union become a certainty (Aktar, 2008).

Constitutional and legal reform

⁷ There are various statements supporting the supremacy of domestic enterprises over foreign enterprises, released in news reports and bulletins of several associations including MÜSİAD, KESİAD, Chambers of Industry and Trade in major cities in peripheral Turkey including Kütayha, Nevşehir, Trabzon, Erzurum and Bingöl.

Constitutional and legal reform is another policy area on which Turkey's emerging Islamic business interest groups have been quite vocal and visible. Turkey's 1982 constitution is a remnant of the military junta and allegedly contains several controversial clauses employed by legal and administrative institutions in Turkey to impinge on rights and liberties of civilians⁸. The AKP announced prior to the July 2007 elections that a board of academics and legal professionals was convened to draft a new, civilian constitution. Furthermore, AKP, during its campaign towards 2007 general elections enkindled the democratic consciousness of Turkish public, a move reminiscent of democratic revivalism of the Özal period, and called on the masses to collectively engage in the drafting of a civilian constitution. Formulated as a nation-wide campaign, the Civilian Constitution Movement expressed the politically emboldened AKP's commitment to legal reform in Turkey and reaffirmed the Muslim liberal Democrats' willingness to resist and replace bulwarks of Turkey's Republican establishment. Legal reform was a top priority for members of the European Commission, responsible for Enlargement, and Turkey has often been reminded of and rebuked for slow progress towards amending its legislation. Before and after the July 2007 elections, Europe lauded the AKP for its choice of tools to implement legal reforms during its first term in office⁹. The submission of the AKP leadership to popular consent corresponded to the European Commission's policy recommendations.¹⁰ Thus, the publicly sanctioned goal of full membership to the European Union provided the AKP with a strong source of legitimacy to boldly challenge Turkey's legal-constitutional tradition.

Armed with considerable popular support, manifest in its acquisition of almost 50% of the vote in 2007 and its subsequent securing of the majority of seats in the Turkish Grand National Assembly, and the mandate of EU accession, the AKP pursued the civilian constitution movement with fervour within the first few months of its second term in office. On 3 September 2007, the chair of the board of legal experts appointed to compose the civilian constitution, Prof Ergun Özbudun, publicly launched the draft of the new constitution the board recommended to the government. The draft civilian constitution departed from its predecessor by expanding the boundaries of basic rights and liberties and by deconstructing several authoritarian institutions but retained the core principles of constitutional Republicanism and democracy in Turkey.¹¹ Amidst heightened controversy surrounding the process of producing the civilian constitution, the AKP leadership coalesced to review the draft submitted by the board of experts. The beginning of the ruling party's review process marks quite literally the end of the civilian constitution initiative at the level of political leadership. The latest report on Turkey's progress on EU accession reforms, released by the International Crisis Group, accurately portrays the period when AKP stalled legal-constitutional reform.

Erdoğan received the draft constitution in August 2008, worked on it for a day and asked for some refinements; when it was resubmitted to him late in the month, he was, by all accounts, personally delighted. But as the weeks wore on, there was no attempt to bring the text before parliament. Government ministers also frequently promised reforms of Penal Code Article 301, especially to international audiences, but this took months and huge international pressure to occur. Given the AKP's strong parliamentary majority, and popular support for a new constitution, these omissions and delays suggested that the leadership had decided not to pursue reforms

⁸ For a detailed legal analysis of the 1982 constitution, see *Türkiye'de Anayasalar*, İstanbul, İletisim, 1991; Bülent Tanör and Necmi Yüzbaşıoğlu, *1982 Anayasasına Göre Türk Anayasa Hukuku*, İstanbul, Yapı Kredi Yayınları, 2005. The following sources underline some of the detriments posed by the 1982 constitution to democracy in Turkey: Ergun Özbudun, Turkey: How far from consolidation? *Journal of Democracy*, 7, 3, 1996, pp. 123-138; Metin Heper, Islam and Democracy in Turkey: Toward a reconciliation? *Middle East Journal*, 51, 1, 1991, pp. 32-45; Taha Parla, *Türkiye'nin Siyaset Rejimi- 1980-1989*, İstanbul, İletisim, 1993; and Levent Gönenç, The 2001 amendments to 1982 constitution in Turkey, *Ankara Law Review*, 1, 1, 2004, pp. 89-109.

⁹ European Commissioner responsible for Enlargement, Olli Rehn during a lecture at the University of Helsinki on 27 November 2006, "Prime Minister Erdogan has invited NGOs to propose amendments to the Turkish Penal Code, which is a positive development. We have to see which concrete results this initiative may produce, but in the end, if there is no agreement among the civil society organisations, we expect the government to take the initiative to change the notorious article 301 of the Turkish Penal Code without delay." The full transcript of the lecture may be found at <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/06/747&format=HTML&aged=1&language=EN&guiLanguage=en>.

¹⁰ European Commissioner Olli Rehn commented during a lecture at St. Anthony's College, Oxford University on 1 May 2008, "I am now counting on Turkey's strong civil society to play a key role by calling for better dialogue. It is now essential to resume the legal and democratic reforms in full and build a spirit of compromise. The revision this week of the infamous article 301 of Turkey's penal code is a welcome step forward to ensure the freedom of expression for everybody in Turkey, but more needs to be done. Turkey is again at the crossroads and it needs a self-confident civil society to press for democracy, the rule of law and democratic secularism." The full transcript of the lecture may be found at <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/08/222>

¹¹ A copy of the draft civilian constitution released on CNN Türk on 3 September 2007 may be found at www.cnnurk.com/2008/turkiye/11/13/t.c.sivil.anayasa.taslagi/500560.0/index.html

(International Crisis Group, 2008).

Although the political will to implement ambitious reforms and enact a democratic constitutional regime in Turkey wilted away, organized members of Turkish society did not lose their appetite for the civilian constitution movement. The 1982 constitution contains clauses that restrict the freedom of association in Turkey. Following the military rule in 1980, political parties were closed down based on articles in the 1982 constitution. Scores of civilians were prohibited from engaging in associational activity while hundreds were imprisoned for their association in political organisations on the left and right of the ideological spectrum (Toprak, 2001, p. 91). A majority of Turkey's civil society organisations were born into the so-called September 12 period and their collective memory of a heavy-handed state and security establishment are still quite intact; therefore, the impetus for reinventing associational participation in Turkish policy-making was and remains strong. Indeed, since the September 12 regime "mainly relied on the reproduction of political and social stagnation to maintain its control" (Insel, 2003, p. 295), social dynamism in Turkey's civil society – especially among associations founded by individuals or communities who were disenfranchised and immobilized by the state, i.e. Turkey's ethnic, religious and sexual minorities and conservative Muslims – peaked when a real opportunity to formulate a response to state's legal institutional control arose.

Part of the social dynamism to collectively produce Turkey's first civilian constitution was roused by the ruling AKP's mismanagement of constitutional reform. AKP may have initiated the civilian constitution project but it commissioned an independent board of experts to produce a draft without consulting a larger pool of civil and political actors. The arbitrary drafting process proceeded in secrecy. Apart from the speculative and contentious commentary on proposed amendments, there were not open channels to permit public scrutiny into the writing of the civilian constitution. The AKP maintained a safe distance - sometimes bordering on a dismissal of the independent board of experts' involvement - from the drafting process and scheduled public discussion on the draft to take place *after* its review by the political leadership was completed.¹² Thus, tempted by the prospect of exerting influence over Turkey's new constitutional regime and deterred by the monopoly imposed by AKP over the process, civil society organisations, chiefly organised business, formed institutions, triggered campaigns and ossified platforms to voice their deliberations and designs for Turkey's civilian constitution. Two platforms are particularly prominent since fall 2007 in mustering support for a more comprehensive civic engagement in the drafting and passing of a new constitution in Turkey: The Common Minds Movement-New Constitution and Democracy Platform (Ortak Akıl Hareketi – Yeni Anayasa ve Demokrasi Platformu) and the Constitution Platform (Anayasa Platformu).

The Common Minds Movement (CMM) – New Constitution and Democracy Platform

A product of the new political discourse, which promotes democracy and pluralism above formerly sacrosanct values of Republicanism, statism, and secularism, in Turkey is the Common Minds Movement, which bases its *raison d'être* rhetorically on the promotion of civilian involvement in the new draft constitution, while a close reading of the CMM manifesto and objectives reveal that its supporters utilize the draft constitution as a tool to promote their interpretation of democracy and human rights. The CMM declares that the New Constitution and Democracy platform is constructed to foster active civic engagement in the plight for democracy and human rights, to expand the boundaries of basic rights and liberties; to eradicate rent-seeking and nepotistic behaviour; and to legally secure the rights of individuals of all faiths, lifestyles and convictions through the composition of a new civilian constitution. The manifesto adds that the reshuffling of politics and economics in the Middle East necessitates a new political thinking, which would include in policy-making the public at large and would culminate fifty years of regressive politics at the hands of Turkey's bureaucracy and legal mechanisms¹³. Administered by the leadership of Foundation of Volunteer Associations (Türkiye Gönüllü Teşekküller Vakfı, TGTV), Necati Ceylan and Ayhan Ogan, the CMM extols the values of

¹² Prof. Burhan Kuzu, Chair of AKP Constitutional Commission, claimed during an interview with journalists in Turkey that the opinions of the independent board of experts was not binding on the final decision to be produced by the Constitutional Commission and he dismissed the obligation to resort to independent advice by underlining that the AKP was a political party – as if to confirm the supremacy of political will above social consent. "AKP'nin Anayasa Komisyonu'nda yer alan 11 kişiden biri olan İstanbul Milletvekili ve eski Anayasa Komisyonu Başkanı Prof. Dr. Burhan Kuzu ise tepkilere şaşırdı. Kuzu şöyle dedi: "Kimseden bir şey saklamıyoruz. Bilim kurulu taslağı isterse basına verebilir. Biz bir siyasi partiyiz. Taslaktaki her maddeye sahip çıkacağız diye bir şey yok. Programımızla çelişen maddeler olabilir, bakacağız. Taslağı süzgecimizden geçireceğiz. Bilim kurulunun taslağı AKP tarafından açıklanabilir. Muhtemelen açıklanır. Belki her ikisi (Bilim kurulunun ve AKP'nin taslağı) birlikte açıklanır" Demet Bilge Ergün, Anayasa taslağı neden sivillerden gizli? Radikal, 04.09.2007

¹³ The objectives and manifesto of the CMM is available at their designated website, <http://demokrasiplatformu.org/site/>.

democracy and human rights through national campaigns, which bring together civilian organisations, members of mass media and Turkey's academia in workshops and carries out an aggressive media strategy to call on civic engagement in the new constitution. New Constitution and Democracy Platform is able to attract numerous organisations, mostly business associations, and to capture the social dynamism that any serious process of legal-constitutional transition requires. CMM, both in rhetoric and practice, aligns itself with a specific strand in Turkey's civil society that challenges the Turkish state, traditional bureaucracy, institutions, and ideas of the Republican *ancien régime*¹⁴. This strand, by challenging the secular code of Turkish system, is identified with political Islam and its representative associations are thought to be co-terminus with the political association of the AKP.

CMM prides itself for its ability to bring together civil society organizations representing the interests of a wide canopy of religious, political and ideological convictions. A closer look into the 400 civil society organisations registered as part of the movement conveys though that chiefly Islamic business associations support the CMM. MÜSIAD and ASKON are cited atop the long list of members. Others include the Association of NGOs of the Muslim World (İslam Dünyası STK'lar Birliği, IDSB), which is seemingly not a business association but works to promote young professionals networks in the Muslim world. Another organization, whose participation in the Common Minds Movement is noteworthy, is the Syndicate for the United Educators (Eğitimciler Birliği Sendikası, EGİTİM-BİRSEN). The Union of United Educators is one of Turkey's largest and most outspoken unions. The Union, officially registered as a labour union in 2001, has faith in unionist activity and defines itself as a promoter and protector of human (employee) rights. According to the set of principles the Syndicate abide by, the members of the union hold the territorial integrity of Turkey sacrosanct and pledge to defend the borders defined by the Turkish state. Although the Syndicate underlines its non-partisan and apolitical stance, the mention of state-sanctioned borders would automatically delineate certain groups and communities in the Turkish Republic. However, the most significant fact about the Union is that it challenges the uniformity of the unionized front of public sector employees in the education sector by breaking the monopoly of the older and more established union, Educator's Union (Eğitimciler Sendikası). Evidently, an overwhelming majority of the membership of the CMM are business or employee organisations that emphasize the faith and nationality of the individuals or entities they represent. However, the agenda and activities of the platform around which they convened do not make any explicit references to Islam nor does the platform offer recommendations to Islamicize Turkey's social, political or economic spheres.

The Constitution Platform (CP)

The Constitution Platform stands out as an emblem of progressive thinking in Turkey's civil society and of associational pluralism. Under the banner of the CP come together Turkey's most prominent business interest groups and labour unions: The Union of Chambers and Commodity Exchanges of Turkey (Türkiye Odalar ve Borsalar Birliği, TOBB), Confederation of Turkish Employers Unions (Türkiye İşveren Sendikaları Konfederasyonu, TİSK), Confederation of Turkish Labour Unions (Türkiye İşçi Sendikaları Konfederasyonu, Türk-İş), Confederation of Turkish Real Trade Unions (Hak İşçi Sendikaları Konfederasyonu, Hak-İş), Confederation of Turkish Public Sector Employee Unions (Türkiye Kamu Çalışanları Sendikaları Konfederasyonu, Türkiye Kamu-Sen), Confederation of Tradesmen and Craftsmen (Türkiye Esnaf ve Sanatkarları Konfederasyonu, TESK) and Union of Turkey's Agricultural Chambers (Türkiye Ziraat Odaları Birliği, TZOB). The Platform evolved within the first few months following its establishment to include TÜSİAD and MÜSİAD. Although the membership of CP is not comprised exclusively of business associations since there are women's groups like KA-DER and KAGIDER among CP's 18 members, the Platform is effectively a business lobby. CP is administered by TEPAV and operates through its network of private enterprises in various sectors to hold national and local workshops, put together commissions focusing on a predetermined agenda of issues, and implement civic awareness campaigns. The CP is progressive because it is able to deploy interactive communication tools like online fora and e-mail alerts to directly engage the public at large into the constitutional movement; the business associations that constitute the CP are neither able nor willing to act as a hub for public debate on the new constitution.

¹⁴ Fuat Keyman, paraphrasing Nilüfer Göle's work from 1994, posits that in the 1980-2000 period "civil society organizations have attempted to activate societal life independent of the state; to criticize the strong-state tradition and its top-down governing of society; and to transform the republican and duty-based notion of citizenship into an active citizenship with a democratic emphasis places on the philosophical principles of rights and freedoms which involved both individual and group-based claims to autonomy, pluralism and democracy". Fuat Keyman, *Modernity, Democracy and Civil Society*, In Fikret Adaman and Murat Arsel (eds) *Environmentalism in Turkey: Between Democracy and Development*, London, Ashgate, 2005, pp. 35-52.

Furthermore, the first national congress that CP organized to discuss the civilian constitution introduced several practices, which are not typically used by business associations in Turkey. Business organisations participated in the congress as individual participants, not as delegates of business interest groups so as to secure some critical distance from the sector or companies they are mandated to represent. The congress set out a framework for all discussions to be held among business organisations and thereby avoided having makeshift, unproductive sessions. In the final statements following the congress, the CP pledged to adopt a progressive attitude towards civilian engagement in legal-constitutional reform and disavowed regressive behaviour. Finally, CP's first national congress was a textbook case of associational pluralism. Business organisations like ASKON and MÜSİAD, which are allegedly Islamic, and TÜSİAD and TÜGİAD, which are arguably traditional Republican, agreed on core principles of the new constitution through mediated dialogue. The statements produced after the first national congress indicate that issue-based cooperation among business and labour organisations representing different interests in Turkey is possible and desirable.

Evidently, the membership of the Constitution Platform more accurately portrays of the diversity of business and labour associations than the membership of the Common Minds Movement since the former is able to dissolve the business interest groups of opposite or conflicting identities. The former's choice of the civilian constitution as its only focus simplifies the process of obtaining inter-associational diversity *and* cooperation; business associations enter more easily into mediated dialogue on the single issue of the constitution than on a collection of looser themes such as democracy and human rights. The single issue approach helped business interest groups to merge the Republican (white elite) agenda of constitutionally guaranteeing Kemalist nationalistic state and secular state with the non-Republican agenda of constitutionally protecting human rights, social rights and equality before law.¹⁵ The Common Minds Movement, on the other hand, built a reputation for reactionary civic engagement as its campaigns addressed issues ranging from protests against military junta regimes in Turkey's past to manifestos attacking politically charged jurisprudence in Turkey. Perhaps that reputation impeded the direct participation of both business interest groups and politicians in CMM campaigns and encouraged instead the attendance of more politically vocal labour unions.¹⁶

The single-issue approach did not translate into greater policy influence for the CP. In fact, CMM and CP are equally able to tap into the social dynamism erupted after the announcement of government's plans to pass a civilian constitution. CP enjoys policy influence most importantly because it has a fundamental tie with the Turkish state corporatism. CP highlighted at the outset that the rightful place of the Platform in the civilian constitution movement is to support the government's drafting and review process by acting as a bridge between the Turkish society and the state. The leader of the CP, TOBB, is already a part of the state corporatist structure and has long-lived experience of providing technical and administrative support to the state. When launching the CP, TOBB utilized the experience and clout it has in the functioning of corporatist policy bargaining to attract different business and labour organisations to the Platform and the leadership of TOBB confirmed the tacit consent of the state on the constitutional movement and on the functions that CP was established to serve. Currently, TOBB assigns its think tank TEPAV to host members of the Platform and other civil society organisations representing women and professional women, faith-based rights groups, amnesty groups, and other human rights activists in brainstorming sessions on the civilian constitution. These brainstorming sessions are carried out in Ankara and are able to bring the members of civil society together with parliamentarians and political party cadres. However, a closer study of the work of the state-sanctioned CP shows that although the more prominent, traditional business interest groups like TÜSİAD and TÜGİAD launched the campaign, the non-traditional, conservative and Islamic associations proved to be more resilient and industrious during the implementation of campaign's activities. In the latest announcement released by TEPAV regarding the constitutional campaign, the registered attendants the fourth session on the civilian constitution were members of opposition parties, the AKP and the session was co-chaired by a representative of MÜSİAD. The Republican People's Party declined the invitation from TEPAV on the grounds that the party adopted a policy of non-interference or indifference to the civilian constitution process.¹⁷ Consequentially, the Constitution Platform stems from a state corporatist tradition and gains momentum following the zealous

¹⁵ *Anayasa Platformu Ulusal Çalıştay Sonuç Raporu Özeti*, [online] İstanbul: Anayasa Platformu, Available from <http://www.anayasaplatformu.net/indir/ANAYASA.PLATFORMU.ULUSAL.CALISTAY.SONUC.pdf> 2007 [Accessed 1 April 2009].

¹⁶ Several notes and photos from CMM campaigns are available on the movement's designated website at <http://demokrasiplatformu.org/site/yazar.asp?yaziID=35>

¹⁷ The announcement for the April 11 session is available at <http://www.stgm.org.tr/detay.php?detid=1235>

involvement of Islamic business interest groups despite the gradual ebbing away of support by the state and political establishment. While the Common Minds Movement is not rooted in state corporatism, its campaigns, supported by its 400 members, serve a similar function with the CP campaigns: The exhaustion of social dynamism triggered by the prospect of a new civilian constitution. Both CMM and CP are erected and maintained by Islamic business associations and labour unions like MÜSİAD, ASKON, TUSKON, and Union of Public Sector Employees (MEMUR-SEN) and are therefore products of associational pluralism in globalizing Turkey.

Conclusion

The previous section demonstrated that Turkey's policy-making tradition is changing from predominantly state corporatist where business interest groups are subjected to harsh monitoring and control and that interest mediation occurred strictly through centralized bargaining mechanisms to a hybrid system where diverse set of business associations are able to communicate directly with state bureaucracy and politicians so as to cooperate with, provide guidance to or sanction them on the basis of policies. The laboriousness and zeal of Islamic business associations, manifest in inter-associational initiatives like the Constitution Platform and Common Minds Movement, prove that the integration of the Islamic in business interest representation can promote progressive civil society in Turkey. Islamic business associations owe part of their vigour to the catch-up impulse that their members have acquired after Turkey's globalisation, market liberalisation and subsequent bid for EU integration. Moreover, Islamic business associations are ready and willing to deconstruct Kemalist elements of the Turkish state to secure and sustain the economic, social and political interests of their membership. They work to advance pluralism in interest groups' policy-based interaction with the state; enter into partnerships with quasi-governmental organisations and business organisations with different ideological, cultural, religious convictions. Islamic business associations instrumentalize the broader public space brought about by EU accession reforms and utilize social dynamism spurred by the possibility of wider civilian engagement in policy-making in Turkey. Their efforts are undeniably utilitarian and their policy choices are driven by functionalist considerations but the outcome of their engagement in Turkey's state-market-society realms is a more representative and democratic associational landscape. Islamic business associations' involvement in framing public procurement policy shows, on the other hand, that state corporatist arrangements and rent-seeking behaviour through the employment of traditional forms of state-business interaction have survived three decades of international regulation and pledges to transparency, accountability and ethical financial integration. Clearly, as long as Islamic business associations hold their members' interests above the collective good – as most business interest groups would in other contexts – the future of democratic and representative policy-making will be bleak.

The current political environment in Turkey presents various challenges to the process of pluralisation and democratisation in Turkey's policy-making structures. The assertion that the Islamic ideological camp, through its limbs in Turkish civil society, reinforces the AKP rule is very problematic. AKP may be rhetorically supporting a more pluralistic structure of policy-making but has been practically disregarding policy-based communication with civil society organisations, including those allegedly aligned with it, when making some of the most critical decisions in the last 7 years. Therefore, the ascendancy of pluralism in Turkey's associational life cannot directly be attributed to the AKP and the phenomenon of political Islam in Turkey. In fact, members of the AKP government are believed to have adopted the authoritarian statecraft of their predecessors, despite the ruling party's fundamental departure from traditional Republican values and politics.¹⁸ The AKP leadership may be acting in an attempt to prolong its party's life but not provoking the establishment, especially the Constitutional Court that almost ruled to prohibit the AKP in 2008 (Mahcupyan, 2008). Regardless of whether the ruling party's gradual rapprochement with the state and the establishment is reasonable or excusable, the development of plural policy-making mechanisms depends on the AKP administration's willingness to pursue with vitality European Union harmonization and reforms and to substantiate its pledge to share power with civil society organisations.

¹⁸ Its proponents and critics rebuked the AKP for following the official/state policy line in foreign policy, towards northern Iraq and in domestic policy towards the Kurdish question and the politically organized labour movements. "It is difficult to label the AKP as either a system or anti-system party because although the party's leadership and grassroots cadres are collectively harangued by the state and security elite for their dismissal of the system's secular, Kemalist orientation, the AKP promotes – especially during its second term in office – a security-oriented policy with respect to the Kurdish issue and Turkey's dealings with Iraq. Especially in the second half of 2008, the AKP was increasingly criticized for becoming more 'state-like'" (Bülent Aras et. al., State and Anti-State Party Interactions in Turkey and Lebanon, *Euromesco Papers*, 82, pp. 1-42).

The positive impact that Islamic business associations have had on associational pluralism in Turkey marks only the beginning of a more fundamental and ambitious change in Turkish policy-making. Present day Islamic business associations are not perfectly representative. They are not unlike all business associations primarily utilitarian and seek to maximise the benefits of their membership. They, furthermore, do not belong to a saturated civil society in Turkey; nor are they single-handedly able to fix the problems of representation, effectiveness, coherence and cooperation in Turkey's civil society. Ideally, business and labour groups in Turkey need to display and tolerate more diversity in terms of their members' ideological, religious, lifestyle choices and to preserve a safe distance from the state so as to guarantee objectivity when exercising policy influence. However, the ascendancy of Islamic business associations to a level where they are sufficiently proximate to the state institutions, bureaucracy and political elite is a good sign. Moreover, despite their proximity, the fact that Islamic business associations are willing to maintain a critical stance against policy-makers is a source of optimism. Turkey's interest group politics has moved away from its traditionally corporatist structure and is able to accommodate pluralistic associationalism, even when the organisations that introduce pluralism are rather homogenous in their convictions. This paper established that this demonstrated homogeneity in conviction is not a determinant of policy coordination among the Islamic businesses nor is it a death toll for business associations of different convictions. Rather, the empowered Islamic actors in Turkey's public sphere will continue to push other actors out of their comfort zones and to engender further hybridization in Turkey's policy making structure. The ultimate goal ought to be to increase the quality of state-civil society interaction and subsequently to hasten the democratic consolidation of the Turkish state.

Bibliography

- 'Türkiye Katılım Bankaları Birliği' 2009, İstanbul, *TBB* [Internet] Available from: , http://www.tkbb.org.tr/index.php?option=com_docment&cid4&Itemid=105 [Accessed 10 July 2009].
- Almond, G.A. (1983) Review: Corporatism, Pluralism, and Professional Memory, *World Politics*, 35(2), pp. 245-260.
- Avrupa Birliği Sektörel Gelişmeler ve Müzakere Süreci, *MÜSİAD AB Bülteni*, [online] 22 February-22 March 2007. Available from http://www.musiad.org.tr/abbulteni/musiad_turkiye_ab_bulteni_20.pdf, [Accessed 11 April 2009].
- Ayubi, N.N. (1996) *Over-stating the Arab State: Politics and Society in the Middle East*, London, I.B. Tauris.
- Baskan, F. (2004) The Political Economy of Islamic Finance in Turkey: The Role of Fethullah Gülen and Asya Finans, In: Henry, C. M. and Wilson, R. eds. *The Politics of Islamic Finance*, Edinburgh, Edinburgh University Press, pp.216-240.
- Boratav, K. and Yeldan, E. (2006) Turkey 1980-2000: Financial Liberalisation, Macroeconomic Instability and Patterns of Distribution, In: Taylor, L. ed. *External liberalization in Asia, post-socialist Europe, and Brazil*, New York, Oxford University Press, pp. 418-457.
- Boratav, K; Türel, O. and Yeldan, E. (1996) Dilemmas of Structural Adjustment and Environmental Policies Under Instability: Post-1980 Turkey, *World Development*, 24(2), pp. 373-393.
- Boucek, F. (1993) Developments in Postwar French Political Economy: The continuing decline of *dirigisme*, In: Sheldrake, J. and Webb, P.D. eds. *State and Market: Aspects of Modern European Development*, Dartmouth, Aldershot, pp.67-85.
- Buğra, A. (1994) *State and Business in Modern Turkey: A comparative study*, Albany, NY, SUNY Press.
- Buğra, A. (1998) Class, Culture, and State: An Analysis of Interest Representation by Two Turkish Business Associations, *International Journal of Middle East Studies*, 30(4), pp. 521- 539.
- Burrell, G. Corporatism in Comparative Context, In: Murray, V.V. ed. *Theories of Business-Government Relations*, Toronto, Trans-Canada Press, pp. 221-242.
- Cengiz Aktar, Kamu İhale Yasası'nın Son Durumu, *Açık Radyo* [radio interview] 7 December 2008, Available at http://www.acikradyo.com.tr/default.aspx?_mv=a&aid=23641 [Accessed 11 April 2009].
- Cizre-Sakallıoğlu, Ü (1996) Parameters and Strategies of Islam-State Interaction in Republican Turkey, *International Journal of Middle East Studies*, 28(2), pp. 231-251.
- Cizre-Sakallıoğlu, Ü. and Yeldan, E. (2000) Politics, Society and Financial Liberalisation: Turkey in the 1990s, *Development and Change*, 31, pp. 481- 508.
- Cooper, M. (2002) The Legacy of Atatürk: Turkish Political Structures and Policy-Making, *International Affairs*, 2002, pp. 115-128.
- Dahl, R. (1994) Polyarchy, Pluralism, and Scale", *Scandinavian Political Studies*, 7(4), pp. 225-240.
- Ercan, F. and Oğuz, S. (2006) Rescaling as a class relationship and process: The case of public procurement law in Turkey, *Political Geography*, 25, pp. 641-656.
- Ertugrul, A. and Selçuk, F. (2001) A Brief Account of the Turkish Economy: 1980-2000, *Russian and East European Finance and Trade* [Internet] İstanbul: EconTurk Organization, Available from: www.econturk.org/fselcuk.pdf, [Accessed 1 April 2009].
- Gunnell, J.G. (1995) The Declination of the State and the Origins of American Pluralism, In: Farr, J.; Dryzek, J. Z. and Leonard, S. T. eds. *Political Science in History: Research Programs and Political Traditions*, Cambridge, Cambridge University Press, pp. 19-41.
- Hanafi, H. (2002) Alternative Conceptions of Civil Society: A Reflective Islamic Approach, In: Chambers, S. and Kymlicka, W. eds. *Alternative Conceptions of Civil Society*, Princeton NJ: Princeton University Press, pp. 171-189.
- Heper, M. (2000) The Ottoman Legacy and Turkish Politics, *Journal of International Affairs*, 54(1), pp. 63- 83.
- Insel, A. (2003) The AKP and normalizing democracy in Turkey, *The South Atlantic Quarterly*, 101(2/3), pp. 293-308.

Jordan, G. (1984) Pluralistic Corporatism and Corporate Pluralism, *Scandinavian Political Studies*, 7(3), pp. 137-153.

Katılım bankaları, borsada 'katılım endeksi' oluşturacak/Contribution/Islamic banks will create a 'contribution index' in the stock exchange (2009), *Akşam*, [Internet] 21 May 2009, Available from: http://www.aksam.com.tr/2009/05/21/haber/ekonomi/1962/katilim_bankalari_borsada_katilim_endeksi_olusturacak.html, [Accessed 10 July 2009].

Latham, E. (1952) The Group Basis of Politics: Notes for a Theory, *The American Political Science Review*, 46(2), pp. 376-397.

Mahçıpyan, E. (2008) Is the civilian constitution a trap? *Today's Zaman*, [online] Istanbul, 22 August 2008, Available from <http://www.todayszaman.com/tz-web/yazarDetay.do?haberno=150850> [Accessed April 3, 2009]

Önis, Z. (1991) The Evolution of Privatization in Turkey: The Institutional Context of Public- Enterprise Reform, *The Journal of Middle East Studies*, 23(2), pp. 163-176.

Özbudun, E. (1976) *Social Change and Political Participation in Turkey*, Princeton, N.J, Princeton University Press– cited in Jacoby, T. (2006) Agriculture, the state and class formation in Turkey's First Republic, *Journal of Peasant Studies*, 33(1), pp. 34-60.

Özcan, G. B. and Çokgezen, M. (2006) Trusted Markets: The Exchanges of Islamic Companies, *Comparative Economic Studies*, 48(2006), pp. 132-155.

Özcan, G.B. (1995) Small Business Networks and Local Ties in Turkey, *Entrepreneurship and Local Development*, 7(1995), pp. 265-282.

Panitch, L. (1979) The Development of Corporatism in Liberal Democracies, In: Schmitter, P.C. and Lehmbruch, G. eds. *Trends Towards Corporatist Intermediation*. Vol 1. Beverly Hills, Sage, pp. 119-146.

Pollock, J. K. (1927) The Regulation of Lobbying, *The American Political Science Review*, 21(2), pp. 335-341.

Schmitter, P.C. and Lehmbruch, G. (1979) eds. *Trends Towards Corporatist Intermediation*. Vol 1. Beverly Hills, Sage.

Schmitter, P.C. and Streeck, W. (1992) From National Corporatism to Transnational Pluralism: Organized Interests in the Single European Market, In: Streeck, W. ed. *Social Institutions and Economic Performance: Studies of Industrial Relations in Advanced Capitalist Economies*. London, Sage, pp.197-232.

Schmitter, P.C. and Streeck, W. Community, Market and State Associations? The prospective contribution of interest governance to social order, *European Sociological Review*, 1(2), pp. 119-138.

Strange, S. (1992) States, Firms and Diplomacy, *International Affairs*, 68(1), pp. 1-15.

Streeck, W. (1983) Between Pluralism and Corporatism: German Business Associations and the State, *Journal of Public Policy*, 3(3), pp. 265-284.

Teufelsbauer, W. (2003) Horizontal Business Associations at EU Level, In: Greenwood, J. ed. *The Challenge of Change in EU Business Associations*, New York, Palgrave Macmillan, pp. 33-41.

Toprak, B. (2001) Civil Society in Turkey, In: Norton, A. R. (ed) *Civil Society in the Middle East*. Vol 2. Leiden, Brill, pp. 87-118.

Traxler, F. (2007) The theoretical and methodological framework of analysis, In: Traxler, F. and Huemer, G. eds. *Handbook of Business Interest Associations, Firm Size and Governance: A Comparative Analytical Approach*, London, Routledge, pp. 10-36.

Turkey and Europe: The Decisive Year Ahead, *Crisis Group Europe Report N°197*, 15 December 2008, International Crisis Group, pp. 1-39.

TÜSİAD: Kamu İhale Kanunu AB'ye Aykırı Hale Geliyor, *Milliyet* [online] 15 November 2008 Available from <http://www.milliyet.com.tr/Ekonomi/HaberDetay.aspx?aType=HaberDetay&ArticleID=1016347&KategoriID=3> [Accessed 11 April 2009].

Walker, J. L. (1983) The Origins and Maintenance of Interest Groups in America, *American Political Science Review*, 77(2), pp.390-406.

Walzer, M (1992) The Civil Society Argument, In: Mouffe, C. ed. *Dimensions of Radical Democracy: Pluralism, Citizenship and Community*, London, Verso, p. 89-107.

Wilson, G. K. (1983) Interest Groups and Politics in Western Europe: The Neo-Corporatist Approach, *Comparative Politics*, 16(1), pp.105-123.