

**Labour and trade unionism in Turkey:
The complexities of neoliberalism and political
Islam**

**by
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Abstract

The military coup of 1980 in Turkey was followed by more than two decades of neoliberal transition, which included the introduction and rising influence of Islamic capital, as well as the systematic weakening of trade unions through both economic and political processes. In this light, what is the relationship between the strengthening of Islamic capital and political Islam and the position of labour and trade unionism in neoliberal Turkey? Islam attained a complex role as regards its influence on labour movements, with The Association of Independent Industrialists and Businessmen (MÜSIAD, which organizes on the basis of Islamic rhetoric) on the one hand, and the religiously oriented Confederation of Turkish Real Trade Unions (Hak-Is) on the other. This research hypothesizes that the new bourgeoisie with Islamic roots has been an integral part of the neoliberal process that changed the position of labour as an influential social actor by perpetuating neoliberal policies and implementing informal employer-employee relations based on social ties and moral values. It makes use of a combination of quantitative and qualitative sources, including statistics regarding union activity, government legislation, various union and MUSIAD publications, news items, face-to-face interviews, and existing literature. Through an exploration of the rise of Islamic capital under a neoliberal setting from the perspective of labour, this research would help explain neoliberalism's impact on the social structure of a developing country.

Keywords: Labour; Islamic capital; political Islam; neoliberalism; Turkey

*Dedicated to my father, Ömer Esensoy, whose love, generosity,
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List of Acronyms¹

AKP	Justice and Development Party	<i>(Adalet ve Kalkınma Partisi)</i>
ANAP	Motherland Party	<i>(Anavatan Partisi)</i>
AP	Justice Party	<i>(Adalet Partisi)</i>
CA	Collective Agreement	
CGP	Republican Reliance Party	<i>(Cumhuriyetçi Güven Partisi)</i>
CHP	Republican People's Party	<i>(Cumhuriyet Halk Partisi)</i>
ÇSGB	Ministry of Labour and Social Security	<i>(Çalışma ve Sosyal Güvenlik Bakanlığı)</i>
DISK	Confederation of Progressive Trade Unions	<i>(Devrimci İşçi Sendikaları Konfederasyonu)</i>
DP	Democratic Party	<i>(Demokrat Parti)</i>
DSP	Democratic Left Party	<i>(Demokratik Sol Parti)</i>
DYP	True Path Party	<i>(Doğru Yol Partisi)</i>
ECHR	European Court of Human Rights	
ETUC	European Trade Union Confederation	
EU	European Union	
FP	Virtue Party	<i>(Fazilet Partisi)</i>
GDP	Gross Domestic Product	
GNP	Gross National Product	
Hak-İş	Confederation of Turkish Real Trade Unions	<i>(Hak İşçi Sendikaları Konfederasyonu)</i>

¹ The English translations of the names of Turkish institutions are obtained from their respective official websites.

IBF	International Business Forum	
ILO	International Labour Organization	
IMF	International Monetary Fund	
MHP	Nationalist Movement Party	<i>(Milliyetçi Hareket Partisi)</i>
MISK	Nationalist Labour Unions Confederation	<i>(Milliyetçi İşçi Sendikaları Konfederasyonu)</i>
MNP	National Order Party	<i>(Milli Nizam Partisi)</i>
MSP	National Salvation Party	<i>(Milli Selamet Partisi)</i>
MÜSİAD	Association of Independent Industrialists and Businessmen	<i>(Müstakil Sanayici ve İşadamları Derneği)</i>
OECD	Organisation for Economic Co-operation and Development	
RP	Welfare Party	<i>(Refah Partisi)</i>
RTÜK	Radio and Television Supreme Council	<i>(Radyo ve Televizyon Üst Kurulu)</i>
SGK	Social Security Institution	<i>(Sosyal Güvenlik Kurumu)</i>
SOE	State-owned Enterprises	
SP	Felicity Party	<i>(Saadet Partisi)</i>
SSK	Social Insurance Institution	<i>(Sosyal Sigortalar Kurumu)</i>
TBMM	Grand National Assembly of Turkey	<i>(Türkiye Büyük Millet Meclisi)</i>
TISK	Turkish Confederation of Employer Associations	<i>(Türkiye İşveren Sendikaları Konfederasyonu)</i>
TSK	Turkish Armed Forces	<i>(Türk Silahlı Kuvvetleri)</i>
TÜBİTAK	Scientific and Technological Research Council	<i>(Türkiye Bilimsel ve Teknolojik Araştırma Kurumu)</i>
Türk-İş	Confederation of Turkish Trade Unions	<i>(Türkiye İşçi Sendikaları Konfederasyonu)</i>
TÜSİAD	Turkish Industry and Business Association	<i>(Türk Sanayicileri ve İşadamları Derneği)</i>
UN	United Nations	

Chapter 1.

Introduction

The weakening of labour movements is a global phenomenon of the late- and post-Cold War era. The liberalization of markets, the growth of the service economy and the flexibilization of the labour force have led to deteriorating labour rights, which is in part reflected in declining rates of trade union membership across the globe (Boxall and Haynes, 1997; Dreher and Gaston, 2007; Godard, 2003; Ross, 2000). In some developing countries, including Turkey, such a transition was preceded by a military intervention in government, prompting a conscious neoliberal project, which not only practically debilitated labour movements, but also created a new middle class.

In Turkey, such a middle class emerged in the form of 'Islamic capital', a term that Tuğal uses in reference to the aggregation of the dispersed funds of the provincial elite "facilitated by a rhetoric emphasizing the need for the unity of believers" against the secularist, republican bourgeoisie (Tuğal, 2002, p. 92). For the purposes of this research, 'Islamic capital' entails a bourgeoisie of small- and medium-sized businesses dispersed through the less developed region of Anatolia, as well as a number of large conglomerates that incorporate Islamic principles into their economic and social operations to various degrees². This new class of capitalists has also established supportive ties with different pro-Islamic political parties over the years, which are referred to in this research under the collective term, 'political Islam'. In the Turkish context, while these parties have undergone fundamental changes in their ideologies

² It should be noted that Islamic capital in Turkey does not have a unanimous approach towards the use of interest.

over the years, ‘political Islam’ will describe parties that have incorporated a “religious consciousness” (Ayata, 1996, p. 41) into their political identity.

The essential purpose of this research is to explore the relationship between neoliberalism, Islamic capital, and political Islam from the perspective of the weakening labour movement. The military coup of 1980 in Turkey was followed by more than three decades of neoliberal transition, which included the introduction and rising influence of Islamic capital, as well as the systematic weakening of trade unions through both economic and political processes. In this light, what is the relationship between the strengthening of Islamic capital and political Islam and the position of labour and trade unionism in neoliberal Turkey? This research argues that the new bourgeoisie with Islamic roots and political Islam have played contributing roles in the neoliberal process that changed the position of labour as an influential social actor by perpetuating neoliberal policies and implementing informal employer-employee relations based on social ties and moral values. The anti-labour policies of the military government, the gradual yet decisive rise in the political power of Islamic capital, and subsequent government policies, combined with the manner in which The Association of Independent Industrialists and Businessmen (MÜSİAD, which organizes on the basis of Islamic rhetoric) operates have been particularly effective in contributing to the erosion of working class consciousness and perpetuating labour’s diminishing role as a political power. The current Turkish government’s affinity towards both neoliberal principles and Islamic capital and the continuation of anti-labour policies make it reasonable to hypothesize that these distinct entities in combination have had a negative influence on labour.

This case should not imply that neoliberalism and political Islam in Turkey have established an absolute tie, or that their influence on labour has been uniform. The interests of capital are not represented solely via MÜSİAD, as the largest businesses still organize under the Turkish Industry and Business Association (TÜSİAD), which espouses a strictly secularist political perspective, yet is generally in support of the Justice and Development Party’s (AKP) neoliberal policies (Atasoy, 2008, p. 124). Similarly, labour and political Islam are not categorically hostile to each other, as adherence to religious principles can be observed in the operation of The Confederation of Turkish Real Trade Unions (Hak-İş), which frequently needs to find a balance

between its pro-Islamic orientation and pursuit of formal labour rights³ (Buğra, 2002). Thus, an analysis of the relationships between neoliberalism, political Islam, and labour would help understand the complexities that have resulted in the deterioration of labour protections and trade unionism in Turkey. A related issue is the extent to which the association between Islam, capitalism and deteriorating labour rights makes Turkey a special case among nations experiencing a neoliberal shift. For example, the “confessional unionism” of Quebec unions affiliated with the Catholic Church during most of the first half of the 20th century “stressed harmony and co-operation and...rejected socialism, class conflict, and revolution” (Howlett et al., 1999, p. 215), not unlike Turkey’s Hak-İş. Similarly, the Christian Labour Association of Canada, which continues its operation, tends to concede “to employers collective agreements with provisions below” provincial employment standards (Fairey and McCallum, 2007, p. 5). On the other hand, there are also religious influences on socialist movements, as was the case with the ‘liberation theology’ in Latin America during the second half of the 20th century (Gülalp, 2001, p. 434). This suggests that the effects of religious affiliations on unions’ ideologies in a capitalist context can differ under various circumstances. The currency and intensity of the debate on the state of secularism make Turkey an interesting case among countries in which cultural and religious factors play a role in the diminishing influence of labour. Therefore, the exact way in which religion matters in the characterization of neoliberalism in Turkey needs to be examined. In order to address these issues, I study each of these three main components (neoliberal transition, Islam’s role in politics and business, and the labour movement), and establish and evaluate the connections between them.

³ It should be acknowledged that the business organizations and union confederations examined in this study are not homogenous, and exhibit internal points of tension due to the diversity in their membership. The ideologies of umbrella associations may not necessarily be reflected in the operations of every single member.

Review of key literature

There readily exists valuable international literature on the detrimental effects of neoliberalism on labour (Cook, 1998; O'Brien, 2000; Robinson, 1994; Smith and Morton, 2006). As outlined below, there is also some intriguing research on the evolution and strengthening of Islamic capital and political Islam through neoliberal processes in Turkey. What seems to be lacking is an in-depth analysis of the combined effects of these phenomena on labour. Hence, an exploration of the rise of Islamic capital under a neoliberal setting from the perspective of labour would help deliberate on neoliberalism's impact on a country's social structure.

Examining neoliberalism in the context of modern Turkey, Yücesan-Özdemir offers a comprehensive outline of its theoretical principles:

The key individual components of the whole neo-liberal intellectual system are rationality, the supremacy of the market as an allocative mechanism, public choice theory, the public burden theory of welfare, government overload, and the superior morality of individual responsibility and self-reliance over the 'culture of dependency'. All in all, neo-liberal theory involves a shift from community to individual and from government to market. (Yücesan-Özdemir, 2003, p. 184)

More specifically, in accordance with the lending conditions of the International Monetary Fund (IMF), these ideological concepts have been implemented since the 1980s in the form of "privatization, flexible labour markets, financial de-regulation, flexible exchange rate regimes, central bank independence (with inflation targeting), fiscal austerity and good governance" (Cizre and Yeldan, 2005, p. 388). Cizre and Yeldan are significantly critical of Turkey's neoliberal transition process, asserting that the liberalization and deregulation of the economy was premature, which eventually led to the crisis of 2001 (Cizre and Yeldan, 2005, p. 389). The macroeconomic policies of the neoliberal era are further discussed in chapters III and IV.

The political transformation and strengthening of Islamic capital has occurred simultaneously with its economic growth. Even though Islamist leanings have existed in Turkish politics since the early days of the Republic, political Islam gradually, yet decisively, moved from the radical to the mainstream as Islamic capital reaped the

benefits of neoliberal transition. Such a relationship has drawn considerable attention, with various scholars examining the effects of military rule following the coup of September 12, 1980, and subsequent neoliberal policies on political Islam and Islamic capital. While some argue that this process contributes to a burgeoning Turkish democracy (Jang, 2005; Keyman and Koyuncu, 2005), much of the scholarship on this issue deals with the concept of the role of religion in meeting political and economic ends (Atasoy, 2003, 2005, 2008; Buğra, 1999, 2002; Tuğal, 2002). Comparing the traditionally secularist TÜSİAD with the predominant representative of Islamic capital, MÜSİAD in terms of their social principles and strategic differences, Keyman and Koyuncu contend that these institutions “act as powerful economic pressure groups forcing the state to transform itself into an effective, accountable and transparent governing institution” (Keyman and Koyuncu, 2005, p. 108), helping construct a more democratic country. They describe the post-1980 neoliberal transition process through what they refer to as “the legitimacy crisis of the strong-state tradition”, where the state, which has historically held a monopoly in being the driving force of modernization, is challenged by civil society, where ethnic and religious complexities gain increasing attention in political discourse (Keyman and Koyuncu, 2005, p. 109). “Thus, the strong state [faces] a serious legitimacy problem in maintaining its position as the primary context for politics” (Keyman and Koyuncu, 2005, p. 109). Related to this, Keyman and Koyuncu claim that the emerging actors and mindsets of the neoliberal era constitute an alternative to the state-centric, secularist understanding of modernity, where culture and capital are incorporated through a considerably novel approach; that is, the idea that hard-line secularism is the only route to modernity is challenged, and capital is embraced (Keyman and Koyuncu, 2005, p. 109-110). The marriage of neoliberal practices and religious and cultural sensitivities in the operations of MÜSİAD is evaluated as not only a sign of compatibility between “liberalism and communitarianism in Turkish economic life”, but also as a representation of the changing dynamics in society, which leads to further democratization (Keyman and Koyuncu, 2005, p. 124).

Adopting a similar approach, Jang studies the impact of the prospering of Islamic capital on the political position of Islamist movements, arguing that it has had “taming effects”, as their “drive for markets, profits, political stability, and rule of law played a role in transforming the earlier, fundamentalist stance of the political Islamists into a more

liberal posture at the end of 1990s” (Jang, 2005, p. vi). This analysis implies that political Islam needed to move away from its radical inclinations in order to sustain and improve Islamic capital’s thriving position in a market economy. Jang notes that this relationship “generated more moderate political Islamists who have proven themselves to be capable democrats” (Jang, 2005, p. 239-40). Such a perspective can be evaluated as being similar to the argument offered by Keyman and Koyuncu that Islam’s association with neoliberalism has led to a stronger democratic system.

There is a significant body of literature that adopts a more materialist approach towards Islam’s new place in a competitive economy and, correspondingly, the political arena. Atasoy (2003; 2005; 2008), Buğra (1999) and Tuğal (2002) observe the role of religious rhetoric as a strategic tool in mobilizing and organizing Anatolian entrepreneurs into a position of competitiveness against generally secularist, Istanbul-based industrialists. This is in part achieved through the efforts of religious orders (or ‘brotherhoods’) in preparing small businesses to make use of modern technology and to participate in the global economy through instilling an Islamic work ethic and a sense of solidarity (Atasoy, 2005, p. 170). Tuğal identifies the basis of this solidarity as “the need for the unity of believers” in competition with the well-established secularist bourgeoisie, which has been one of the founding principles during the formation of MÜSİAD (Tuğal, 2002, p. 92). Atasoy argues that the emphasis given to “individual righteousness and charitable initiatives” in Islamic circles manifests itself in the social welfare policies of the AKP government, as the burden of social assistance is passed onto civil society, coinciding with neoliberal principles (Atasoy, 2008, p. 134). Atasoy also notes that such integration into the market economy has blurred the distinction between Anatolian capital and the big bourgeoisie of Istanbul, as recently “the more successful pro-Islamic groups have already entered the ranks of big capital, and some of them are now located in Istanbul while maintaining strong family ties with Anatolian towns and villages” (Atasoy, 2008, p. 124). Similarly, studying the position of Islam in the “interest group activities of business associations and labour unions” (Buğra, 1999, p. 9), Buğra recognizes that Islamic networks do not “constitute a coherent whole, but appear as separate power blocs which try to reach those groups that feel alienated from the secular, westernized political and economic establishment” (Buğra, 1999, p. 53-4). Hence, the similarities and differences of Islam’s function as a unifying and mobilizing tool within both capital and

labour, as well as the political world requires further investigation.

The evolution of political parties with religious agendas and backgrounds and the tactics they have employed in creating and expanding their public support since the mid-twentieth century has attracted a considerable amount of scholarship. In his analyses of both the electoral success of the Welfare Party (RP) during the mid-1990s, which has allowed them to briefly lead a coalition government, and the AKP's domination of the Parliament since 2002, Öniş points to both parties' ability to "forge a broad cross-class coalition that incorporates both the winners and losers of neo-liberal globalization" (Öniş, 2004b, p. 29). He notes that the RP has been "truly modernist" in its support for the pursuit of capital accumulation through participation in free markets, thus attracting the support of the bourgeoisie, while speaking to the lower classes through maintaining a "traditionalist" attitude in social and cultural affairs (Öniş, 1997, p. 753). Such an observation can be extended to the practices of the current AKP government. Similarly, Eligür contends that Islamic brotherhoods have not only voted for and facilitated the organization of Islamist parties, but also supported centre-right parties; the most significant of them being the Motherland Party (ANAP), which headed the neoliberal transition of the economy in the 1980s (Eligür, 2010, p. 7).

Jenkins is another author who studies political Islam's increasing influence in Turkish society. His work is particularly interesting due to his position on the discussion of the AKP's commitment to Islamist ideals, since the mild rhetoric that it has adopted after it broke apart from the preceding, more radical 'national view' ideology has led many to believe that the AKP has abandoned Islamist principles. Jenkins argues that the Islamic identity is still present within the AKP, but does not manifest itself in legislation (Jenkins, 2008, p. 215). Instead, the AKP focuses on "lifting what they regard as the restrictions on pious Muslims being able to live according to their beliefs" (Jenkins, 2008, p. 215).

The literature on the AKP government's relationship with labour generally encompasses examinations of the effects of neoliberal policies and related legislation specific to labour. Studies of the involvement of Islamic tendencies in labour relations usually date back to the pre-AKP era. Performing a functional analysis of the impact of the current Labour Act no. 4857 of 2003 (which was prepared by the AKP government)

on labour contracts, Özdemir and Yücesan-Özdemir argue that the state has lost its position as “guarantor of basic workers’ rights and of wage compensation”, favouring economic policy over social policy (Özdemir and Yücesan-Özdemir, 2005, p. 76). Offering a more detailed account of the AKP government’s policies on labour, Koç points to privatizations and the encouragement of subcontracting as practices that continue to disadvantage labour movements (Koç, 2006). Moreover, he claims that the anti-labour policies of the government, especially the Labour Act, have helped distance the working class from the notion of class-consciousness, and moved them closer to identifying with ethnic ties and religious ‘brotherhoods’ (Koç, 2006, p. 33). Likewise, Güveloğlu argues that what distinguishes the AKP government from previous governments of the post-coup era is not necessarily its neoliberal ideology, but its “democratization project” that granted political and cultural rights to various groups, but in the mean time “extended the class domination of the bourgeoisie” (Güveloğlu, 2007, p. 106-7).

Koç (1995), Buğra (2002) and Duran and Yıldırım (2005) are among the few economists who study Islam’s views on and relationship with labour issues. Koç draws from Islamic scholarship to point out that Islam, while emphasizing the notion of social harmony, aims to moderate, if not eliminate, the inherent struggle between capital and labour, arguing that such an approach eventually serves the bourgeoisie, as it involves avoiding collective agreements and strikes (Koç, 1995). He also provides a historical account of the development of Hak-İş and its position as a union confederation based on Islamic rhetoric. He notes that Hak-İş has diluted its Islamic identity over the years, while gaining more members (Koç, 1995, p. 126). Duran and Yıldırım, on the other hand, explain Hak-İş’ transformation as adapting its Islamic rhetoric to the more Western one of ‘social cohesion’ in order to survive as a labour organization (Duran and Yıldırım, 2005). Finally, Buğra’s work is particularly important in its comparison of the organizational use of Islam in capital and labour, arguing that although Islam provides a source of connection for members of both capital and labour, “[s]uccessful networking among workers could hardly present a substitute...for the redistributive/associative principles that define rights and entitlements in a way to assure stability of employment and income independently of the goodwill of individual employers” (Buğra, 2002, p. 201). Part of my research’s aim is to offer an updated account of the development of Hak-İş in relation to the increasing political power of the AKP.

Methodology

This research makes use of a combination of quantitative and qualitative sources, including statistics regarding union activity, government legislation, various union and MUSIAD publications, news items, face-to-face interviews, and existing literature.

The need to perform a thorough statistical analysis of various indicators that describe the condition of labour, such as union membership rates, the number of collective agreements, and the number of strikes is vital, yet considerably challenging. The figures released annually by the Ministry of Labour and Social Security (*Çalışma ve Sosyal Güvenlik Bakanlığı*, or ÇSGB) regarding union membership are troublingly inaccurate. For example, according to the International Labour Organization (ILO), union membership in Turkey in 1995 was 33.7 per cent⁴, whereas the ÇSGB reports the same indicator as 68.3 per cent, which is higher than most EU countries (Çelik and Lordoğlu, 2006, p. 14). There are several reasons, mostly related to legislation, for this discrepancy. First, Articles 24 and 25 of the Trade Unions Act no. 2821 of 1983 state that short-term unemployment does not affect a worker's membership to a union, and that resignation from a union takes effect one month later (Mahiroğulları, 2001, p. 173). Thus, Mahiroğulları notes that there are frequent delays in both the reporting by unions and the processing by the ministry of workers that have retired, switched sectors, or passed away, causing an overstatement of the total number of union members by 500 000-600 000 every year (Mahiroğulları, 2001, p. 173). Moreover, the law also declares that unions need to represent 10 per cent of the workers in a given sector, or 50 per cent of the workers in a workplace in order to be able to engage in collective agreement bargaining (Mahiroğulları, 2001, p. 174). Such a law forces unions to inflate their membership numbers when reporting them to the ministry (Mahiroğulları, 2001, p. 173).

⁴ For the year 1995, the ILO has relied on data provided by the Turkish Confederation of Employer Associations (TISK) (Çelik and Lordoğlu, 2006).

Taking into account the rapidly growing informal sector, Mahiroğulları attempts to deal with these limitations by calculating the ratio of the total number of union members to the total number of wage earners⁵ (approximately 10 million in 1999), as opposed to that of those registered at the Social Security Institution (approximately 4 million), which is the method the ÇSGB has adopted (Mahiroğulları, 2001, p. 174). However, since obtaining reliable figures for informal sector employment is extremely difficult, this research continues the technique used by Çelik and Lordoğlu in order to provide updated statistics. Çelik and Lordoğlu utilize the number of workers under collective agreements as a proxy for union membership, since the prevalence of collective agreements would indicate strong union activity. Hence, using official figures, they calculate the ratio of the number of workers under collective agreements to the number of workers registered at the Social Security Institution (Çelik and Lordoğlu, 2006, p. 20). It should be noted that collective agreements in Turkey are generally signed for two years, while the ÇSGB reports figures annually. Also, the signing of certain collective agreements might extend into the following year due to disagreements. Therefore, when determining the number of workers under collective agreements, Çelik and Lordoğlu calculate the average of two-year totals for each year. The results are given in Chapter VI.

The personal experiences and opinions of the representatives of the institutions that influence the labour movement constitute a considerable portion of this research. Hence, a total of six individuals, consisting of two politicians, one from the governing AKP, and from the opposition leader, the CHP, and four unionists representing different confederations were interviewed over the course of a month-long trip to Ankara and Istanbul. Two of the unionists worked at Türk-İş and Hak-İş, respectively, while the other two were respective members of unions affiliated with Türk-İş⁶ and DISK⁷. Each interview took approximately forty-five minutes, and general questions were asked in

⁵ The number of wage earners is based on the results of the Turkish Statistical Institute's household workforce survey (Mahiroğulları, 2001).

⁶ The union was Tes-İş, a union for workers of the energy sector.

⁷ The union was Limter-İş, a union for harbour and shipyard workers.

order to spark a discussion on the relationship between the different confederations and the current AKP government, as well as the evolution of the labour movement since the 1980s. The interviews were valuable in terms of gaining an insight into the attitude of trade unions with varying membership characteristics towards government policies. Of particular interest was Hak-İş' position regarding their ties with the political Islam movement and the responsibility of representing their members at the face of generally unfavourable labour policies undertaken by the AKP government.

Chapter Overview

Chapter II will provide a relatively quick overview of the developments of the late 1970s that led to a military intervention, from the perspective of the three main components of the research, i.e. labour, with a focus on trade unions, political Islam, and economic policy. Attention will be given to the rights the labour movement managed to acquire during the twentieth century, while Islamist groups will be studied in terms of their struggles for gaining political power, emphasizing their relative subordination against the conflict between the Left and the Right within political discourse. The focus on economic policy will touch upon the state's growth policy that promoted import substitution. The chapter will place these changes within the social and political environment of the time, where instability prompted the military to take action.

Chapter III will analyze the evolution of the three main components after the military coup of 1980 up to the crisis of 2001. I aim to address the specific pieces of legislation and other government actions that weakened the labour movement, as well as to explain what neoliberal transition specifically entails. In order to do so, the legislative actions that drove the transition, and the economic indicators that reflect its effects will be examined. Regarding Islamic capital, I will evaluate the economic and political processes that led to its flourishing, along with the extent to which the silencing of labour movements by the junta ultimately helped this change, and the way in which labour in turn was affected. It is anticipated that evidence will show that both direct government action against labour and changes in economic policy had a detrimental impact on labour movements. These actions, in turn, made it easier for Islamic capital to establish itself as a strong economic and social force. Moreover, it will be argued that the

manner in which Islamic capital organizes discourages formal employer-employee relations.

In order to effectively evaluate the connection between neoliberalism and political Islam, a chapter that addresses the crisis of 2001 is necessary. Chapter IV will analyze the economic policies that led to the crisis, as well as the subsequent IMF intervention and its ramifications on the part of political Islam and labour will be analysed. I will focus on the manner in which the AKP benefited from the political environment emanating from the crisis, arguing that it managed to garner ample support from all classes by drawing on the public's dissatisfaction with the government and the IMF.

Chapter V will further develop the thesis that the relationship between neoliberal economic policy, Islamic capital, and labour has put labour at a disadvantage. Focus will be on more recent developments since the AKP's rise to power, exploring policies adopted by the incumbent government at the legislative level, and its relationship with Islamic capital, as well as the secular state establishment. Of particular significance here will be the connection between the AKP's approach to Islam and secularism with the class-consciousness of labour.

Chapter VI will address the complex relationship between the AKP government and trade unions, with a particular focus on Hak-İş. It will be argued that, even though minor improvements have been made in labour legislation since the 1990s due to external pressures, the government's hostile attitude towards labour can be observed through its commitment to neoliberal policies, especially the Labour Act, and the tone it adopts against unions within political discourse.

The last chapter will summarize the main points of the thesis, and place the research within the overall context of the discourse on the social and political impacts of neoliberalism.

Chapter 2.

Historical Background to Turkey's Trade Unionism and Political Islam

Founded in 1923 under the leadership of Mustafa Kemal Atatürk, Turkey was governed by the Republican People's Party (CHP) for the following twenty-three years, before switching to a multi-party system in 1946. Except for the slight divergence in Democratic Party (DP) era (1950-1960), in which steps were taken to develop trade liberalization and export-led growth strategies, the post-war period leading up to 1980 was generally marked by import substituting industrialization under state control (Keyder, 1987). While increases in capital accumulation and labour and agricultural incomes were achieved, this strategy came under heavy criticism during the global economic crisis of the late 1970s. Fiscal instability eventually attracted intervention from the International Monetary Fund (Öniş, 2006a). On 24 January 1980, the IMF and the Turkish government agreed on a set of prescriptions advocating neoliberal policy, by which the military junta of 12 September abided (Güveloğlu, 2007). It is against this economic backdrop that the labour movement and Islamic politics in Turkey evolved.

The Labour Movement

The history of trade unionism in Turkey is characterized by an often-unproductive series of struggle, political divisions that have frequently manifested themselves through violence and intermittent, yet significant moments of success.

The first Labour Act (no. 3008) of Republican Turkey was adopted in 1936 (Koç, 2003). While it banned strikes, the penalties for disobeying the ban were relatively lenient (Koç, 2003). The law also introduced severance payments and guaranteed free labour contracts (Koç, 2003; Gürboğa, 2009). Turkey transitioned into a multi-party

system, and the ban on class-based associations was lifted in 1946, leading to a rise in the number of trade unions and political parties (Nichols and Sugur, 2004, p. 145). The DP, which ran on a very liberal economic platform, assumed power in the 1950 elections. The Confederation of Turkish Trade Unions (Türk-İş), the first of its kind, was founded during the DP government, with considerable backing from the United States (Nichols and Sugur, 2004; Blind, 2009). In line with the DP government's aim to keep trade unions in check, Türk-İş was designed to operate as a non-political, centralized, patriotic entity that would not engage in class struggle and would cooperate with employers and the state (Blind, 2009, p. 43).

The ten-year-long DP government was overthrown by a military coup in 1960. The new constitution that followed the coup proved to be a turning point for trade unionism, as it "guaranteed the right to organize, to form trade unions, to engage in collective bargaining and to strike" (Nichols and Sugur, 2004, p. 146). However, some of these advantages were taken away in 1963, when a series of legislations banned general, solidarity and political strikes, and granted employers the power to lockout (Koç, 2003; Nichols and Sugur, 2004). Nevertheless, the 1960s saw a dramatic increase in the number of unionized workers, as membership "increased from 282,000 in 1960 to 834,000 in 1967 and to 1 million in 1971" (Nichols and Sugur, 2004, p. 146).

Starting with the second half of the 1960s, dissatisfaction with Türk-İş' relations with employers, its dependence on American aid, and its political affiliations (several union leaders were elected as deputies for the DP) led to a number of splits from the Confederation (Nichols and Sugur, 2004; Blind, 2009). The Confederation of Progressive Trade Unions (DISK), which was supported by the Workers' Party and pursued an aggressive, class-based form of unionism, was the first one to break away from Türk-İş. The emergence of such a militant confederation led to conflict between its supporters and unions affiliated with Türk-İş, as well as the state. "Incidents in Adana, where workers tried to switch from Türk-İş to DISK in large textile plants...resulted in clashes between left- and right-wing unionists inside and outside the plants in 1970" (Nichols and Sugur, 2004, p. 147). Moreover, the government of the time, the centre-right Justice Party (AP), passed legislation that was specifically intended to make it more difficult for new trade unions to compete with existing ones, further inflaming the conflict between right- and left-wing factions of society (Nichols and Sugur, 2004, p. 147). In response to

rising social unrest, the military once again stepped in, issuing a forceful memorandum to the government in 1971, which later resigned. Both Türk-İş and DISK welcomed the intervention (Koç, 2003, p. 113). However, the new government was not equally forthcoming to trade unions, as the new Trade Unions Act no. 1317 of 1971 brought newer limitations to their operations. For example, it “made it mandatory for a union to represent at least one-third of the workforce in a given professional sector in order to be able to engage in collective bargaining” (Blind, 2009, p. 47).

Despite growing political tension, the trade union movement managed to acquire a number of important gains in the period between 1960 and 1980. For instance, while they were not allowed to engage in collective bargaining or go on strike, unionization rights, albeit limited, were given to public employees through Act no. 624 of 1965 (Koç, 2003, p. 103). Moreover, with Act no. 1186 of 1969, the basis for eligibility for retirement was changed from age to the number of years employed within the social security system, thus allowing workers the opportunity for early retirement (Koç, 2003, p. 104). Another beneficial change in legislation for workers was related to severance payments, as the number of years needed to be employed to be eligible for a severance payment was reduced from three to one. The annual amount of severance payment was increased from an equivalent of 15 days’ wage to that of 30 days (Koç, 2003, p. 104). Furthermore, union membership rates kept on growing during the 1970s, with DISK reaching 600,000 members, who were also more committed and active in union operations (Nichols and Sugur, 2004, p. 148).

For the trade union movement, the 1970s was distinguished by an ever-rising politicization and partisanship, with further separations being observed in Türk-İş. The Nationalist Labour Unions Confederation (MISK) was essentially founded by the Nationalist Movement Party (MHP) in 1970, while the National Salvation Party (MSP), which ran an Islamist platform, facilitated the founding of the Confederation of Turkish Real Trade Unions⁸ (Hak-İş) in 1976 (Blind, 2009, p. 47). In effect, the military

⁸ A discussion of Hak-İş’ relationship with the MSP is offered in the next chapter.

intervention of 1971 did not achieve its aim of restoring social order. Nichols and Sugur estimate the number of deaths in the late 1970s as a result of urban clashes between different militant groups at 4500, including the 34 that were killed during the infamous May Day celebrations in Istanbul in 1977 (Nichols and Sugur, 2004, p. 148-9), as well as the founding chairman of DISK, Kemal Türkler, who was assassinated in 1980 by nationalist militants (Hürriyet, 1 December 2010).

The import substitution era was a critical time for Turkish unionism. While important progress was made in terms of securing basic rights and increasing membership and the number of collective agreements, the overall hostile attitude of successive governments, and the political environment of the time placed trade unions in an active position in forming the conditions that led to the military coup of 1980.

Political Islam

While Islamist movements have existed in Turkish politics since the latter days of the Ottoman Empire (Atasoy, 2003), the manifestation of Islamic sensitivities in electoral politics has gradually intensified in the multi-party period. It is important to note that Islam's involvement in the political world is not limited to the explicitly vocal Islamist parties, as it has also played a crucial role in shaping the ideological rhetoric of more mainstream, conservative parties, such as the Democratic Party and the Justice Party, which have both led various governments in the period between 1950 and 1980.

During the early years of the Republic, the Turkish state's approach to religion involved separating it from unrelated state institutions on the one hand, and actively controlling it on the other. As Eligür puts it;

The revolutionary movement headed by Atatürk aimed at removing Islam from public affairs and relegating religion to the private sphere through state control; thus, religious institutions were not just separated from the state, but became subservient to it. The dismantling of the sultanate, the caliphate, the *ulema* (the religious class), and the Islamic brotherhoods disestablished institutional Islam in Turkey. (Eligür, 2010, p. 6)

It is thus not surprising that the DP's inclination towards Islamic sentiments have contributed to its electoral success in the 1950s and drawn criticism from the CHP (Jenkins, 2008, p. 117). When in power, the DP took several steps to foster religious practices in society. These included restoring the practice of reciting the *ezan*⁹ in Arabic, lifting "the ban on religious programming on the state-run radio", upgrading the *Imam-Hatip* courses¹⁰ to the status of schools, increasing the budget of the Presidency of Religious Affairs¹¹, and building a total of 15,000 new mosques within a ten-year period (Jenkins, 2008, p. 117-8). Much of the DP's electoral support came from the rural areas, as it was friendlier to private business and the agricultural sector (Jenkins, 2008). "By incorporating rural producers into the national economy, the DP also integrated small producing peasants along with their Muslim beliefs and practices" into the state (Atasoy, 2003, p. 142). Despite these efforts, it is difficult to argue that the DP's enthusiasm for fostering Islamic practices was part of an attempt to reform the secular structure of the Turkish state; it was more in line with appealing to the religious vote (Jenkins, 2008, p. 123). Nevertheless, the DP has initiated a current of social change whereby religion became an influential force in the political realm.

Following the shutting down of the DP after the military coup of 1960, a large portion of the political right converged under the umbrella of the Justice Party, which began to be led by Süleyman Demirel in 1964, whose origins as a peasant from a pious family made him largely popular among the rural population (Jenkins, 2008, p. 127-8). The AP was arguably more vocal than its predecessor in its claim for safeguarding Islamic values, while antagonizing and persecuting supporters of the left (Jenkins, 2008, p. 128). During the AP government, high rates of enrolment in *Imam-Hatip* schools indicated "that they were no longer simply vocational schools but were being chosen by

⁹ *Ezan* is the public call to prayer.

¹⁰ These were "10-month training courses for Islamic prayer leaders and preachers run by the Directorate General of Elementary Schools" (Jenkins, 2008, p. 115).

¹¹ The Presidency of Religious Affairs is a state organ whose responsibilities are "to execute the works concerning the beliefs, worship, and ethics of Islam, enlighten the public about their religion, and administer the sacred worshipping places." (The Presidency of Religious Affairs of Turkey, 2010)

parents who wanted their children to receive a religious education”¹² (Jenkins, 2008, p. 129).

The National Order Party (MNP), founded in 1970 by Necmettin Erbakan, was the first explicitly Islamist party that managed to acquire a relatively large amount of popular support. The AP’s inability to maintain the backing of the masses during the global economic crisis of the 1970s allowed the MNP to attract small-scale, Anatolian firms through offering a rhetoric that combined upholding the interests of small capital with appealing to “Islamic moral principles of justice and equality” (Atasoy, 2005, p. 121).

After the Constitutional Court banned the MNP due to its alleged violation of the secular principles of the Turkish state in 1971, it was succeeded by the National Salvation Party (MSP). Both parties have been ideologically guided by the ‘National View’, which situated the notion of social justice within the context of a supposed incompatibility between ‘Western’ practices and national-religious identity (Atasoy, 2003). It criticized state ideology for pursuing Western methods of economic development, and framed it as the root cause of social injustices (Atasoy, 2005; Eligür, 2010). It should be noted that the ‘National View’ was heavily influenced by the *Naqshbandi* order/brotherhood, which advocated that “secularism had devalued the moral-ethical dimension of social existence” (Atasoy, 2005, p. 125). Many high-ranking MSP members were affiliated with the *Naqshbandi* order, including the leader, Necmettin Erbakan (Atasoy, 2005).

The MSP partook in different coalition governments between the years 1974 and 1978 (Jenkins, 2008, p. 135). While it did not necessarily introduce policies that would challenge the secular system, it focused on securing an influential crowd within Turkish bureaucracy by employing its own supporters in ministries (Jenkins, 2008, p. 136). It placed emphasis on social mobilization around the National View, expanding “its own

¹² It should be noted that these schools offer a combination of religious and non-religious courses.

network of foundations, cultural associations, and vocational and youth organizations throughout Anatolia” (Jenkins, 2008, p. 137).

The official approach in Turkey towards religion has been to contain and control it via the state apparatus. This situation has been complicated since the start of the multi-party era by several governments that have accommodated certain Islamist tendencies, creating an ideological conflict that is now entrenched in Turkish political discourse.

Conclusion

Not unlike the economic growth strategy of import substitution, Turkish trade unionism started out under state control with the founding of Türk-İş. Separations from Türk-İş led to increased labour militancy which escalated up to the end of the 1970s, despite fluctuating success on the legislation front. While political Islam did not play as active of a role in the ‘left v. right’ conflict of the time, appealing to religious feelings was already being used as a strategic tool by conservative parties.

Koç (2003) and Güveloğlu (2007) argue that the 24 January 1980 decisions of the IMF could have only been fully implemented after an authoritarian takeover of the government, as political stability was necessary in order to carry out such a radical shift in economic policy. By the end of the 1970s, widespread urban conflict and social unrest led many to welcome the coup d’état of 12 September 1980.

Chapter 3.

Turkey's Neoliberal Transition

As Turkey entered a phase of neoliberal transition in the 1980s, Islamic rhetoric became more visible in the operation of parties in government, as well as in business and labour organizations. This chapter will argue that during the first two decades of neoliberalism in Turkey, Islam and capitalism became well-integrated into each other, a factor that over time contributed to the reduction of class-consciousness within the labour movement.

General overview of the economic and political environment

The military coup of 12 September 1980 and the economic and political decisions succeeding it had profound effects on both labour itself and the involvement of Islam in labour, capital and party politics. A discussion of these decisions is necessary before moving into a deeper analysis of these movements.

The large fiscal deficit, rapidly growing inflation and the foreign exchange crisis that defined the Turkish economy at the end of the 1970s prompted the abandonment of the import substitution industrialization model and the proposal of a package of measures by the IMF in early 1980 (Boratav and Yeldan, 2001; Öniş, 2006a). The package included “a large devaluation (from TL 47.1 to TL 70 to the US\$), export subsidies, an increase in interest rates, and substantial price increases for state enterprise products and a promise to abolish most government subsidies” (Rodrik, 1991, p. 326). The junta that came to power later in the year promptly adopted these measures, effectively silencing any form of dissent in the meantime, as it closed down all of the main political parties of the era and banned their leaders from engaging in political

activity (Elveren and Galbraith, 2009; Hale, 1999). Significantly, the Deputy Prime Minister of the military regime, Turgut Özal, who would later found the Motherland Party (ANAP) and assume government once civilian rule was restored in 1983, carried out these reforms.

Neoliberal transition intensified during the subsequent eight years of ANAP rule, as export-oriented, outward-looking growth was facilitated with generous subsidies to exporting goods manufacturers, a reduced support for the agricultural sector, a continued devaluation of the Turkish Lira, import liberalization, a floating exchange rate, the removal of price ceilings on goods and services, and a significant reduction in real wages (Baysan and Blitzer, 1990; Boratav and Yeldan, 2001; Elveren and Galbraith, 2009; Rodrik, 1991). Success was observed in certain areas as a result of these policies, with the inflation rate coming down from three digit figures in 1980 to 33.2 per cent in 1982, and real gross national product (GNP) increasing by 9.8 per cent between 1980 and 1987 (Boratav and Yeldan, 2001; Odekon, 2005). The share of exports in gross domestic product (GDP) rose by 20 percentage points during this period, compared to that of Latin American countries which stood at 13 percentage points (Rodrik, 2005, p. 261). On the other hand, this period was also marked by a sharp increase in income inequality and unemployment, as “the income share of the lowest quintile decreased from 5.2 to 4.9 percent [of total income] whereas that of the top quintile increased from 49.9 to 54.9 percent” between 1987 and 1994 (Odekon, 2005, p. 46). Inequality was compounded by increased financial instability, with inflation rising to almost 100 per cent by 1988 (Rodrik, 1990, p. 183). The inequality between the farming-based East and industrial West of the country has also widened, leading to increased migration from the former to the latter (Elveren and Galbraith, 2009). Turkey’s capital account was fully liberalized in 1989, with the removal of “almost all barriers to the free movement of capital” (Odekon, 2005, p. 63). However, this decision has been criticized for being premature and paving the way for the economic crises of 1994 and 2001, as the lack of a strong institutional framework in the financial sector left the economy vulnerable to the volatile behaviour of speculative, short-term capital flows (Boratav and Yeldan, 2001; Odekon, 2005; Öniş, 2004a). Thus, the neoliberal measures of the Özal era manifested themselves as macroeconomic instability and rising inequality throughout the 1990s.

After eight years of single-party, majority government, the subsequent decade saw increased fragmentation and volatility in the political arena, as the bans on the party leaders of the pre-coup era were lifted, and the ANAP lost popularity. Between 1993 and 1999, “there have been five governments, lasting an average of just over 12 months each”, all of them being coalitions (Hale, 1999, p. 28). The results of the 1991 and 1995 elections revealed that support for more radical parties was rivalling that of centrist parties, with the pro-Islamic Welfare Party (RP), which succeeded the MSP, gaining 16.9 per cent and 21.4 per cent of the general vote in 1991 and 1995, respectively (Arslan and Çağlayandereli, 2006; Tessler and Altınoğlu, 2004).

The neoliberal transition of Turkey can be summed up as being facilitated first by the junta of 1980, and later by the ANAP government that lasted for eight years. The damaging effects of this transition were mostly felt in the 1990s, as economic instability was mirrored by political instability. Nevertheless, despite frequent changes in government, there was not any considerable divergence from the pursuit of neoliberal principles during this period.

Islam’s role in politics and business

The growing presence of Islamic elements in Turkish politics has coincided with the neoliberal economic policy pursued in the 1980s and 1990s. Both the military government and Turgut Özal’s ANAP made conscious and vocal efforts to incorporate Islam into the political and economic spheres, paving the way for the emergence of ‘pious’ businessmen from Anatolia, who would successfully organize in the 1990s under the Independent Industrialists and Businessmen’s Association (MÜSİAD). While the successor of the MSP, the RP, managed to build on the momentum of the strengthening of Islamic capital in terms of increasing political Islam’s vote share, its heyday was short-lived, due to clashes with the secular state establishment, and disagreements with MÜSİAD on economic policy. Nevertheless, the two decades following the (1980) coup saw the organizational function of Islam stretch well beyond class associations, and encompass state institutions, carving itself a place within an overall neoliberal paradigm.

Due to the perceived ‘threat’ of communism and their involvement in the urban violence of the 1970s, the junta of September 12 was primarily interested in eliminating the influence of the left, and to a lesser extent, the ultra-nationalists (Eligür, 2010). Pro-Islamic organizations, political parties, unions, and their members, while experiencing bans and incarcerations, did not endure the same level of state persecution as their left- and right-wing counterparts. (Nichols and Sugur, 2004; Jenkins, 2008). With the aims of inducing feelings of national unity and loyalty, establishing an ideological barrier against Marxist-oriented Kurdish separatism and *Alevi*¹³ activism, and keeping radical Islamism in check, the military government introduced the Turkish-Islamic Synthesis. The policy promoted Islamic values in the public sphere and kept (at least on paper) religious activity and education under state control (Atasoy, 2005; Eligür, 2010; Jenkins, 2008). Article 24 of the 1982 Constitution placed religious education under state supervision, and made ‘Religious Culture and Morality’ a compulsory course at the elementary and middle school levels (Jenkins, 2008, p. 143). Specifically, the religion taught in these classes is Sunni Islam, with textbooks referring to it as “our religion” (Jenkins, 2008, p. 143). There has been a sharp increase after the military coup in the number of Quran courses operated by the Presidency of Religious Affairs, with the number of students enrolled almost doubling (Jenkins, 2008, p. 145). The number of mosques also rose by 7,022 units during the three years of military rule after 1980 – “this compares with a growth of 4,901 in the previous ten years, which included the coalition governments in which the MSP was a partner” (Jenkins, 2008, p. 145). Eligür notes that the junta exercised control over the content of these state-run Quran courses, as well as that of the “sermons delivered in mosques” (Eligür, 2010, p. 94). Another quite significant change was that, in this same period, graduates of *imam-hatip* schools, who were previously limited to attending theology faculties of universities, were allowed to enrol in all departments (Eligür, 2010, p. 108). Consequently, by 1990, “only 10 per cent of *imam-hatip* graduates [were] employed as prayer leaders and clerics” (Atasoy, 2005, p. 156).

¹³ The *Alevi* are a heterodox Islamic community, making up an estimated 10 per cent of the population. (van Bruinessen, 1996)

The State Planning Organization's Report on National Culture, released in 1982, criticizing the previous education system as dysfunctional due to its adherence to Western values and neglecting of Turkish culture, in effect established the Turkish-Islamic Synthesis as the official cultural ideology of the state (Atasoy, 2005; Eligür, 2010). General Evren made several remarks supporting this philosophy, as he argued that it would be better for children to receive their religious education in public schools, rather than at home or in illegal Quran courses (Atasoy, 2005, p. 155). In his speeches, he also mentioned the "unifying and progressive role" of Islam in Turkish society, citing verses from the Quran and the sayings of the Prophet Mohammed (Eligür, 2010, p. 101). There was a conscious effort to integrate Islamic sentiments into the operations of the state, and make Islam more visible in the public sphere. On the other hand, the attempt to exercise control over religious affairs, when coupled with the contradictory practice of loosening the reins on Islamic brotherhoods, led to the enflaming of a conflict between the Islamist movement and the secular state establishment in the long run, as will be discussed later (Eligür, 2010; Jenkins, 2008).

The rise in cooperation with other Muslim countries started during military rule. Saudi capital was welcomed into the country, not only financing the immediate programs of the state, but also supporting the burgeoning Islamist capitalist class (Eligür, 2010, p. 112). Moreover, Saudi capital, through the *Rabitat*¹⁴, was used to "pay the salaries of some two hundred government-employed Turkish religious functionaries serving Turkish migrant workers in Belgium and West Germany" (Eligür, 2010, p. 115). Effectively, the junta initiated a relationship that would grow and prove to be instrumental in the increasing clout of Islamic capital in Turkish politics.

Adherence to the Turkish-Islamic Synthesis policy continued and intensified during the Özal era. While there is a general consensus that Özal's ANAP has

¹⁴ Founded in 1962 with the aim of promoting the Sharia in predominantly Muslim countries, the *Rabitat al-Alam al-Islami* (The Muslim World League) provides financial support to religious activities. Hasan Aksay, a minister in the AP-led coalition government, represented Turkey at the state level in the first congress organized by the *Rabitat* in 1976. (Eligür, 2010).

succeeded in ideologically and organizationally combining economic liberalism and social conservatism with Islamic and nationalistic undertones, thereby building up mainstream popular support (Atasoy, 2005; Eligür, 2010; Öniş, 2004b), Jenkins adds that “most of the decision-making core of the party, led by Özal himself, came from the Islamist/nationalist right of the political spectrum” (Jenkins, 2008, p. 146). Such a combination entailed attempting to integrate Turkey into the global competitive environment of the era while, at the same time, maintaining an Islam-based moral and cultural outlook. Özal’s understanding of development constituted the “adoption of Western technology and science, while protecting [the nation’s] culture, as in the case of the Japanese” (Eligür, 2010, p. 122). Marginalizing the left, this ideology introduced Islam as an agent of national unity and minimized associations based on class differences.

A number of top ANAP officials, including Özal and others at the local and national levels, had strong ties with Islamic orders, or ‘brotherhoods’. Eligür notes that such relationships were stronger than the ordinary case of interest group pressure on a political party, as members affiliated with the *Naqshbandi* brotherhood held privileged positions in the party and the government (Eligür, 2010, p. 120). Turgut Özal himself, along with his brother Korkut Özal, attended *Naqshbandi* meetings during their time at university. Both of them later joined the MSP, with Korkut Özal serving as Minister of Agriculture and Minister of the Interior in successive coalition governments (Jenkins, 2008, p. 146). Turgut Özal also significantly altered state bureaucracy to appoint ‘pious’ individuals to key positions, such as the Constitutional Court and the Council of Higher Education (Eligür, 2010).

The Özal era was also period in which the issue of the ban on wearing a headscarf, which is considered a religious symbol, in state institutions and universities became a matter of heated debate. In response to several attempts by the Özal government to ease such restrictions, the Constitutional Court upheld them on the grounds that allowing religious symbols would violate the principle of secularism (Jenkins, 2008). With some universities ignoring the ban, the debate around the headscarf signified a larger conflict between maintaining secularism and liberating religious practices.

The continuation of the inflow of Saudi and Kuwaiti capital that started under military rule was crucial in the development of small- and medium-sized enterprises based in Anatolia. On his second day in office, Özal released a government decree to allow Faisal Finance and the Al-Baraka Group to set up branches in Turkey, granting them some exemptions from Turkish banking laws (Atasoy, 2005; Eligür, 2010). Regarding their reserve requirements at the Central Bank, only “10 percent of their current accounts and a mere 1 percent of their much larger participation accounts were to be blocked in the Central Bank, whereas other banks lost the use of 10 to 15 percent of their deposits” (Moore, 1990, p. 247). Among the founders of the Turkish branch of the Al-Baraka Group were Korkut Özal and Eymen Topbaş, the latter being the former chairman of ANAP’s Istanbul office, while Ahmet Tefik Paksu, a former member of the MSP, was one of the founding members of Faisal Finance (Atasoy, 2005; Eligür, 2010). Hence, politicians who were members of Islamist parties and were affiliated with Islamic brotherhoods had personal ties with Islamic financial institutions. These institutions, offering interest-free banking, were important in bringing the savings of pious Muslims into the financial system, and generating foreign investment from the Arab states (Jenkins, 2008, p. 151). Turkey also received aid from the Islamic Development Bank, albeit in small amounts when compared to the aid it received from the World Bank (Atasoy, 2005; Jang 2005). Moreover, despite the relatively quick inflow, Islamic banks “still accounted for less than 1 per cent of the total assets of the banking sector” as conventional banks were deemed safer at times of high inflation (Jenkins, 2008, p. 151-2). Nevertheless, this was enough to help “strengthen newly emerging pro-Islamic business groups in Turkey” (Atasoy, 2005, p. 151).

The liberalization of the financial market and the welcoming of Islamic capital were also supported by Islamic orders/brotherhoods. One of these orders is known as the ‘Gülen order’, led by a former preacher named Fethullah Gülen, who advocates for a relatively moderate version of Islam and “envisions an economic model based on continued capital accumulation through scientific and technological innovation” (Atasoy, 2005, p. 171). Having supported the ANAP government during the 1980s, Gülen founded Asya Finance in 1996, as well as several companies in the education and mass media sectors, making the community the fastest growing Islamic order in the country (Atasoy, 2005; Jang, 2005).

Connections between Islamic brotherhoods in Turkey and Middle Eastern capital led to an increase in Turkish exports to the Middle East and helped maintain the importing of oil into the country (Eligür, 2010, p. 129). Exports to Islamic countries made up 42.8 per cent of the country's total exports during the mid-1980s (Eligür, 2010, p. 132). There was also a relationship between Islamic finance institutions and certain religious charities:

The *Bereket Vakfi (Al-Baraka Wakf)* provides students with scholarships for religious education, organizes conferences, and offers financial support for religious publications. For example, *Al-Baraka Finance* supplied the pro-Islamist newspaper *Turkiye* with 833 tons of paper between 1984 and 1985. The aim of the *Ozbag Wakf* was to build new mosques, open Koran schools, provide financial assistance to students in religious education, and support research into various religious issues. (Atasoy, 2003, p. 147)

In sum, the opening up of the country to capital flows from the Middle East, through Islamic brotherhood connections, contributed to the increased visibility of Islam in both political and business relations.

The liberalization of the economy under the ANAP government, coupled with the inflow of Saudi and Kuwaiti capital, led to the emergence of a business class comprised mostly of small- and medium-sized enterprises distributed across small cities in Anatolia, as opposed to the big businesses that are based in the highly industrialized city of Istanbul, and deal mainly with construction and construction materials, textiles, leather, and other manufacturing exports. Founded in 1990, MÜSİAD has successfully managed to unify many of these enterprises under an –arguably loose – Islamic rhetoric and has increased their competitiveness in the global economy. Establishing a particular kind of Islamic work ethic, MÜSİAD argues for the fostering of the businessperson who not only is technically well-equipped and entrepreneurial to be able to compete in the world market, but is also aware that his hard work is a type of worship and thus possesses a

moral understanding of social responsibility¹⁵ (Atasoy, 2005; Buğra, 1999; Özdemir, 2006). This is framed as creating a *homo-Islamicus*, a spinoff of the term *homo-economicus* (Özdemir, 2006). The Islamic rhetoric of MÜSİAD is considered to be loose, because it does not directly impose a specific lifestyle to its members. MÜSİAD “does not demand that their members be active practitioners of Islam, but they must be believers” (Atasoy, 2005, p. 175). The emphasis is rather on building a community of businessmen around the notion of faith and the protection of cultural values. Nevertheless, they have been quite active in mobilizing Islamic circles, hosting consultation meetings of the ‘Intellectuals Hearth’¹⁶ that are attended by various Islamic organizations and charities, as well as, curiously, the Mehmetçik Foundation¹⁷ (Manaz, 2005, p. 420).

While criticizing Western capitalism for its materialism, MÜSİAD firmly believes in the free market and a non-interventionist state, often citing bureaucratic barriers as a serious setback for the small- and medium-sized enterprise (Özdemir, 2006). It claims that free markets have a place in Islamic history, arguing that the Prophet’s words “God is the one who sets the prices” regarding the activity in the Medina market is indicative of an understanding of state deregulation (Koyuncu, 2004, p. 31). MÜSİAD also stresses the need for strengthening partnerships with other Muslim, as well as East Asian, countries within the context of global competition, proposing the establishment of a union among cotton producing countries of the Near and Far East (Koyuncu, 2004, p. 33). MÜSİAD’s amalgamation of liberalism and traditionalism seems to heavily resemble Özal’s approach to the Turkish-Islamic Synthesis described above.

¹⁵ This notion can also be linked to the permission given to *imam-hatip* graduates to enrol in any university department mentioned earlier, as they are both factors in the emergence of well-educated professionals with religious foundations (Atasoy, 2003).

¹⁶ The Intellectuals Hearth was an organization of scholars that have been influential in forming the philosophical basis of the Turkish-İşlamic Sythesis (Eligür, 2010).

¹⁷ The Mehmetçik Foundation is a charitable organization of the Turkish Armed Forces that is responsible for providing social assistance to veterans and the families of soldiers who died on duty.

The deregulation of markets and the ideological conflict with secularist capital that has been dominant in the pre-September 12 era allowed MÜSİAD-affiliated firms to utilize Islamic tendencies in order to build a community in which economic activity is regulated more by an understanding of mutual trust and cooperation, and less by formal rules (Buğra, 1999; Buğra, 2002; Özdemir, 2005). The solidarity within the community can be observed in the pace in which the funds needed for KOMBASSAN, a Konya-based member firm, to buy off PETLAS (a privatized rubber tire company) were raised (Özdemir, 2006). Despite the organization's relative youth during the period, MÜSİAD-affiliated firms managed to partake in many of the privatizations that took place during the RP-led coalition government (Özdemir, 2006, p. 220).

As a business organization, MÜSİAD played a part in changing the consumption patterns of the class it represents. Critical of the earlier generations of pious Muslims for their modesty in economic life, arguing that it leads to laziness, MÜSİAD members have started to increase their spending on luxury goods. "MÜSİAD fairs host stylish brands of Ottoman-style furniture and decoration, whereas realtors in these fairs sell luxurious residences overlooking the Kaaba in Mecca" (Gümüşçü, 2010, p. 844). Posing a certain degree of contradiction with Islamic principles, the fact that these pious businessmen have embraced capitalist consumption is indicative of the development of a new bourgeoisie.

The emphasis on religion-based solidarity and mutual trust is also reflected in MÜSİAD's attitude towards employer-employee relations. As Buğra points out, the "association adheres...to a model where workers' rights and entitlements, as well as responsibilities, are determined by informal and personal relations as opposed to redistributive/associative principles. In MÜSİAD publications, ties that bind the community of believers are often evoked as an assurance of stable and productive industrial relations" (Buğra, 2002, p. 195). Consequently, member businessmen stress the importance of establishing close relationships with their workers, and rewarding their hard work with pay rises and/or partnership offers (Özdemir, 2006). According to MÜSİAD, such an arrangement would not require the existence of labour unions or strikes (Buğra, 1999, p. 49). While religious sentiments are often used to assure the respect, hard work and cooperation of workers, Özdemir notes that the same technique can also be adopted by employees when addressing an unjust practice (Özdemir, 2006,

p. 213). Regardless, the use of Islam as a common bond between both the employer and the employee, which is believed to override any other manner of association, blurs the class distinction between the two, and makes it more difficult for labour to form a strong opposition (Keyman and Koyuncu, 2005). As will be discussed further, MÜSİAD's attitude towards industrial relations is very similar to the one adopted by Islamic scholars in Turkey, which has, to a certain extent, influenced Hak-İş' approach to unionism.

In a very short period of time, MÜSİAD became a distinct interest group that influenced political parties. "By the mid-1990s, MÜSİAD had over 2000 members and accounted for approximately 10 percent of Turkey's total GNP" (Jenkins, 2008, p. 154). Although Özal's ideology was much closer to that of MÜSİAD's, the weakening of ANAP in the 1990s led to a reduction in ANAP supporters working in MÜSİAD branches and an increase in RP supporters (Manaz, 2005, p. 422).

Whereas the 1980s were relatively quiet for the RP partly due to Necmettin Erbakan's prohibition from engaging in politics, which was lifted in 1987, and the overall dominance of the ANAP over the conservative vote, the RP quickly increased its popularity and enjoyed electoral success in the 1990s. Adopting a discourse similar to its predecessor's (the MSP), its organizational ability, its framing of the increasing economic grievances of the urban shantytown and rural populations, and the inability of the state to effectively respond to worries about religious freedoms allowed the RP to become a mainstream party. On the other hand, the RP also faced the serious problems of accommodating contradicting values and forces, as well as a public and military backlash against its pro-Islamic tendencies, also known as the 'February 28 process' (discussed below), which eventually led to its closure.

The municipal elections of 1994 were a good indicator of not only the RP's close relationship with Islamic capital, but also its influence on the lower income and marginalized classes of society. The RP won the administration of twenty-eight municipalities, including Istanbul and Ankara (Toprak, 2005, p. 172). The consequent mayor of Istanbul was the current Prime Minister, Recep Tayyip Erdoğan, under whose leadership the "municipality experienced lots of contacts with the Islamic businessmen particularly through several bidding processes and contracts...The top administrators of the municipality often met with MÜSİAD executives and the managers of the Islamic

firms, and worked closely with them” (Jang, 2005, p. 229). Meanwhile, the RP continued its networking efforts at the grassroots level, setting up cultural foundations and youth organizations. For example, the National Youth Foundation “provided scholarships for tens of thousands of students from poor backgrounds, together with subsidized accommodation in nearly 150 dormitories. [It] inculcated both conservative Islamic values and a strong sense of Ottoman nostalgia” (Jenkins, 2008, p. 157). These institutions were also instrumental in the distribution of Islamic literature originating in other Muslim countries (Manaz, 2005). Given the differentiation in the lower income groups in terms of religiosity levels, ethnicity, and economic conditions, as Çınar and Duran point out, the “success of Islamist parties in 1990s rested less on their religious message than on their unique organizational ability to incorporate a wide variety of local voices and desires into the national political process on a continual basis” (Çınar and Duran, 2008, p. 26).

In terms of anti-Western culture statements, the arguments for the protection of cultural and moral values, more freedom for religious practices, the flourishing of small- and medium-sized businesses, a redistribution of wealth, the adoption of the East Asian economic model, and improving ties with other Muslim countries, the RP’s ‘Just Order’ rhetoric closely resembled the MSP’s platform during the 1970s (Atasoy, 2005; Coşkun, 2001; Jenkins 2008; Öniş, 1997). When the case of rising inequalities was coupled with the lack of a strong social democratic movement, the wealth redistribution discourse of the RP garnered much support from the disadvantaged classes (Gümüştü, 2010; Öniş, 1997). Moreover, the tension over the issue of the ban on wearing the headscarf in universities and public institutions was perceived as a failure of the state to achieve a popular agreement on the secularism principle and to “respond effectively to the various Islamic identity claims to recognition and cultural-group rights” (Keyman, 2007, p. 223). Regarding Turkish secularism, Ali Bulaç, a prominent Islamic scholar, argues that the state interferes more in religion than religion interferes in state affairs, and that this is what politicizes religion, claiming that pious individuals and communities are being suppressed by the state (Coşkun, 2001, p. 91). The RP has managed to capitalize on these grievances, using Islam as a source of solidarity between both the poorer classes and the Islamic bourgeoisie, who feel similarly excluded from the so-called secular elite (Öniş, 1997, p. 748).

During its term as leader of the coalition government, some of the RP's actions drew considerable criticism as being anti-secular. These actions included the invitation of several Islamic order/brotherhood leaders to a fast-breaking meal hosted by Prime Minister Erbakan, and a Cabinet decree that rearranged "working hours in state institutions to make allowances for fasting during Ramadan", which was later annulled by the Council of State¹⁸ (Jenkins, 2008, p. 161). Such developments caused a strong reaction from both the military and secularist civilians, with "business organizations, labour unions, NGOs, professional organizations and academicians calling for Erbakan's resignation" and mass demonstrations against the RP during sporting events and Republic Day celebrations (Toprak, 2005, p. 172). In what was regarded as a post-modern coup, on 28 February 1997, the military proposed to the government a set of measures designed to curb Islamist activity, including the banning of private Quran courses and the shutting down of the middle school sections of *imam-hatip* schools, which Erbakan reluctantly accepted (Jenkins, 2008, p. 162). The anti-Islamist movement later intensified: "The headscarf was banned in all state as well as private universities and even in faculties of theology. Traditional religious brotherhoods were tightly controlled. Transactions of Islamic companies were scrutinized" (Çayır, 2008, p. 72). In 1998, the RP was banned by the Constitutional Court for engaging in anti-secular activities, only to be replaced almost immediately by the Virtue Party (FP) (Jenkins, 2008).

By the time the FP was founded, there was a significant degree of division in the public regarding the place of Islam in society and politics. A public survey conducted in 1999 revealed that 49.8 per cent of the participants believed that the RP's ultimate goal was to establish an Islamic state, against the 23.7 per cent that did not. Moreover, 37.1 per cent of the participants approved of the closure of the RP while 38.4 per cent did not (Çarkoğlu and Toprak, 2000, p. 64). The RP also found it difficult to balance its position between moderate politics and its radicalized support base, as well as between its

¹⁸ "The Council of State, in its judicial capacity, is the highest administrative court, mainly with appellate jurisdiction." (Ergani, 2005)

wealth redistribution policy and the backing it received from MÜSİAD, which found the 'Just Order' rhetoric incompatible with its desire for free markets (Gümüşçü, 2010; Toprak, 2005). Thus, it can be observed that although the RP's appeal to religious sensitivities helped it successfully strike a cross-class alliance, it was short-lived, and drew strong opposition from secularist factions. Not surprisingly, 36.9 per cent of the participants in the above mentioned survey believed that the RP divided society into believers and non-believers, while the percentage of those that did not agree with this view was 39.1 (Çarkoğlu and Toprak, 2000, p. 60).

Labour's experience with neoliberalism

The neoliberal transition period, through the efforts of both the military and the civilian governments, presented with the loss of fundamental rights for – and crucial changes in the composition of – the labour movement. While the reduction in the strength of other confederations after the coup facilitated the development of Hak-İş as a considerable force within the labour movement, Hak-İş itself faced the challenge of accommodating conflicting ideologies. By the late 1990s, Hak-İş' responsibility to uphold its members' interests in a capitalist economy reduced their claim for practicing Islamic unionism to one of mild rhetoric.

The concept of labour market flexibility was a dominant idea in the West during the neoliberal shift (Taymaz and Özler, 2005, p. 224). Neoliberal theory claims that rigidities in the labour market (that is, sticky wages and high job security) “are cost incurred by firms, [and] they have profound effects on firms' decisions” (Taymaz and Özler, 2005, p. 225). A counter-argument to this claim is that over-flexibilization of labour may lead to a disincentive on the part of firms to invest in “human and knowledge capital, and thus have a negative impact on growth and employment in the long run” (Taymaz and Özler, 2005, p. 225). The former approach was adopted by the Turkish government in the 1980s, and this had profound effects on the regulation of union affairs.

By the time the General Staff took over the country's administration, trade unions, due to their political involvement, were perceived as important perpetrators of

violent urban conflict. As part of its attempt to restore social order, the military government took decisive and harsh measures against trade union confederations, albeit at varying degrees for each one. All of the confederations were banned, and their leaders and members were detained and, in some cases, tortured (Nichols and Sugur, 2004; Koç, 2003). Out of the three confederations that exist today, DISK was the one that suffered the largest blow during and after the coup.

[Most] of DISK's top union officials had been imprisoned and its property was seized by the state. In 1981 the Military Court had prosecuted 1477 DISK trade unionists, 78 of them being charged with offences punishable by death. Part of the Generals' attempt to curb the power of the left, the case went on for five years, at the end of which 264 trade unionists were given prison sentences ranging from five to fifteen years. (Nichols and Sugur, 2004, p. 153)

Moreover, while the bans on Türk-İş and Hak-İş were lifted, albeit partially, a few months after the coup, DISK needed to wait until 1991 to resume its operation (Nichols and Sugur, 2004). In the case of Hak-İş, Koç notes that the separate applications of its leadership and member unions to the National Security Council that argued that they were not involved in the "pre-September 12 anarchy" played a part in the relatively quick reinstatement (Koç, 1995, p. 145).

There are a number of key pieces of legislation passed during and after the military government that regulate industrial relations and trade union activities. The 1982 Constitution, the Trade Unions Act (Act 2821), and the Collective Agreements, Strikes and Lockouts Act (Act 2822) have severely weakened trade unions' position as organizational units that represent their members vis-à-vis employers and the state. These changes in legislation have been largely deemed undemocratic due to the limits they place on trade unions' political involvement and the extent to which they interfere with the internal management of a union (Koç, 2003; Nichols and Sugur, 2004; Uçkan, 2007). The efforts to minimize the political influence of unions included, via Act 2822, the prohibition of associating with and receiving support from political parties, and banning "politically motivated strikes, general strikes and sympathy strikes" as well as "slowdowns, sit-ins, and similar forms of concerted action" (Nichols and Sugur, 2004, p. 150). The ban on politically motivated strikes means that trade unions would not be allowed to use the strike option to protest against general economic and social policy

changes that would affect members of the working class (Uçkan, 2007, p. 119). Moreover, Act 2822 provides a very wide definition of an illegal strike that is open to subjective assessment, as it requires that strikes “shall not be exercised in a manner contrary to the rules of good faith or in such a manner as to damage society or destroy national wealth” (Article 47, qt. in Nichols and Sugur, 2004, p. 150). The law that ruled that legal cases related to strikes would be heard in State Security Courts, instead of authorized labour courts, created another disincentive for unions to take that route, as the cases would be tried under direct crimes against the Republic and the internal and external security of the state (Koç, 2003). The new legislation also gave the ANAP government the authority to postpone strikes and lockouts through cabinet decisions, which it frequently exercised (Koç, 2003, p. 208). In effect, postponing a strike is the equivalent of cancelling it, as strikes can be “postponed for up to sixty days”, at the end of which period the Supreme Arbitration Board has to settle the dispute if a collective agreement is not signed (Uçkan, 2007, p. 119). It can thus be argued that the aim of these provisions was to eliminate many of the avenues through which unions would be able to communicate their demands. These efforts appear to have been successful in curbing the influence of trade unions, as the number of strikes in 1986 was a meagre 21, while there had been 220 strikes in 1980 (Directorate-General of Labour, 2008, p. 64).

As mentioned in the Introduction, a very effective limitation on the organizational rights of trade unions was the establishment of the ‘double threshold’ rule that dictated that a union needs to represent not only 10 per cent of the workers in a given sector, but also more than 50 per cent of the workers in a workplace in order to be able to engage in collective bargaining (Mahiroğulları, 2001, p. 174). This made it extremely difficult for small and newly established trade unions to compete with unions that were members of Türk-İş, considering that DISK was banned. Relevantly, “due to the check-off system, membership fees would be paid to trade unions only when they were recognized as official bargaining agents. Thus in the post-1980 period, failure to meet the thresholds meant complete bankruptcy for trade unions” (Koçer, 2007, p. 250). Moreover, the requirement that a worker’s union membership has to be approved by a notary public made it costlier to join a union and created another disincentive (Uçkan, 2007, p. 118). Furthermore, in certain state-owned enterprises employees in worker status were switched to public servant status and lost the right to organize, as public servant unions

were illegal (Koç, 2003, p. 206). Nichols and Sugur note that such policies have led to a more centralized union system, as the number of trade unions fell from “about 1000 in 1980 to 76 by 1990 of which only 41 had met the ten per cent representivity requirement” (Nichols and Sugur, 2004, p. 151).

One of the methods of flexibilizing labour has been placing a cap on severance payments, as it makes it less costly, therefore easier for employers to lay-off workers. This has strengthened the hand of employers against unions, as they can threaten to dismiss workers if they join a union, “or force them to affiliate with a cooperative union” (Koçer, 2007, p. 251). It is not surprising that by 1980, overall union density was reduced to 9.5 per cent from its 1979 level of 27 per cent (Nichols and Sugur, 2004, p. 151).

The systematic attempt to weaken the labour movement has undeniably been effective, but it has also led to the formation of an understanding of solidarity amongst union confederations and their members, as restrictions on their outlets of expression forced them to become creative with their protests, especially a few years after civilian rule was restored (Blind, 2007; Koç, 2003; Nichols and Sugur, 2004). As most orthodox methods of dissent were made illegal, workers opted for such methods as “refusing to eat, leaving work to go see the firm’s doctor together, going on protest marches with bare feet, and sending mass telegrams to politicians” (Blind, 2007, p. 298). Although military and civilian government efforts mentioned above allowed Türk-İş to retain its position as the central union confederation, as the import-substituting growth strategy was replaced by export-oriented policies, its relationship with the government faltered after it stopped receiving the same kind of support it used to receive from the state (Blind, 2007). Coupled with rapidly decreasing real wages, this situation led to increasing discontent among the labour movement, and triggered the ‘spring strikes’ of 1989, which garnered massive participation from all union confederations, irrespective of their political ideologies (Blind, 2007).

Blind argues that part of the reason for the relative recovery of solidarity within the labour movement was due to the liberal political environment established by the ANAP government, which advocated “freedom of speech, tolerance, and civilian over military supremacy” (Blind, 2007, p. 297). However, it should also be kept in mind that the military coup’s crack down of the political left practically eliminated any form of

serious attempt to push for widespread economic and social change. The strikes and protest movements of the late 1980s and early 1990s were highly issue-specific and did not exhibit a pursuit reminiscent of the pre-coup era of a shift in government ideology. Nevertheless, there have been a few improvements in legislation regarding workers' rights in the 1990s. As part of the efforts to join the European Union Customs Union, Turkey needed to sign and ratify a series of International Labour Organization conventions, on which the European Union bases its labour standards (Uçkan, 2007, p. 112). Consequently, public servants reclaimed the right to unionize in 1995, although without the right to go on strike (Uçkan, 2007, p. 112). Moreover, trade unions were allowed to associate with political parties (Koç, 2003, p. 209). The major acts regulating trade union activity, on the other hand, remain largely unchanged to this day.

The case of Hak-İş holds a distinct place in the discussion of the evolution of labour after 12 September 1980. Its struggle to establish Islamic unionism sheds light on the complex function of Islam within the labour movement in a neoliberal setting. The compatibility of the Islamic view of industrial relations with capitalism has put Hak-İş in a difficult position in terms of representing workers. As will be discussed below, with the increase in its membership after civilian rule was restored, Hak-İş addressed this problem through modifying its discourse as 'social cohesion' unionism, while retaining its religious identity as an organizational resource.

At its inception in 1976, Hak-İş had a very organic tie with the MSP. The Minister of Labour of the day, Ahmet Tevfik Paksu¹⁹ of the MSP endorsed the founding of Hak-İş by arguing for the necessity of a confederation that would accommodate trade unions that adopted the principles of 'National Salvation' (Koç, 1995, p. 129-30). Similar to the politics of the MSP, much of Hak-İş' earlier rhetoric was based on a criticism of what were perceived as 'Western ideals'. The then Secretary-General of Hak-İş claimed that other union confederations were under the influence of the foreign notions of capitalism or communism, both of which produced the exploitation of the worker, while Hak-İş

¹⁹ It should be remembered that Paksu was one of the founding members of Faisal Finance.

aimed to bring about a new understanding of unionism rooted in Islamic values, in which exploitation does not have a place (Koç, 1995, p. 130). While the word 'Islam' did not appear in the first Hak-İş Charter, there were references to "spiritual values" and "commitment to the rules of justice (*Hak*²⁰)" (Koç, 1995, p. 132).

Studying the Islamic understanding of employer-employee relations is critical in analyzing the complexities and patterns of Hak-İş' approach to unionism. Adopting a peaceful tone, the interpretation of Islam by several Turkish theologians endorses a concept of industrial relations that practically favours capital, which, when attempting to apply it to unionism, creates severe conflicts of interest. Islamic scholars contend that while the Quran and *Sunnah*²¹ recognize social differences, they do not view society as a collection of contradicting forces, hence denying the concept of class (Işık²², 1996; Öztürk et al., 1986). The overall aim is to achieve social harmony, and this is reflected in the professional world through establishing a brother/sister relationship between employers and employees under the supervision of a paternalistic state (Işık, 1996, p. 70). Esen claims that 'alienation' would not occur in an Islamic society, as a Muslim employer would be morally responsible and would not exploit others for personal benefit (Esen, 1993, p. 35). As the concept of class is rejected, and the state is required to be the main guarantor of workers' wellbeing, according to the Islamic view, the forming of labour or craftsman organizations becomes unnecessary, unless the state is failing to perform its duties (Karaman, 1981, p. 73). However, these workers' organizations must focus solely on upholding the most immediate rights of the workers they represent, and not be politically charged, seeking social change (Karaman, 1981, p. 73). Therefore, in regulating industrial relations, Islam places a great deal of faith in the moral responsibility of employers and the fairness and efficiency of the state, while being wary of the organizational capacity of labour.

²⁰ The word '*hak*' in Turkish has several meanings. While one of the meanings is 'justice', when the first letter is capitalized, it can also mean 'God'.

²¹ *Sunnah*: Arabic term for the sayings and deeds of the Prophet Mohammed.

²² While Işık is not a theologian, his work on political Islam and trade unions includes frequent references to Islamic scholarship (Işık, 1996).

Similar to the tenets of liberalism, Islam prioritizes the individual over society (Karaman, 1981, p. 95). This entails the notions of individual responsibility, as well as autonomy. Work is particularly sacred, as it is reflected in various early Hak-İş reports with the phrase “the worker who is as passionate for work as he is for worship” (Koç, 1995, p. 160). These principles are applied to industrial relations in such a way that discourages, if not explicitly bans, the vital union activities of collective bargaining and strikes. While there are no specific rulings on collective bargaining in Islam, personal contracts are the norm, and collective bargaining is frowned upon in Islamic scholarship due to its historical position as a by-product of the Industrial Revolution in the West (Öztürk et al., 1986, p. 86). In accordance with the principle of individual autonomy, only contracts made with the full freedom and consent of the participants are valid. Islamic scholars read this as a rule that outlaws strikes and lockouts, as they are forms of coercion and intimidation, and this indirectly affects collective agreements, as strikes are vital tools for unions in the bargaining process (Işık, 1996; Karaman, 1981; Koç, 1995; Öztürk et al., 1986). Slow-downs and walkouts are equally discouraged, based on the notion of the sanctity of work (Öztürk et al., 1986, p. 88). According to Islamic theologians dealing with industrial relations (Işık, 1996; Karaman, 1981; Öztürk et al., 1986), these measures are not only discouraged, but also unnecessary. Disputes between the employer and the employee can be settled by an unbiased arbiter. If a settlement is not reached, the worker can safely quit his/her job, as he/she would be insured by the hypothetical Islamic state at times of unemployment (Karaman, 1981, p. 75). Again, some representation of workers through organization is allowed, but this should not be based on class consciousness (Işık, 1996, p. 99).

The above-mentioned stance on industrial relations appears to be highly compatible with neoliberalism, as it calls for very limited organizational activity on the part of the workers. While the general principles of personal autonomy, freedom and the sanctity of work laid out in Islam might not necessarily lead one to the conclusion that strikes and collective agreements should be discouraged, the fact that they have been interpreted as such by Islamic theorists has been effective enough for Hak-İş to adopt a similar ideological discourse (without explicitly denouncing strikes or collective bargaining). The “Founding Declaration” of Hak-İş of 1976 denounced left- and right-wing ideologies as “cancer” and “nonsense” respectively, and offered a third way that

was committed to “spiritual, national, and moral values, and suitable for the nation’s fabric” (Hak-İş, 1976, p. 5). The first principle in that Declaration dealt with protecting “the workers’ beliefs and values of faith” (Hak-İş, 1976, p. 13). The Declaration also mentioned the importance of “employee-employer harmony” as a path to “peace and felicity” and announced that Hak-İş would not allow the exploitation of the rights of both workers and employers (Hak-İş, 1976, p. 14).

Hak-İş’ initial pro-Islamic orientation was also manifested by its opposition to interest and the theory of evolution, the use of the phrase ‘praise and thanks be to Allah’ in certain documents, and its call for a pact between Muslim-majority countries, which could even involve a united army (Hak-İş, 1976; Hak-İş, 1983). Moreover, Hak-İş’ anti-Western sentiments were further revealed through anti-Semitism. In one of its earlier declarations, Hak-İş accused other union confederations with being subject to the influence of “Jewish-driven” foreign forces, whereas Hak-İş would be representing “national unionism” (Koç, 1995, p. 137). Similarly, Hak-İş refused to take part in May Day celebrations until 1989, claiming that it was a tradition imposed on the world by Jewish people (Koç, 1995, p. 138).

For a long time, there have been no references to the notions of secularism, democracy, and republicanism in the Hak-İş Charter (Koç, 1995, p. 129). In terms of its activities in bargaining processes, “the main items in collective negotiations conducted by Hak-İş involved demands for small mosques or prayer rooms in factories, and allowing time off for individual and collective prayers and pilgrimage” (Duran and Yıldırım, 2005, p. 232). Hak-İş would later give up on many of the above-mentioned principles in order to be able to better uphold the interests of its members. Nevertheless, although the pro-Islamic orientation is not nearly as sharp as it used to be, its earlier rhetoric has been enough for Hak-İş to make itself a reputation as an Islamist union confederation.

Starting with the second half of the 1980s, Hak-İş has been relatively successful in adapting its discourse and activities to the necessities of being a trade union confederation, while retaining its pious characteristic. The addition of formerly DISK-affiliated unions into the confederation after DISK was banned played a part in the development of a more progressive discourse (Buğra, 2002, p. 198). Hak-İş-affiliated

unions waited until 1985 to go on their first strike, diverting from Islamic unionism (Koç, 1995, p. 149). Following the strikes of various member-unions in 1985 and 1986, Hak-İş declared that the strike is the “last and most effective resort in protecting the sacred value of hard work” (Koç, 1995, p. 150). Partly in response to the tension between the state and political Islam, Hak-İş committed to a ‘social cohesion’ policy, whereby it called for the extension of union activity to the social sphere, through developing community-based projects which helped the families of workers who have been laid off after the privatization of state enterprises, as well as providing health-care and child-care services (Blind, 2007; Duran and Yıldırım, 2005). In a way, Hak-İş took on the role of social security provider, which is typically passed onto the private sphere in neoliberal economies, becoming that much more appealing for workers.

Regarding the privatization of state-owned enterprises (SOEs), unlike Türk-İş and DISK, Hak-İş “adopted a more nuanced approach. It has argued for the necessity of opting for a case by case approach and placed the emphasis on the methods of privatization” (Buğra, 1999, p. 45). In accordance with its ‘social cohesion’ perspective, the Hak-İş-affiliated Öz Çelik-İş bought out Kardemir in 1995, a state-owned iron and steel company, and “developed a model of employee ownership and management” (Buğra, 1999, p. 45). The acquisition of SOEs by trade unions is both celebrated for allowing workers to become shareholders of capital (Blind, 2007, Duran and Yıldırım, 2005) and criticized for essentially being a form of state subsidy to a trade union (Koç, 1995). Either way, the sale of Kardemir to a Hak-İş affiliate reinforced the unique position of the confederation in contrast to Türk-İş and DISK.

Contrary to the common assumption (Nichols and Sugur, 2004), workers in firms affiliated with MÜSİAD do not constitute the main member base of Hak-İş (Buğra, 2002; Duran and Yıldırım, 2005). In fact, due to the strict opposition of most MÜSİAD-affiliated firms against the unionization of workers, the relationship between Hak-İş and MÜSİAD has been tense. This tension is exemplified in the 1993 incident at a MÜSİAD-affiliated textile company in Bursa, where the manager chased unionists away with bodyguards (Buğra, 1999, p. 49).

Given the changes in the late 1980s and the 1990s, for most of its existence, Hak-İş looked for ways to let Islam and trade unionism coexist. As Buğra notes, its

Islamic principles act less and less as guidelines for direct union activity, and more as “a major source of values that bind its members into a coherent community and as an element of its harmonious relations with Islamic party politics” (Buğra, 2002, p. 200). Accordingly, the founding leader of Hak-İş, Necati Çelik, served as the Minister of Labour and Social Security in the coalition government led by the RP in 1996 (Buğra, 1999, p. 42). The organizational influence of Islam on Hak-İş can be viewed as a reflection of a general trend under neoliberalism whereby it is easier to organize groups on the basis of ethnicity or religion, rather than establishing working class solidarity (Buğra 1999; Buğra, 2002). Hak-İş has managed to synchronize its original Islamic ideals with the more contemporary rhetoric of social cohesion, and reinforced its position with the pursuit of service unionism. However, this does not guarantee that Hak-İş would be able to passionately defend the interests of the working class in cases of conflict with capital. It merely suggests that Hak-İş has adapted to the economic trend of the times.

Conclusion

The Turkish labour movement and Islam’s experience with neoliberalism suggests that not only labour’s weakening, but also the strengthening of Islam’s involvement in labour, capital, and party politics was systematic and politically constructed. The two projects began at the same time with the military coup of 12 September 1980, and were publicly endorsed by both military and civilian governments. That is, they were not merely the natural consequences of neoliberal economics. The use of Islam as a strategic tool by MÜSİAD and Hak-İş in organizing their members can be viewed as part of a more overarching trend whereby capital manages to integrate Islam into its operations in order to further liberalize the economy, with the aid of having a workforce that is relatively stripped of its class-consciousness. This is not to say that religion was embraced by every business organization, as the secularist TÜSİAD continued to represent the interests of the wealthiest capitalists. Nevertheless, it is not a coincidence that Islamic capital’s worldview was more in line with that of Özal’s ANAP and less with the RP’s, suggesting that capital forms stronger bonds with Islam when it is complemented with a non-interventionist state. On the part of Hak-İş, although organizing under religious tendencies may be more practical than building class-

consciousness given the constraints of neoliberalism, it does not pose any significant threat to the interests of capital. Similarly, within the context of the RP's mobilization of the economically disadvantaged sections of society, no meaningful improvement was observed in their class position against capital, as the struggle that dominated public discourse was based on a secularist-religious dichotomy, and not on materialist concerns.

Chapter 4.

The economic crisis of 2001 and the founding of the AKP

The period between 1998 and 2002 was one of significant changes for both political Islam and the Turkish economy. While the economy struggled with a historic crisis in 2001, divisions within the Islamist movement led to the emergence of the AKP onto the political stage. A brief explanation of these processes will contextualize the electoral success of the AKP in 2002. Within the crisis environment, public dissatisfaction with established centrist parties and the lack of a substantially influential left-wing movement produced a party that could appeal to opposing classes of society on the hand, yet commit to the continuation of neoliberal principles on the other. The electoral support the AKP receives from the poorer classes makes labour oriented organization all the more difficult.

Following the collapse of the coalition government headed by Erbakan's RP after the 28 February 1997 Process, Turkey was led by a couple of more coalition governments comprising of centre-right and centre-left parties until the general election of 1999. The general election produced another coalition government, led by the Democratic Left Party (DSP) and included the ANAP²³ and the MHP, which stayed in power until 2002 (Jenkins, 2008). This period was marked by economic instability and frequent encounters with the IMF, which culminated in a full-blown crisis in February 2001.

²³ Note that the ANAP moved away from The Turkish-Islamic Synthesis approach after Özal stepped down as leader in late 1989 (Atasoy, 2005).

There are conflicting arguments regarding the causes of the crisis. The dominant view, shared by Öniş and Şenses, was that in response to growing public debt and high inflation rates, successive governments of the 1990s “lacked the political will and the capacity to impose fiscal discipline and create an environment conducive to sustained economic growth” (Öniş and Şenses, 2009, p. 1). An argument is that the DSP-led coalition government did not commit to certain important recommendations of the stand-by agreement made with the IMF in 1999, such as privatizing state-owned enterprises, regulating the banking system, and fiscal austerity (Cizre and Yeldan, 2005; Öniş and Şenses, 2009). On the contrary, Yeldan points out that fiscal targets were reached in 2000 and 2001, as “budgetary revenues exceeded their targets by 3.6 percent in 2000 and by 5.1 percent in 2001. Expenditures, however, are observed to be lower than their targeted limit by 0.2 percent in 2000 and exceeded their target only marginally by 1.7 percent in 2001” (Yeldan, 2006, p. 205-6). He argues that the 2001 crisis was a result of a combination of neoliberal policies, particularly the liberalization of the capital account in 1989, which established a weak financial system that was increasingly defenseless against the volatile and speculative nature of short-term capital flows, with “the domestic rate of interest [becoming] totally dependent on availability of foreign capital” (Yeldan, 2006, p. 206). The large flow of foreign exchange into Turkish currency markets led to the appreciation of the Lira, which resulted in a stagnation in exports and a rapid rise in imports, thereby increasing the current account deficit (Cizre and Yeldan, 2005). This situation particularly hurt small- and medium-sized enterprises, as they are predominantly export-oriented (Erbaş and Turan, 2009). Irrespective of the level of Turkey’s prior relationship with the IMF, it is safe to argue that Turkey renewed its commitment to the IMF’s structural adjustment programs, even appointing a high-ranking official of the World Bank, Kemal Dervis, as the Minister of State for Economic Affairs (Odekon, 2005; Öniş and Şenses, 2009).

One of the most striking indicators of the severity of the crisis was the devaluation of the Turkish Lira by 55 per cent on the night of 22 February 2001 (Erbaş and Turan, 2009, p. 84). During 2000 and 2001, the current account deficit amounted to 4.9 per cent of the country’s GNP, while the GNP was reduced by 9.5 per cent (Onaran, 2009, p. 244). The crisis was also characterized by the massive outflow of foreign capital within a very short period of time, “amount[ing] to 11.3 per cent of the GNP” Onaran,

2009, p. 244), while overnight interest rates hit a record 2000 per cent (Odekon, 2005, p. 32). Similarly, “following November 2000, Turkish asset markets’ loss of foreign exchange reached \$31 billion...during the course of the crisis” (Yeldan, 2006, p. 207).

The detrimental effects of the crisis on labour were substantial. The unemployment rate increased from 6.6 per cent in 2000 to 8.7 per cent in 2001, and to 10.7 per cent in 2002 (Erbaş and Turan, 2009, p. 85). Real wages dropped in the fourth quarter of the year 2001 by 20 per cent of the same period the previous year (Agénor et al, 2005, p. 4). The World Bank’s “urban headcount poverty index rose from 6.2 percent in 1994 to 17.2 percent in 2001” (Agénor et al, 2005, p. 5)²⁴. On the other hand, progressive steps were taken in labour legislation as part of the government’s EU accession efforts, as various ILO conventions were ratified, and the law on job security was amended in accordance with ILO regulations (Koç, 2003). Nonetheless, the sharp and large-scale drop in wellbeing still resulted in a growing dissatisfaction with the coalition government.

Despite these setbacks, trade unions have, to a certain extent, managed to be an instrument of expression of such dissatisfaction during this period of economic instability. The Labour Platform, formed in 1998, brought together Turkey’s three workers’ and three public servants’ union confederations, as well as pensioner organizations and other professional associations in order to devise a unified, yet informal, opposition to the neoliberal practices emanating from Turkey’s relationship with the IMF (Erdoğdu, 2007). Although the Labour Platform’s activities were significant in that they displayed the union movement’s ability to ignore political differences between confederations in order to present a common voice, they did not go beyond raising public awareness of the IMF policies’ impact on labour.

²⁴ The urban headcount poverty index is “the percentage of the urban population living below the national urban poverty line.” (World Bank, 2011)

The emergence and electoral success of the AKP

Following the closure of the Welfare Party and the political ban on its leader, Erbakan, its successor, the Virtue Party (FP) adopted a more careful discourse in terms of their demands for the extension of religious freedoms. Rather than making specific allusions to Islamic values, the FP focused more on 'moral' values and framed religious freedoms as part of a broader notion of "individual rights and democratization" (Öniş, 2006b, p. 9). It also presented a more positive attitude towards the free market and relations with the EU. However, the FP still attracted strong secularist opposition, especially after one of their deputies attended a Parliament session wearing a headscarf, "violating a basic constitutional principle"²⁵ (Öniş, 2006b, p. 11). The backlash against the FP led to a process of self-evaluation within the party, as internal divisions surfaced between 'traditionalists' and 'modernizers', which became remarkably visible when the 'modernizers' nominated Abdullah Gül (the current President of Turkey) for party leadership against then-incumbent Recai Kutan. After the party was closed by the Constitutional Court in 2001 on the grounds that it became a centre of anti-secular activity, the two camps broke off to form two different parties, with the 'traditionalists' founding the Felicity Party (SP), and the 'modernizers' establishing the Justice and Development Party (AKP) (Gümüüşçü and Sert, 2009; Öniş, 2006b).

Whereas the SP more or less continued the National View ideology of classical Turkish political Islam, the founders of the AKP opted for a comprehensive reform of their rhetoric and public image, aiming for the centre-right of the political spectrum in a fashion reminiscent of the Democratic Party, the Justice Party and Ozal's Motherland Party (Cosar and Ozman, 2010; Öniş, 2004a; Yildiz, 2008). During the early days of the party, which coincided with the 2002 election campaign, its leader, Recep Tayyip Erdoğan, and other top officials made every effort to assert that they were not a continuation of the National View movement, and diverted from their Islamist roots in key

²⁵ The Constitution of Turkey declares that "there shall be no interference whatsoever by sacred religious feelings in state affairs and politics" (TBMM, 2011).

policy areas (Gümüřçü and Sert, 2009). In its election campaign, The AKP defined its ideology as 'conservative democracy' and showed remarkable commitment to a free market economy that partakes in global competition, accession into the EU, democratic consolidation with an emphasis on civil society, and the reproduction of traditional values (Cořar and Ozman, 2010; Gümüřçü and Sert, 2009; Öniř, 2004a; Öniř, 2006b; Yıldız, 2008). Regarding its stance on the social and political function of Islam, the AKP maintained that "Islam is a religion that comprises norms and values that render life meaningful for devout Muslims, and yet it is not an ideology, and thus cannot be offered as a solution for the economic, political, and social problems that society faces" (Gümüřçü and Sert, 2009, p. 958). This can be read as an effort to bring together both sides of the secularist-Islamist dichotomy under one roof. In response to its general rhetoric, the AKP managed to acquire the backing of not only MÜSİAD, which had established organic ties with political Islam in the previous decade, but also the traditionally secularist business organization, TÜSİAD (Öniř, 2004b). Meanwhile, the AKP also maintained the electoral support of the disadvantaged sections of society and most of the original voter base of previous pro-Islamic parties. This support can be attributed to the efforts of the Welfare Party to achieve mobilization at the grassroots level, the apparent piety of the AKP's members, and to a large extent, the rapidly diminishing credibility of established parties after the crisis of 2001 (Öniř, 2004b; Yıldız, 2008). As Atasoy points out, "the AKP has been able to draw, ironically enough, on mass dissatisfaction with neoliberalism while also supporting the neoliberal economic model" (Atasoy, 2008, p. 121). With the advantage of presenting itself as a fresh face in Turkish politics, and the lack of a strong alternative among historically secularist parties, the AKP did a much better job of creating a cross-class alliance than the Welfare Party.

In the 2002 general elections, the AKP gained 34.3 per cent of the vote and 363 of 550 seats in the parliament (Yıldız, 2008). None of the parties that were in the parliament before the election could pass the 10 per cent electoral threshold necessary to acquire any seats. The only other party that managed to acquire seats was the CHP, giving "rise to a de facto two-party system" (Cořar and Ozman, 2010, p. 57).

Conclusion

The beginning of the 21st century was a period of transition for Turkish politics and political Islam. While the economic crisis of 2001 effectively incapacitated 'conventional' parties, the previous experiences of the parties that pursued the National View ideology led to the emergence of a distinctly moderate group within the movement, which formed the AKP. The AKP's declaration of commitment to democracy and neoliberal principles while criticizing the established order, produced a government that resembles the ANAP government of the 1980s, acquiring the support of business circles and poorer classes alike.

Chapter 5.

The entrenchment of neoliberalism under the AKP

Remarkably resembling the ANAP era of the 1980s, Turkey under the AKP government saw the further integration of neoliberal principles into economic policy, and the contribution of the use of religion within the process. Islam has played a strategic role not only in enhancing the political and economic influence of Islamic capital, but also in minimizing the class-consciousness of the working class. The shaping of national political discourse along a ‘secularist elites against religious masses’ polarity, as well as concerted efforts through the state apparatus and civil society to foster Islamic sentiments and connections can be read as a natural progression of neoliberal restructuring where class conflict is replaced by more abstract themes so as to distance the working class from class-consciousness.

Overview of the AKP’s economic policy

Having formed a majority government after the 2002 election, the AKP showed a deep commitment to implementing the IMF policies prescribed during the previous government in response to the 2001 crisis, as well as fulfilling the accession conditionalities of the EU. The macroeconomic targets were geared towards austerity and inflation reduction, while enhancing trade relations with other countries (Shankland, 2007). More specifically, the austerity measures involved achieving a fiscal surplus through cutting back government spending, attracting foreign capital, and increasing the privatization of state-owned enterprises (Akan, 2011, p. 83). The ideological justification of these policies was that they would boost the country’s credibility and mitigate its “risk perception”, thereby lowering interest rates and stimulating “private consumption and fixed investments, paving the way for sustained growth” (Yeldan, 2009, p. 3).

Ideologically in favour of the neoliberal model, the AKP government was more able to push through IMF regulations due to the majority it enjoyed in the parliament.

The macroeconomic indicators of the IMF programme suggested that success was achieved in certain areas during the years following the 2001 crisis, especially GDP growth and inflation reduction, as “a 6.4 percent growth rate on average was reached between 2003 and 2007; inflation was lowered to 8.3 percent in 2007 from 47.2 percent in 2002; the public sector borrowing requirement was stabilized at zero; and foreign trade exceeded 53 percent of the GNP” (Akan, 2011, p. 83). There was also a substantial upsurge in the number of privatizations, as 80 per cent of the privatizations that took place after 1995 did so during the 2003-2007 period under the AKP government (Akan, 2011). The relatively quick recovery attained after the crisis through following the IMF policies prescribed to the previous government allowed the AKP to garner both domestic and international approval (Yeldan, 2006). On the other hand, the concerns raised about the economic growth pattern presented by earlier years since 1983 can also be applied to this period: Yeldan points out that GDP growth “was mainly driven by a massive inflow of foreign finance capital, which in turn was lured by significantly high rates of return offered domestically; hence, it was *speculative-led* in nature” (Yeldan, 2009, p. 3). Moreover, external debt increased from \$130.1 billion in 2002 to \$206.5 billion in 2006, due to a sharp rise in imports, as the inflow of foreign exchange caused the Turkish Lira to appreciate (Eligür, 2007). Turkey’s current account deficit has made up 7 per cent of its GDP in 2010 (OECD, 2011). The worsening debt problem and the reliance on financial capital suggests that economic growth has been far from being sustainable.

The socio-economic situation in Turkey did not reflect the steady rise in national income, with positive growth recorded in every quarter in the 2002-2008 period apart from the last one (Yeldan, 24 February 2010). Exceeding 10 per cent during the AKP government, and reaching 14 per cent in 2009, the unemployment rate never returned to its level of 6.5 per cent that existed prior to the 2001 crisis (The World Bank, 2011; Yeldan, 2009). These figures do not include underemployment and masked unemployment, that is, the number of people who are not actively seeking work, but would accept a job offer. Taking these indicators into account, the overall unemployment rate was 17.6 per cent for men and 24.5 per cent women in 2006 (Toksöz, 2008).

Similarly, while “total employment expanded only by 1,418,000 within the last 11-year period,” the working age population rose by 10,213,000 (Toksöz, 2008, p. 9). Hence, the high rates of growth in this period failed to generate a significant amount of employment opportunities, leading to the characterization of the era with the term ‘jobless-growth’ (Yeldan, 2009). A widening gap between labour productivity and real wages was also observed since the crisis of 2001, as real wages have been relatively stable slightly below their crisis level, while labour productivity has shown a steady rise (Demir and Erdem, 2010, p. 34). “With low real wages, fewer numbers of workers, and high labour productivity the so-called achievement [in economic growth] is reached with longer working hours. This is exactly what is referred to as ‘growth without employment’” (Toksöz, 2008, p. 18). It can be observed that the wealth generated during the AKP government was mainly financial and did not reach the lower classes, despite the recovery in certain macroeconomic indicators after the 2001 crisis.

The AKP government’s neoliberal outlook also characterizes its administration of the welfare state. Constrained by the persistent problem of the informal economy, which does not contribute to the formal social security system, the AKP’s handling of the welfare system has involved transferring a lot of the burden to the private sphere and local governments. The well-established network of charitable organizations with Islamic orientations, as well as AKP-controlled local governments, continues to be crucial in delivering social assistance to the poor (Akan, 2011; Buğra and Keyder, 2006; Eligür, 2007). During the first five years of its government, the AKP and affiliated municipalities “regularly distributed economic benefits (food, clothing, and financial assistance; health services; scholarships and free schoolbooks) amounting to over 3.3 billion YTL (new Turkish liras). Over six million families regularly received food packages amounting to 322 million YTL, along with 4.4 million tons of coal” (Eligür, 2007, p. 4). These donations partly explain the large support the party receives from poorer sections of society, despite the paradoxical patterns of lowered real wages and high unemployment.

Whereas Prime Minister Erdoğan has reassured the people that the global financial crisis of 2008/2009 would not significantly damage the Turkish economy (Milliyet, 16 October 2008), data on GDP growth, capital flow and unemployment rates suggest otherwise. The 7.9 per cent drop in GDP during this period is even worse than that of the crises of 1994 and 2001, with decreases of 6.1 per cent and 5.7 per cent,

respectively (Boratav, 2010; Karaağaç and Kaya, 2010). The outflow of foreign capital was also large compared to the previous two crises, as \$10.8 billion left the country between 2008 and 2009, while foreign capital outflow was \$3.9 billion and \$3.8 billion in 1994 and 2001, respectively (Boratav, 2010). Moreover, the unemployment rate rose to 14 per cent during the crisis, not accounting for underemployment and masked unemployment (Karaağaç and Kaya, 2010). Boratav claims that it was the inflow of some \$14.3 billion-worth of undocumented foreign capital during this period that cancelled out the outflow, and saved the financial sector from collapsing. The source of this capital is still unknown to the public, despite various unsuccessful attempts by the Central Bank to explain the process (Boratav, 2010).

The economic mindset and policies of the AKP government is similar to those of the ANAP's during the 1980s, as the majority it holds in the parliament allows it to easily pass legislation that conforms to the neoliberal paradigm imposed by the IMF. Whereas the AKP's economic plan has succeeded in raising national income and reducing inflation, the steady rise of unemployment and decreasing real wages have shown that the growth in GDP cannot be attributed to any considerable development in the real economy, and did not translate to the improvement of the livelihood of the working class.

The political identity of the AKP

Given the Islamic roots of the AKP's leadership and a large portion of its members, the authenticity of their claims that they have renounced their pro-Islamic outlook in favour of a more 'conservative democratic' ideology has come under scrutiny by hard-line secularists in the military, the judiciary, the media, and the main opposition party, the CHP. The AKP's initial enthusiasm in implementing the reforms required by the EU for accession, and the lack of any passed legislation that directly challenged the secularism principle was read by the business elite and most of the international community as a profound commitment to democracy, secularism and the rule of law (Chislett, 2009; Somer, 2007). However, the government's inclination to regularly come into conflict with other state institutions, especially with the military and the judiciary, tendency to appoint bureaucrats with pro-Islamic affiliations, enhanced relationship with Islamic capital through MÜSİAD, ambivalent relations with the EU and the Middle East,

growing intolerance for dissenting views, as well as rising Islamic sensibilities at the municipal level and in social life have rendered such commitment dubious at best. While it is clear that the AKP is not a conventional pro-Islamic party, in the sense that it does not push for a transformation of the state along Islamic lines, it has managed to frame political discourse in the form of a conflict between the secularist state elite and the pious AKP who represents the 'national will', thus feeding on the benefits of appealing to the religious vote.

Having learned from the experiences of the Welfare Party and the Virtue Party, during the first few years of its rule, the AKP made an extra effort to steer away from the National View or Just Order ideologies and instil the impression that it was willing to spearhead the democratization process that Turkey was undergoing via the EU accession negotiations. The staunch opposition that political Islam received from both the secular state organs and the general public throughout the February 28 Process has shown that secularism as a notion is rooted deeply enough to avoid a radically Islamist government (Somer, 2007). On the other hand, Islam's place in Turkish culture is also entrenched, and its historical role as a political variable, as evidenced by the discourses of earlier conservative parties, would make it illogical for the AKP to abandon appealing to religious sensibilities. Consequently, the AKP members do not necessarily "seek to enshrine Islam in politics, though they do wish to harness its potential to help them win votes" (Nasr, 2005, p. 14). In this sense, combined with its neoliberal economic policy, the AKP resembles more the ANAP of the 1980s or the DP of the 1950s than, say, the Welfare Party. Unsurprisingly, in a survey among the AKP members, the top three politicians towards whom they had a positive attitude were Prime Minister Erdoğan, and Turgut Ozal and Adnan Menderes, the leaders of the ANAP and the DP during the above-mentioned decades, respectively (Dalmış and Aydın, 2008, p. 209). Similarly, during the election campaign of 2007, a widespread billboard advert prepared by an AKP-affiliated charity association showed pictures of Erdoğan, Ozal, and Menderes, with the heading "Stars of Democracy," suggesting an effort to make ideological and historical links between the AKP and earlier conservative parties (Savaşkan Akdoğan, 2009, p. 221). This shift in political rhetoric within the framework of EU accession serves the double purpose of gaining legitimacy as a party conforming to the principle of secularism and allowing the freer expression and distribution of Islamic values in social

and political life (Nasr, 2005; Somer, 2007). In this respect, an important reform was the reduction of the influence of the military, which has been antagonistic with political Islam since the February 28 Process, in the National Security Council, as it was ensured that the Council's secretary-general would be a civilian and that it would "take action only on the initiative of the prime minister" (Baran, 2008, p. 58).

Several actions of the AKP government have raised suspicions regarding the extent to which the party has been able to diverge from political Islam. In 2004, for example, Prime Minister Erdoğan proposed to criminalize adultery, but was quick to withdraw the suggestion upon harsh criticism from various circles, including the EU (Shankland, 2007). In 2006, while visiting Darfur at the invitation of the Sudanese government, Erdoğan denied the idea of a genocide taking place in the region on the grounds that "ethnic division and murder are unacceptable in a Muslim country" (qt. in Jenkins, 2008, p. 176). The then-speaker of the Turkish Parliament, Bülent Arınç, was also involved in controversial statements, when he argued for the need to redefine secularism in Turkey along the lines of freedom of conscience and faith, and when he included "pious" among the qualities of the person his party would nominate for the successor of Ahmet Necdet Sezer as the President of Turkey in 2007 (Oğuzlu and Özpek, 2008). Never refraining from taking the opportunity to portray a religious image has not only aligned the AKP with the Muslim world, but also ensured the continuity of the public debate on the state of Turkish secularism.

The appointment of individuals with pro-Islamic affiliations/backgrounds to positions in the state bureaucracy was another source of controversy with respect to the AKP's commitment to secularism. The nomination of a top executive of an Islamic bank, Al Baraka Turk, as the head of the Central Bank attracted harsh opposition, and was vetoed at the time by President Sezer (Shankland, 2007). Similarly, "about 800 civil servants were transferred from the [Presidency] of Religious Affairs to the Ministry of Education" (Somer, 2007, p. 1279). The Ministry of Education has, in turn, been visibly eager to incorporate Islamic values in education, removing "references to the theory of evolution from eighth grade science textbooks" (Jenkins, 2008, p. 179) in favour of creationism, and encouraging daily prayer (Somer, 2007). Moreover, religious programming on the state-run television station, TRT, has tripled since the AKP appointed its director in 2004 (Jenkins, 2008). Finally, while they are difficult to

quantifiably support, allegations that men whose wives wear the Muslim headscarf receive favouritism in bureaucratic appointments over those who do not are common (Oğuzlu and Özpek, 2008).

During the AKP's term, there has been a visible increase in the abundance of Islamic values and concepts at the social level. AKP-affiliated local governments and charities and institutes linked to Islamic brotherhoods have played a particularly important part in this process (Oğuzlu and Özpek, 2008; Sharon-Krespin, 2009). A 2007 public survey indicates that the percentage of people who say that they are very religious increased by 21.5 points to 46.5 per cent from the year 1999, while those that describe themselves first as Muslims rose from 35.7 per cent to 44.6 per cent in the same period (Çarkoğlu and Toprak, 2007). Regarding the controversial issue of the Islamic headscarf, "while 56.3 percent of the women living in urban areas were wearing the turban in 2003, that number rose to 69.4 percent in 2007" (Oğuzlu and Özpek, 2008, p. 998). Meanwhile, news stories of catering services being stopped in some schools during Ramadan, the beating by the police of shopkeepers who sold alcohol (Eligür, 2010), the raiding of art galleries due to the consumption of alcohol (Hürriyet, 21 September 2010), attracted mainstream media attention. As Somer points out, the AKP's take on Islam may be establishing the necessary conditions for Islamic values to flourish in social life by itself, without much help through legislation at the central government level (Somer, 2007). However, it should be remembered that such dominance of Islam in social life did not happen suddenly, and is part of a gradual yet relatively speedy transformation that dates back to the junta of 12 September 1980, followed up by the organizational networks backed by the ANAP and the Welfare Party.

The above-mentioned events and patterns have created tension between the government and the state establishment, namely the military and the judiciary, regarding approaches to secularism. The lack of a strong opposition from the left, the historical role of the Turkish military as a self-proclaimed guardian of the foundational principles of the state, and the overall composition of secularist officials in the judiciary produced a

political environment in which effective opposition to the AKP government came not necessarily from political parties but from unelected state organs (Baran, 2008). The conflict between the AKP and state institutions revealed a decisive “religious-secular divide” (Somer, 2010, p. 32) within the overall political atmosphere²⁶.

One of the most striking examples of tension between the government and other state institutions was the armed attack on the Council of State in 2006 by a lawyer protesting the upholding of the university headscarf ban, which killed one of the judges. This incident is significant due to the response it received from the AKP government and opposing actors. The judge’s funeral drew not only military personnel but also thousands of protesters who accused the AKP of encouraging religious extremism and chanted in support of a secular state (Eligür, 2010; Jenkins, 2008). “Traditionally, the Turkish prime minister attends any funeral of a high-ranking state official killed in the line of duty. But Erdoğan refused to do so, opting instead to open a new road in...Antalya” (Jenkins, 2008, p. 180). The mass protest at the funeral suggested that the AKP’s conflict with the secular establishment was deeper than a mere power struggle between an elected government and a bureaucracy wanting to preserve its privileged position.

A similar situation was also observed in the run up to the general elections of 2007. During the appointment process of President Sezer’s successor, the AKP faced harsh criticism from the CHP, the military and other secularist circles upon nominating Foreign Minister Abdullah Gül for the position, particularly due to his history in Islamist

²⁶ Hale and Özbudun note that ideologically, the AKP is not at odds with secularism as a principle (Hale and Özbudun, 2010). The disagreement with the military and the judiciary is rather related to the kind of secularism that should be adopted by the state. They distinguish between the AKP’s ‘passive secularism’, and the state bureaucracy’s ‘assertive secularism’. “Passive secularism is based on state neutrality toward various religions and allows their public visibility, whereas assertive secularism excludes religion from the public sphere and confines it to the private domain” (Kuru, 2010, p. 350). Nevertheless, it would be rational to deduce that an understanding of secularism that endorses the public visibility of religion would receive the support of religious groups. Such was the case with religiously oriented media during the disputes with the state establishment (Somer, 2010). Hence, it can be argued that the secularism aspect of the AKP’s dispute with the state establishment was widely perceived as a sharper distinction between secularist and religious fractions (Somer, 2007).

parties and the fact that his wife wore the Islamic headscarf. In April 2007, the former Chief of the General Staff, Yaşar Büyükanıt, issued a public statement that emphasized the need for a president that was secular “not just in word, but also in deed” and that the Turkish Armed Forces were the “absolute guardians of secularism” (TSK, 2007). Moreover, there was a series of mass demonstrations in numerous cities protesting the AKP’s nomination of Gül, while also speaking out against the military’s involvement in civilian politics (Baran, 2008). The protestors were opposed to an AKP-affiliated president who “would give his party full control over the executive and the legislature along with the ability to influence the judiciary—effectively putting an end to the separation of powers” (Baran, 2008, p. 64). As the CHP boycotted the parliamentary vote on the appointment of the president, the necessary qualified majority was not reached, thus an early election was called, as a result of which the AKP increased its vote share, though lost a number of seats due to the MHP passing the 10 per cent threshold and winning seats in the legislature²⁷ (Baran, 2008). Throughout the election campaign, the AKP made an effort to present itself as the representative of the people’s will, while insinuating that those who spoke out in support of secularism wanted a military coup, effectively playing a part in the perpetuation of the ‘secularist versus religious’ divide in Turkish society (Baran, 2008; Uran, 2010). Hence, while the AKP may not have passed any legislation that substantially challenged the secularist state, it managed to rally electoral support from the suspicions and tensions arising from its pro-Islamic tendencies.

The AKP’s disputes with state institutions continued and intensified after the elections. With the backing of President Gül, the newly-appointed chairman of the Higher Education Board, and the MHP in parliament, the government passed an amendment to the constitution that lifted the ban on wearing the headscarf in universities, but it was overturned by the Constitutional Court (Eligür, 2010). In 2008, a case was filed in the Constitutional Court to ban the party for being “a centre of anti-secular activities” (Eligür, 2010, p. 265). Among the evidence provided were the AKP’s attempts to establish an

²⁷ Shortly after the election, with the MHP’s backing, Abdullah Gül was appointed as President.

Islamist bureaucracy, the rise in Islamist elements in national education, the ban on the selling and consumption of alcohol in certain parts of municipalities governed by the AKP, and the AKP's efforts to allow the headscarf in universities, as well as state institutions (Eligür, 2010). While criticizing the motion, Prime Minister Erdoğan claimed that the case was disregarding national will, and cited a verse from the Quran. The Constitutional Court did not ban the party, but issued a warning and a financial penalty²⁸ (Eligür, 2010). This case ultimately helped fuel the AKP's image as 'the people's party,' irrespective of the pro-capital economic policies outlined above.

The AKP's initial good relations with the EU were challenged a number of times over the nine-year term, breeding circumstances in which full membership in the near future does not seem probable. In 2004, the European Court of Human Rights (ECHR) rejected a Turkish woman's appeal against the ruling that dismissed the claim that the headscarf ban in universities is a violation of human rights conventions, prompting criticism from the AKP (Baran, 2008; Jenkins, 2008). A year later, when answering a question about the ECHR's decision, Erdoğan stated that he was astonished, arguing that courts do not have the right to rule on matters of faith, and that such decisions should be left to clerics (Hürriyet, 16 November 2005; Jenkins, 2008). These disputes with the EU, served as another point of antagonism with the 'pious masses' and the Western, secular world, allowing the AKP to portray the image of being the representative of the disadvantaged.

As described above, the pro-Islamic inclinations of the AKP government, the heightened public visibility of Islam and the religious component of the AKP's disagreements with the state establishment and the EU had polarizing effects in Turkish

²⁸ This and previous legal setbacks prompted the AKP to make two rounds of critical constitutional amendments in 2007 and 2010, both via referendums, which gave the AKP considerably larger control over the judiciary. The first one ruled that the president would be appointed through a public election, while the other remodelled the judicial system, ensuring, among other things, that three of the seventeen judges in the Constitutional Court would be appointed by the Parliament, while the rest would be appointed on recommendation of the High Courts and the Higher Education Board, the members of which are appointed by the President in the first place (Düzgit, 2010).

society. Çarkoğlu and Toprak note that among their respondents, “20.3% of [them] defined themselves as ‘secular’, 48.5% as ‘Islamist’, 23.4% placed themselves in the centre of these two extremes” (Çarkoğlu and Toprak, 2007, p. 33). On a scale of 0 to 10, with 0 being “secularist” and 10 being “Islamist”, the AKP voters placed themselves at 7.1, while the CHP voters were at 2.8 (Çarkoğlu and Toprak, 2007, p. 43). Although there is a positive correlation between income and education and “pro-secular sensitivities”, and a negative one between those and an “Islamist” orientation (Somer, 2010), it is difficult to claim that these trends are a reflection of a class struggle between the poor, religious majority and the rich, secular elite, due to the AKP’s cross-class coalition²⁹. Given high rates of unemployment, the AKP’s capital-friendly economic policies, and its favourable relations with pro-Islamic business (explained below), the function of the Islam-sensitive approach of the AKP can be explained in terms of the dominance of identity-based alliances over class-based ones in neoliberal societies. This can be related to Buğra’s argument mentioned earlier regarding the absence of conditions necessary for which the working class to effectively organize under flexible production, as associations based on ethnic or religious identity become more practical (Buğra, 2002).

The AKP and Islamic capital

There have been overt efforts during the AKP period to foster relationships with Middle Eastern and African countries, especially through increased trade. Overall Turkish exports “jumped from \$31 billion in 2001 to \$132 [billion] in 2008” (Barkey, 2010, p. 41), and the government, as well as current President Abdullah Gül, played an active role in enhancing partnerships with non-Western countries. Exports to Arab countries rose sharply from \$3 billion in 2001 to \$25 billion by 2008, boasting a trade surplus of approximately \$13 billion with these countries in the mean time (Habibi and Walker,

²⁹ Such a coalition was recently reinforced as the AKP received almost half of the votes in the general election of June 2011 (BBC News, 12 June 2011).

2011). Although the EU is still Turkey's main trading partner, its share of Turkish exports gradually decreased since the AKP took office, and dipped under 50 per cent after the global crisis of 2008, while that of predominantly Muslim countries went up to 26 per cent (Habibi and Walker, 2011). Government officials and diplomats made frequent visits to these countries in order to promote "economic cooperation agreements and [facilitate] trade relations...The high priority of economic and trade objectives in these high-level visits is best reflected by the large number of business and commercial representatives who routinely accompany diplomats on these visits" (Habibi and Walker, 2011, p. 4-5). MÜSİAD, for instance, sends large groups of its members to these trips and releases reports on the feasibility of engaging in commercial relations with other Muslim countries³⁰. In a 2007 speech at the International Business Forum (IBF) congress³¹ held in Abu Dhabi, the former chairman of MÜSİAD, Ömer Bolat, stressed the necessity of economic partnership among Muslim states, including making investments in neighbouring Muslim countries, at the face of global competition (MÜSİAD, 2007).

While some firms affiliated with TÜSİAD, the most rooted business organization representing the wealthiest industrialists, have also expanded their business into Muslim-majority countries, on the part of TÜSİAD as an organization, it is difficult to talk of a commitment comparable to MÜSİAD's in the same direction (Şahin, 2010). The European market continues to be TÜSİAD's main priority in terms of foreign investment and the direction of exports (Babacan, 2011).

There are significant parallels in the ideational evolution of MÜSİAD and the AKP. Much like the reformist wing of the National View movement that eventually formed the AKP, MÜSİAD learned from the February 28 process, in which its members went through investigations and sanctions for providing financial support for Islamic political parties, and reframed their ideological stance (Yankaya, 2009). The open criticism of

³⁰ Many of these reports are compiled on the MUSIAD website, www.musiad.org.tr

³¹ Among the objectives of the IBF, the one listed first is to "coin and utilize the Islamic ethical virtues among the conventional business life." More information on the IBF is available at <http://www.musiadfair.com/ibf.php>

Western ideals and lifestyle and the endorsing of Islamic values and practices were replaced by a more liberal discourse that emphasizes multiculturalism, individual freedoms and democratic rights, as well as supporting the EU accession process. It was perceived that the reforms needed for EU membership would facilitate the extension of religious freedoms, through not only improving individual and democratic rights, but also eliminating the political influence of the military, which was in conflict with pro-Islamic groups since the rise of the Welfare Party (Guveloğlu, 2007; Yankaya, 2009). On the other hand, similar to the AKP's experience, there was a reduction in MÜSİAD's enthusiasm for the EU because of certain restrictive conditionalities, such as the Cyprus problem (Yankaya, 2009). Nevertheless, the EU accession negotiations gave MÜSİAD the opportunity to legitimately place "religiously significant issues such as the headscarf ban in universities and public institutions, the lack of facilities in favour of religious practices such as worship places and meal arrangements according to Ramadan rituals and to Friday prayer in workplaces" (Yankaya, 2009, p. 13) on the political agenda without the danger of serious military interference.

The organic relationship between the AKP and Islamic capital is not only ideological, but also material. Some twenty MÜSİAD members were elected as AKP deputies in the 2002 election, with ten of them being among the founding members of the AKP (Jang, 2005). Founded in 1990, MÜSİAD grew from having approximately 2000 members in 2002 to over 3000 members today (Gümüşçü, 2008; MÜSİAD, 2011). At the local government level, "there has been a rise in the number of public contracts awarded to conservative businessmen through AKP-run municipalities" (Hoşgör, 2011, p. 354). MÜSİAD's reports on the Turkish economy have generally painted a positive picture (Beriş, 2008) – though the association has been critical of fiscal discipline policies – and credited the AKP for its performance, additionally praising the further integration of Islamic financial institutions into the banking system (Atasoy, 2008, p. 127). The AKP government has also been active in facilitating the acquisition of public deals by Islamic capitalists, as was the case with the sale of media outlets *Sabah* and *ATV*, which had previously been acquired by the state for legal reasons, to the *Çalık* Group, whose CEO is Prime Minister Erdoğan's son-in-law (Eligür, 2010; Karadağ, 2010). During the course of the transaction, the *Çalık* Group managed to acquire credit from two publicly owned banks and a Qatari company (Eligür, 2010). There have also been allegations that

Erdoğan “used the AKP’s parliamentary majority to suppress [the] investigation” of the deal’s legality (Rubin, 2008). The sale of these large media conglomerates is particularly significant for the change in the content delivered in their publications and programming, displaying a pro-government bias.

In another case, the AKP came under scrutiny for its position in the corruption scandal involving the Lighthouse Association (*Deniz Feneri Derneği*), an Islamist charitable organization whose chairperson was sentenced in Germany for “embezzling charity money raised from the Turkish community in Germany amounting to 14.5 million Euros and illegally transferring it to pro-[AKP] businessmen and Islamist TV channel Kanal 7 in Turkey” (Eligür, 2010, p. 270). It was also alleged that the chairperson of the Radio and Television Supreme Council (RTÜK), who was appointed by the AKP government, was part of the scheme. In response to the media attention the case received, Prime Minister Erdoğan accused certain media groups of not reporting honestly and called for a boycott of these newspapers and TV channels (Eligür, 2010). The *Deniz Feneri* case is a good example of the use of the organizational function of Islam by capital and politicians, with religious ties being established between charities, the government and mass media organs.

In terms of political Islam’s relationship with capital, the AKP is especially distinguishable from its predecessors not only for the widespread support it received from business associations with varying political perspectives, but also for the manner in which Islamic capital has evolved during this period. While disagreeing with the AKP’s social stance, especially regarding the secularism debate, TÜSİAD has been on relatively amicable terms with the AKP due to its economic strategy (Atasoy, 2008; Barkey, 2010). This situation can also be read as a secularist business association overlooking the government’s conflict with the secular state establishment for ensuring the continuity of market-friendly policies, displaying a divergence from its position towards earlier pro-Islamic parties (Hürriyet, 23 January 1998). On the other hand, their differences on social issues makes it impossible to talk of a bond between TÜSİAD and the AKP that is similar to the one between the latter and MÜSİAD. As regards its evolution, Islamic capital is no longer associated with only small- and medium-sized enterprises based in Anatolia, as there are various examples of Islam-affiliated firms that have grown in “size, scope and regional orientation” (Hoşgör, 2011, p. 355), extending

their operations into Europe, Asia, and the United States (Atasoy, 2008). YIMPAS, a supermarket chain, for example, “owns over 24 companies, employs 10,000 workers and has investments in Germany, Bulgaria and Turkmenistan” (Hoşgör, 2011, p. 355). Hence, the distinction in terms of wealth between Istanbul-based industrialists and originally Anatolia-based small- and medium-scale enterprises organized under MÜSİAD is blurred, due largely to the latter’s organic relationship with the AKP.

In light of the above discussion, it can be argued that the AKP’s Islamism manifests itself, not so much in the legislature, but more in the favourable relations it forms with Islamic capital and the way in which it promotes the dissemination of Islamic values in society. By fueling the ‘religious masses versus secularist elite’ debate, the AKP managed to successfully utilize the electoral power of displaying a pious image.

Conclusion

After a decade of political instability, for the last nine years, Turkey is being governed by a party that has shown the utmost commitment to neoliberal processes. During this period, the AKP government allowed the discussion of their approach to Islam and secularism to be at the forefront of Turkish politics, while ambitiously continuing an economic growth strategy that is essentially financed by reduced wages and workers’ benefits, and that increasingly strengthens a certain class of capitalist. Its image as a religious and populist party helped the AKP to gather public support, and masked the inequalities arising from neoliberal policies.

Chapter 6.

Labour's experience with the AKP

The systematic weakening of the labour movement continued and intensified under the AKP government, as a result of both economic processes that come with neoliberal transition, particularly increased unemployment and informal employment, and the hostile attitude of the AKP towards the working class through legislation and an uncompromising stance vis-à-vis labour disputes. Meanwhile, although the traditionally pro-Islamic confederation, Hak-İş' 'social dialogue' rhetoric implies seeking an arrangement that would optimize the gains of both the workers and the capitalist class, in practice Hak-İş ended up siding with the AKP on key issues, thereby finding it difficult to uphold workers' interests.

Legislation

Within the first year of its term, the AKP replaced the labour law that has been in effect, albeit having gone through certain changes, since 1971, and enacted the Labour Act no. 4857 (Koç, 2006). The new law was designed to regulate the labour market in accordance with the neoliberal understanding of 'flexibilization,' lifting the legal barriers and costs of hiring and firing for employers, as the 'rigidities' of the labour market were often cited as the reason for economic turbulence during the 1990s by the business elite (Akan, 2011; Özdemir and Yücesan-Özdemir, 2005; Özdemir and Yücesan-Özdemir, 2006). "Classic labour law aimed to protect workers because of the power imbalances inherent in the work relation... Today, the protection of the worker is considered to be related to the protection of the existence of the enterprise, which in turn provides the worker's wage" (Özdemir and Yücesan-Özdemir, 2006, p. 320). The AKP's Labour Act is essentially geared towards protecting the business.

Several articles in Act 4857 substantially narrow the scope of job security. Under the old law, a business could be exempt from job security obligations if it employed less than ten workers. The new law increases this number to thirty (Onaran, 2009). Koç notes that many firms split on paper in order to appear to be employing less than thirty workers and take advantage of this rule (Koç, 2006). Act 4857 also legitimizes certain contractual relationships that ensure labour flexibility, such as fixed-term contracts, temporary work, and subcontracting. “The Act allows making fixed-term contracts with workers, even though the nature of the work might be continuous, allowing firms to employ successive workers for the same job under short-term contracts. These workers would not be able to benefit from job security, notice period, severance payments, or unemployment insurance” (Koç, 2006, p. 44). While the Act stipulates that such successive fixed-term contracts cannot be made without a justifiable reason, it does not define what the expression “justifiable reason” entails (Özdemir and Yücesan-Özdemir, 2005). Under the temporary work arrangement, a worker would be employed by a staffing agency and be ‘leased’ to a client company for up to eighteen months. The agency would pay the worker’s salary. As the worker would not be considered an employee of the client company, s/he would not be able to join the union in that workplace (Koç, 2006). Similarly, subcontracting ultimately downloads some of the responsibility that comes with hiring a worker to a smaller, more specialized, yet less-established firm (Özdemir and Yücesan-Özdemir, 2005). There have been concerns from some of the union representatives interviewed regarding subcontractors’ reliance on illegal workers who have no benefits and legal rights, and are thus in a constant circulation within the labour supply, making it impossible to organize them in unions. An interviewee claimed that subcontracting peaked under the AKP government (Tes-İş rep., personal communication, 20 July 2010). The small size and legal identity of subcontractors allow them to mistreat workers in various ways, as they are difficult to take to court, since they can easily shut down the company at the first sign of legal trouble (Limter-İş rep., personal communication, 23 July 2010).

In the case of a change of ownership of the workplace the Labour Act does not entitle a worker to severance payment if s/he quits the job, but allows the new employer to terminate the worker’s contract without prior notice. (Özdemir and Yücesan-Özdemir, 2006). Finally, workers who are facing an investigation of debt can be immediately laid

off under Act 4857. According to the interview with a member of Tes-İş, there has been an increase in recent years in the number of workers under such circumstances (personal communication, 20 July 2010). As these regulations make it very easy for employers to fire workers without compensation, workers tend to refrain from organizing under unions for fear of losing their jobs; or they cannot organize because they do not spend enough time in the workplace when they work under fixed-term or temporary contracts.

The new Labour Act also gives businesses substantially more freedom in deciding on work hours and break times, allowing the workday to be as long as eleven hours (Özdemir and Yücesan-Özdemir, 2006). Consequently, a study by DISK has revealed that while the average workweek was 38.6 hours in the EU, it was 45 hours in Turkey (Bianet, 3 May 2011).

The Trade Unions Act (Act 2821) and the Collective Agreements, Strikes and Lockouts Act (Act 2822) of 1983 are still in effect in Turkey. In May 2008, in order to implement ILO conventions as part of the efforts to join the EU, the AKP government drafted a series of amendments to these Acts, including granting more financial and organizational autonomy to trade unions and eliminating the notary public requirement for union membership (Akan, 2011). The drafts also remove the 10 per cent sectoral requirement for unions to be able to engage in collective bargaining, while retaining the 50 per cent workplace requirement. The 10 per cent requirement is replaced with other restrictive requirements, including demanding that a union must be a member of a confederation, which eliminates the possibility of collective bargaining for independent unions (DISK, 2008). The 50 per cent workplace requirement is particularly open for abuse, as compliant unions can cut deals with employers whereby they would be allowed represent just over 50 per cent of the workers (thus collecting membership fees) in return for discouraging labour militancy, meanwhile shutting out other unions that might be more committed to workers' interests (Limter-İş rep., personal communication, 23 July 2010). Thus, criticism of the drafts has been based on their limited scope and preservation of the Acts' anti-labour essence (DISK, 2008). Irrespective of these debates, the draft bills are yet to make it to the general assembly of the Turkish Parliament, indicating a lack of commitment on the part of the AKP. There have been

minor changes to Act 2822 in 2009, but they were of an administrative nature (Act 2822, 1983).

A set of constitutional amendments were made in September 2010, which, among other changes, removed the restriction against a worker joining more than one union simultaneously in the same sector and allowed public servant unions to engage in collective bargaining. While the former amendment was touted by the government as an expansion of freedom of association, it was criticized by some trade unions as a restriction on the collective bargaining process, due to the presence of the 10 per cent sectoral threshold rule (Basın-İş, 2011). As regards the right to collective bargaining for public servants, the implications in terms of bargaining power will be limited when public servants do not have the right to strike.

In early 2011, the AKP passed another set of laws that further reduces job security and flexibilizes the labour market. These include extending a worker's 'trial period,' in which they can be let go without compensation, from 2 to 4 months, reducing the minimum number of workers employed needed to be qualified to employ interns from 20 to 5, and reducing the minimum wage of interns (that is, trainees with no job security working at or under the national minimum wage) (DISK, 2011).

It is evident that the AKP government has been enthusiastic to shape legislation on industrial relations in favour of capital. The Labour Act in particular has worsened working conditions and job security and set higher barriers against the unionization of workers, indicating a conscious effort on the part of the AKP to suppress organized labour. The piecemeal attempts to apply ILO regulations into law, despite the ease with which the AKP can pass legislation with a majority it has been enjoying in the Parliament for the last nine years, suggests a lack of commitment.

Shrinking union density in the neoliberal era

Since the adoption of neoliberal principles in the 1980s, there has been a dramatic and unremitting fall in union membership. Keeping in mind the limitations of formal statistics on union membership values described in the Introduction, **Table 1** presents the percentage of workers registered at the Social Security Institution (SGK)³² that are under collective agreements (CAs) as an approximation of union membership. While **Figure 1** plots this rate on a graph, **Figure 2** and **Figure 3** split the same graph into two time periods, 1986-2002 and 2003-2009 (that is, before and during the AKP government), respectively. An exponential regression is fitted for all three graphs (the dashed lines), with the regression equations, y_i , and goodness-of-fit (R^2) values provided. Judging from collective agreement rates, union membership dropped from 46.94 per cent to as low as 13.86 per cent in the 23 years since 1986. The 2008 value of 13.85 per cent is lower than that of almost all Organization for Economic Co-operation and Development (OECD) countries, apart from Chile, the United States, South Korea and France (OECD, 2011). Turkey is one of two countries, along with Australia that experienced such a dramatic fall in union membership since 1986. It should be noted that the OECD figures for union membership in Turkey in 1986 and 2008 are 21 and 5.8 per cent, respectively. This is because the OECD uses a different method of calculation, based on survey data, in which it includes all wages earners, thus taking into account informal employment, which lowers the figures significantly. In this case, Turkey is ranked the lowest in union membership among OECD countries. Nevertheless, in terms of the level of variation displayed, this study and OECD figures are compatible.

Figures 2 and 3 suggest that during the AKP era, the speed at which union membership falls has increased, albeit marginally, compared to previous years, as the decay constant in the regression equation for the period 2003-2009, that is, the positive number in the exponent is slightly larger than that of the period 1986-2002. This is especially significant given that the 'space' for the fall is much more limited in the AKP

³² Formerly named the Social Insurance Institution (SSK).

Table 1.**The percentage of workers under collective agreements (1986-2009)**

Year	2-year average of the number of workers under CAs	No. of registered workers	Workers under CAs (%)
1986	1443473	3075343	46.94
1987	1628682	3268030	49.84
1988	1591360	3483212	45.69
1989	1505520	3564214	42.24
1990	1385919	3563527	38.89
1991	1443297	3513064	41.08
1992	1556928	3596469	43.29
1993	1529825	3742380	40.88
1994	1407682	3815261	36.90
1995	1144989	3905118	29.32
1996	1137788	4051295	28.08
1997	1319563	4215375	31.30
1998	1209155	4327156	27.94
1999	1054422	4381039	24.07
2000	1042473	4521081	23.06
2001	1010563	4562454	22.15
2002	1007305	4572841	22.03
2003	957418	4781958	20.02
2004	919463	4916421	18.70
2005	933734	5022584	18.59
2006	902345	5154948	17.50
2007	831335	5292796	15.71
2008	750018	5414423	13.85
2009	748399	5398296	13.86

Note. Calculated from data provided in The Ministry of Labour and Social Security's Labour Statistics of 2009.

Figure 1.

The percentage of workers under collective agreements (1986-2009)

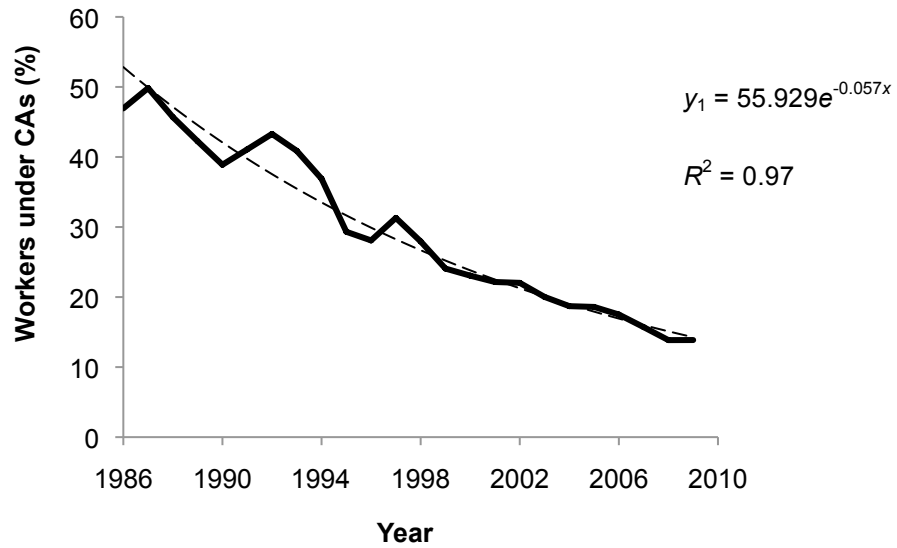


Figure 2.

The percentage of workers under collective agreements (1986-2002)

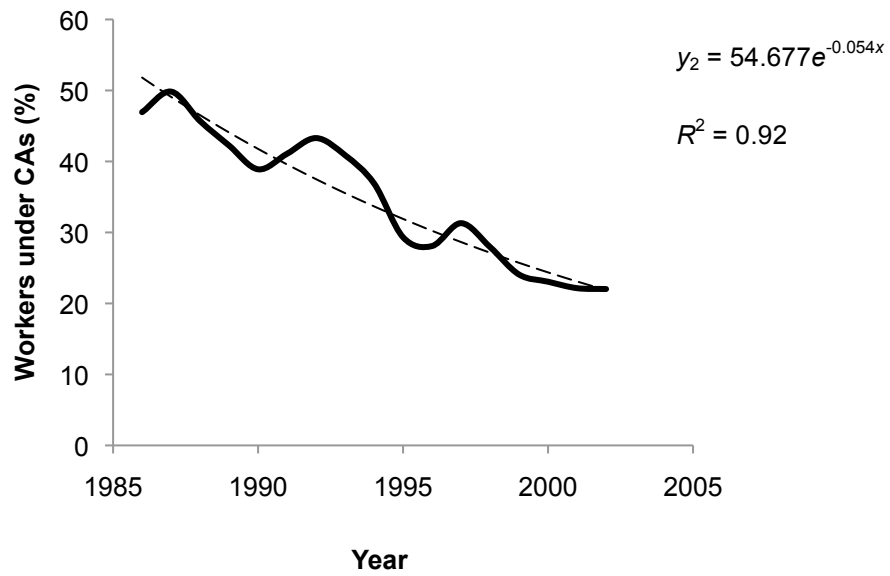
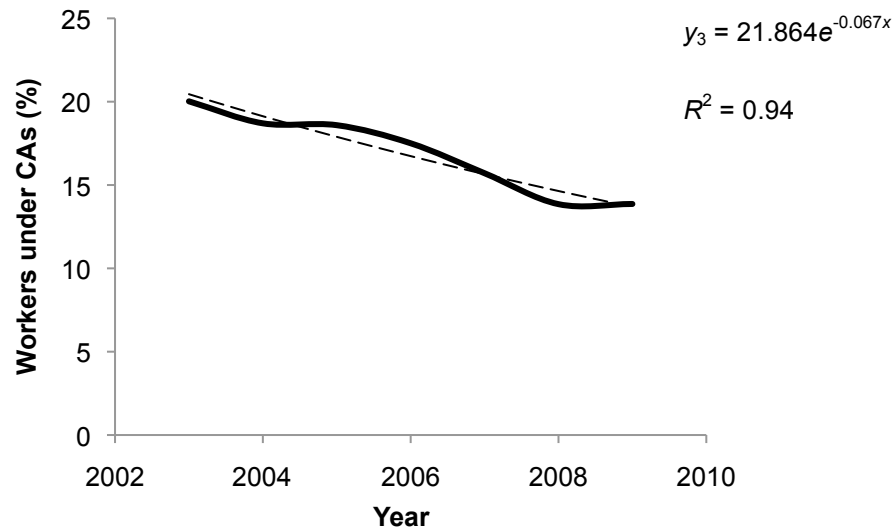


Figure 3.

The percentage of workers under collective agreements (2003-2009)



period (from 20.02 per cent to 13.86 per cent in 7 years) than that of the preceding period (from 46.94 per cent to 22.03 per cent in 16 years).

Along with union density, strike activity has also sharply fallen in the last couple of decades, ever since the large wave of strikes in 1989-90, and reached its lowest position in the AKP era, with 13 strikes in 2009 (ÇSGB, 2010; Demir and Erdem, 2010). Since 2002, strike activity has never recovered to its pre-2001-crisis level of 52 strikes in 2000 (ÇSGB, 2010). In a period where real wages have been under their pre-crisis level, low strike activity indicate a highly reduced bargaining power for labour.

There are structural factors, namely high unemployment (the values for which are given earlier in Chapter V) and informal employment rates, which, when combined with the labour flexibility offered by legislation, discourage workers from engaging in union activity. Nearly all of the union representatives interviewed, as well as the representative of the CHP, mentioned unemployment as the main barrier against joining a union or going on strike, as the fear of being laid-off overcomes the will to voice any demands. Such was the case in the 2008 shipyard strikes in Tuzla, Istanbul, when workers refrained from showing up to the picket line after Gemak, a shipbuilding company laid off

and refused to rehire a group of strikers (Limter-İş rep., personal communication, 23 July 2010). Although there are certain protections against this kind of employer behaviour in the Labour Act (for example, Article 18 that lists contract termination reasons not considered acceptable), there are also contradicting articles in the Act that give broad definitions for justifiable reasons of termination (Act 4857, 2003). Even with its contradictions, it was complained that the Labour Act is far from being fully implemented in the Tuzla shipyards³³ (Limter-İş rep., personal communication, 23 July 2010).

Informal employment, due to the downward pressure it exerts on wages, is another setback in terms of unionization, as employers have the opportunity to prefer informal workers instead of those that are registered in the social security system and are thus costlier (Dereli, 2007). The informal sector is, by definition, not regulated by the Labour Act. To illustrate the severity of the situation, Kaya points out that the informal sector accounted for about 34 per cent of all employment in 2005 (Kaya, 2008). In the manufacturing industry, for example, official statistics indicate that there has been a drop of 16 per cent in employment between 1998 and 2006, while household surveys suggest a 21 per cent increase, leading one to conclude that the gap must have been filled by informal employment (Demir and Erdem, 2010, p. 16). Moreover, while small- and medium-sized enterprises make up 95 per cent of all manufacturing firms, they only account for 35 per cent of formal employment in the sector (Demir and Erdem, 2010). The fact that these sectors are heavily dependent on informal work (Buğra and Keyder, 2006), poses a disincentive for the government to seriously tackle the issue. Keeping in mind that the manufacturing sector is also the sector in which MÜSİAD members are the most dominant among small- and medium-sized firms (Özdemir, 2006), such a disincentive is likely to be reinforced when one considers the connections between MÜSİAD and the AKP described in the previous chapter³⁴.

³³ The interviewee used the expression “Republic of Tuzla” to describe the extent to which the law is neglected.

³⁴ Further research would be needed in this area.

The AKP's relations with organized labour

During the nine years of its time in government, the AKP's relationship with the labour movement has been generally strained. As a self-proclaimed conservative party, the AKP values the idea of workers' feeling a sense of 'ownership' at the workplace. This does not mean that workers should hold shares in the business – that is, in the normal sense of the word 'ownership' – but rather that they should identify with the business and form an emotional connection with the workplace and the work itself. In order to achieve this, profitability and productivity must be maintained, as workers can only be happy in a successful business (AKP deputy, personal communication, 7 July 2010). As the AKP deputy has also noted, this is not unlike the Japanese understanding of workplace organization, whereby worker commitment and morale is maintained through allowing some participation in decision-making in certain areas without changing the power hierarchy and through “rituals that evoke feelings of enterprise community and pride” (Lincoln and Kalleberg, 1985, p. 740). Such an approach would decidedly object to a militant, class-consciousness-based organized labour whose activities would hurt production. While the AKP's party program argues for the strengthening of trade unionism, the AKP views trade unions as “labour organizations that would function as self-help organizations for their members and would participate in the regulation of supply and demand conditions in the labour market under the leadership of the state authorities” (Akan, 2011, p. 88). Therefore, the emphasis of the program is on maintaining social dialogue with trade unions through reaching mutual understanding on issues of concern (Akan, 2011). In this respect, the AKP views trade unions as any other civil society association as opposed to class organizations struggling for workers' rights. Its endorsement of trade unions can thus be tied to its overall advocacy of the burgeoning of civil society organizations, which allows it to download welfare responsibilities as well as garnering electoral support.

During the AKP era, in terms of the number of unions they represent, Türk-İş continues to be the largest confederation, representing thirty-three unions, while Hak-İş remains the smallest with seven. These figures changed by only one union over the nine-year term. The most left-leaning confederation, DISK, on the other hand, lost as many as five unions since 2002, currently representing seventeen (ÇSGB, 2010). Today,

metal and textiles are the most unionized sectors, “followed by general services and the food industry” (ETUC, 2010, p. 4). In terms of the sectoral distribution of unions, it is difficult to pinpoint a clear inter-confederation differentiation, as it is common that different unions of the same sector will be affiliated with different confederations³⁵.

Regarding membership, according to the Ministry of Labour and Social Security, Türk-İş represents over 2 million workers, followed by Hak-İş with 431,550, and DISK with 426,232³⁶ (Vatan, 30 July 2011) As the confederation with the largest membership, Türk-İş prioritizes the collective bargaining process and tries to make the most of negotiation opportunities with the government (Blind, 2009; Türk-İş rep., personal communication, 21 July 2010). In cases where it feels negotiation is unlikely to succeed, it constitutes “a strong opposition block and question[s] the policies and the very legitimacy of the government in power” (Blind, 2009, p. 55). In contrast, DISK, which has been much more confrontational in its relations with the government, is the only confederation that refers to “the working class” in its charter (DISK, 2004). Neither of these approaches to unionism seems compatible with that of the AKP’s described above³⁷.

An interesting example of the AKP’s approach to trade unionism took place in May 2011, when the *mufti* of the north-western town of Düzce, who is employed by the Presidency of Religious Affairs (which answers to the Prime Minister’s Office) released a Friday *khutbah* (the Islamic equivalent of sermon) that claimed that slowing down work and engaging in activity that hurts profitability, that is, going on strike was disapproved of by religion (Bianet, 20 May 2011). Despite public awareness of the incident and the

³⁵ For example, both Türk-İş and DISK include a shipyard workers union (DISK, 2006; Türk-İş, 2007). Similarly, there is a metal workers union in all three confederations (ÇSGB, 2010). Hence, although the majority of unions affiliated with DISK are in heavy industrial sectors, they usually have counterparts in other confederations, pointing to a loose relationship between sector and labour militancy.

³⁶ However, it is vital to remember the problems associated with the union membership statistics provided by the ÇSGB that was discussed in the Introduction. These figures are far from being accurate.

³⁷ Hak-İş’ approach is discussed later in the chapter.

criticism voiced by the unions of the town, neither a clarification, nor an investigation was made by the Presidency of Religious Affairs.

In a number of critical cases that led to conflict between the government and trade unions, it was difficult to speak of any real social dialogue or mutual understanding. The undemocratic composition of the Economic and Social Council³⁸, with 16 government representatives, 12 trade and public servants union representatives, and 12 employer association representatives has not been changed (Akan, 2011). Moreover, whereas the Economic and Social Council is supposed to convene every three months, it has not done so in the last two years (Basın-İş, 2011). Even on occasions when it did meet, the government (as the agenda-setter) was criticized for bringing to the table draft bills at the latest stage of the legislative process, that is, shortly before they would be voted on in the general assembly of the Parliament, effectively rendering consultation in the Council futile (Bianet, 29 May 2006; EmekDunyasi.net, 11 January 2008; 7 February 2009). Such was the case in 2008 when DISK went so far as to boycott the Council during the discussion of the new social security law (DISK, 3 January 2008).

In the first three years of its rule, the AKP exercised its power to postpone strikes on the basis of protecting national security on four occasions (Çelik, 2008). There have also been numerous incidents where the police's response to rallying workers has been violent. Such was the case during the 2008 protests of the Tuzla shipyard accidents that kill approximately 10 workers every year and are largely due to the subcontractors' disregard of safety regulations and the lack of political will to implement them, especially during times of economic crisis (Limter-İş rep., personal communication, 23 July 2010, Toksöz, 2008). May Day celebrations in Istanbul in recent years, especially in 2008 and 2009 have also turned particularly violent, as the workers' attempt to take the

³⁸ Founded in 1995, the Economic and Social Council brings together representatives of the government, labour organizations and employer organizations in order to establish dialogue and consultation between the three participants (Koç, 2003). Partly due to its composition, it has been dominated by government representatives since its inception, and has a history of rarely convening or being boycotted by trade union confederations (Nichols and Sugur, 2004).

demonstrations to Taksim Square³⁹ was met with police brutality (Karaağaç and Kaya, 2010). It was not until 2010 that May Day was declared a holiday and celebrations were allowed to be held in Taksim Square. This, along with the consolidation of social security institutions under one roof, was cited by the interviewed AKP deputy as the most significant positive change for labour since the AKP came to power. Even then, Prime Minister Erdoğan maintained his aggressive attitude and claimed that “[The unions] did not take Taksim Square, we gave it to them,” downplaying the years of effort made on the part of unions to this end, as well as displaying a paternalistic attitude (EmekDunyasi.net, 3 May 2010).

Hostility on the part of the government towards organized labour was also evident in late 2009-early 2010 during the general strike in support of some 10,000 Tekel⁴⁰ workers protesting the manner in which they had been treated after the privatization of the company. These workers were laid-off and were required to be reemployed temporarily (maximum 11 months) in any job in the public sector with reduced pay under what is commonly known as the ‘4(c) clause’ of the Public Servants Act (Tait, 29 January 2010; Yeldan, 17 February 2010). The 4(c) clause rules that such workers would be employed in the public sector under no defined status (that is, ‘worker’ or public servant), which deprives them of their rights originating from the Labour Act, including maximum work hours, overtime, or paid vacations (Yeldan, 17 February 2010). Striking Tekel workers who wanted to protest in front of the AKP headquarters were met with teargas and pepper spray from the police. In response to the general strike, Erdoğan “accused the protesters of being influenced by opposition parties and extremist groups. He said the government would not “‘dole out money to workers for not producing anything’ and challenged them to start their own businesses” (Tait, 29 January 2010). The situation of the Tekel workers remains unresolved. The AKP’s intolerance for an organized labour action of such magnitude indicates the extent to which it is committed

³⁹ May Day celebrations were banned from Taksim Square since the events of 1977 that killed 34 people.

⁴⁰ Tekel is a formerly state-owned alcohol and tobacco company that was privatized in 2008.

to neoliberal principles, as well as its selective nature when it comes establishing social dialogue.

The AKP's relationship with the originally Islamic union confederation Hak-İş has been much more benevolent compared to the other trade union confederations. Throughout the 2000s, Hak-İş maintained its 'social cohesion' rhetoric, and developed project-based activities such as offering professional training, daycare facilities for working women, and natural disaster management strategies (Hak-İş, 2011). It argues that in order to adapt to the changing global economic circumstances, unions need to expand their influence into the social sphere, as well as performing the usual duties related to collective bargaining. Emphasizing the concepts of 'reconciliation' and 'mutual interests' (Hak-İş, 2011), Hak-İş is careful not to refer to the labour movement as a 'class' organization. The emphasis on social dialogue is also compatible with the policy-making strategy of the EU, the accession to which Hak-İş has been supporting since 1999 (Yıldırım et al., 2008). This is largely due to the broad connotations of the term 'social dialogue.' The EU guidelines for Turkey on industrial relations are largely based on the harmonization of the legal framework with ILO regulations. These are grouped under the heading 'social dialogue' within 'Chapter 19: Social Policy and Development' of the *acquis communautaire* (European Commission, 2010). Hak-İş went through a similar transformation regarding the EU with MÜSİAD and political Islam, as it moved from utterly objecting accession to actively supporting it, especially after the February 28 Process, which prompted Islamist circles to adopt a 'democratization' discourse in order to legitimize their demands for religious freedoms (Duran and Yıldırım, 2005; Yıldırım et al., 2008). Overall, Hak-İş' description of trade unionism shows parallels with that of the AKP's.

In contrast with the above-mentioned concerns regarding the level of dialogue with the AKP government and trade unions, Hak-İş' stance towards the workings of the Economic and Social Council has been more ambiguous. While Hak-İş does not offer as harsh of a criticism of the Council as DISK, it does argue that the Council has so far not been able to turn into a leading institution of social dialogue in Turkey (Hak-İş, 2007). On the other hand, the Hak-İş representative interviewed claimed that the Council has started to function better under the AKP government (Hak-İş rep., personal communication, 21 July 2010). Bearing in mind that this might be the interviewee's

personal opinion, it is still safe to conclude that Hak-İş has refrained from being overly critical of the government's attitude towards the Economic and Social Council. Hak-İş also seems optimistic about the recent economic and social changes Turkey is experiencing, stating in its 'Corporate Identity' that "Turkey is moving forward" and that "Hak-İş continues to contribute to Turkey's progressive social transformation process" (Hak-İş, 2011). This attitude can be considered unusual for a labour organization when there is no mention of how these changes are benefitting its members.

Despite its social dialogue rhetoric, Hak-İş has diverged from showing class solidarity with other union confederations on a number of key issues. In the interview with the Hak-İş representative, Türk-İş was accused of wanting to maintain the status quo⁴¹, while DISK was criticized for being overly militant, often blocking negotiations (Hak-İş rep., personal communication, 21 July 2010). Hak-İş fell into a disagreement in 2008 over a common declaration regarding the Social Security Act with the Labour Platform, which brings together every trade union and public servant union confederation, and refused to take part in the May Day celebrations in Istanbul, while holding its own event in a separate place in Ankara (Birgün, 26 April 2008). Similarly, during the Tekel strikes, although it initially approved the joint declaration with other trade union and public servant union confederations to go on a general strike in support of the Tekel workers, it later announced that it was satisfied with the cooperative attitude of the government on the matter and advocated for "a more peaceful method of resolving the situation" (Haberveriyorum.net, 3 February 2010; Sendika.org, 4 February 2010). Hak-İş was also the only trade union confederation that openly and enthusiastically supported the AKP's constitutional amendment package⁴² of September 2010, which included the remodelling of the judicial system, on the grounds that the package was reforming the Constitution that was the product of the coup of 1980 (Belge, 14 July, 2010). Hence, it can be argued that Hak-İş sided with the AKP government on

⁴¹ This statement was not elaborated on in the interview.

⁴² Regarding the amendment package, while Türk-İş refused to make a definite statement, DISK declared its opposition. (Belge, 14 July, 2010; Tapan, 19 July 2010)

certain issues that directly or indirectly hurt the working class, such as the Tekel case, as well as more general legislation, such as the constitutional amendment.

There have been reports, in both the literature and the media, on employers and government officials either coercing workers in certain sectors into joining Hak-İş-affiliated unions, or forcing unions affiliated with Türk-İş to join Hak-İş. In 2004, for example, the General Director of Forestry and the deputy undersecretary of the Ministry of Environment and Forest invited the top management of the Türk-İş-affiliated forestry workers' union, Orman-İş, to join Hak-İş, but Orman-İş refused. Later, Orman-İş workers in various regions were threatened with firing or relocation by the managers in their workplaces, while in other regions, they were driven en masse to the notary public in order for them to quit Orman-İş and join Hak-İş-affiliated Tarım Orman-İş. Despite growing pressure, the Ministry did not investigate the situation. Türk-İş protested these efforts by organizing rallies in front of the Directorate of Forestry offices in different cities, as well as the Ministry of Environment and Forest in Ankara, and declared that it would not take part in any initiatives with Hak-İş (Koç, 2006). A similar case occurred in 2008 with tea manufacturing workers in Rize, where they were transferred from Türk-İş-affiliated Tek Gıda-İş to Hak-İş-affiliated Öz Gıda-İş without their knowledge, prompting Türk-İş to make a complaint to international union confederations (EmekDunyasi.net, 12 November 2008). Finally, in 2011, Belediye-İş members working at the Istanbul Municipality, which is governed by the AKP, organized a rally in front of the Municipality headquarters in protest of the threats they received in order to force them to join Hak-İş-affiliated Hizmet-İş (EmekDunyasi.net, 9 March 2011). These incidents strengthened the common belief that Hak-İş was an adherent of the AKP.

While the transformation of its rhetoric from 'Islamic unionism' to 'social cohesion' allowed Hak-İş to survive as a trade union confederation, it also eliminated its chances of operating as a class-based organization. Its mutually supportive relations with the AKP have practically minimized its capacity to fight for workers' interests in the context of a conflict with the capitalist class, as evidenced in the Tekel case. Whereas it is difficult to speak of an overt Islamic connection between the AKP and Hak-İş, as both actors have significantly altered their discourse in the last decade, the latter's efforts to accommodate a religious aspect within unionism has ultimately turned it into a union confederation that receives support from a highly neoliberal government.

Conclusion

During the AKP era, trade unions suffered from an even sharper fall in membership rates than previous years, as well as an overall uncompromising attitude from the government during labour disputes. The AKP's weakening of the labour movement has occurred not only through neoliberal policies and open hostility, but also through the ideological and practical alignment of the AKP and Hak-İş. The pro-Islamic background of the AKP and Hak-İş produced a government-union relationship that ultimately works for the advantage of the governing party, which largely represents capitalist interests, as Hak-İş is far from posing any serious opposition in labour disputes.

Chapter 7.

Conclusion

The impact of the neoliberal transition of Turkey on the working class has not been unlike that of other countries that went through a similar transition, with rising income inequality, increasing gap between labour productivity and real wages, reduced benefits and job security, growing unemployment and declining labour militancy. The role of religion in this process has been systematic and extensive, encompassing capital, organized labour, political institutions and civil society.

From the junta of 1980 (which vigorously implemented the January 24 decisions of the IMF once in power) to the AKP, government institutions have been actively involved in the flourishing of religious values in various areas of social life, as well as facilitating the growth of Islamic capital, which tends to establish informal relationships with workers based on different kinds of social ties, including commonality of religion. With the minimization of the political and social influence of the Left after the coup, the marginalized sections of society have turned to non-class-based forms of association, including religion, in order to express their grievances. The grassroots networking efforts of earlier pro-Islamic parties, which involved subsidizing the education of poor students while advocating for conservative Islamic values; and the unifying effect along class lines of issues such as the headscarf case among certain parts of society is indicative of this change. These, along with its 'just order' and anti-Western culture discourses, have formed the basis of the Welfare Party's electoral success in the mid-1990s. The most successful combination of Islam and party politics was still achieved by the ANAP and the AKP, which have managed to establish stronger cross-class alliances. Paradoxically, these parties have also been the biggest champions of the economic policies that have marginalized the poor in the first place. The AKP's quarrel with the hard-line secular state as an elitist establishment while claiming to represent the will of the masses has not only played a role in its electoral support, but also contributed to the erosion of class-

consciousness among the working class that has started with concerted attacks on the Left after the coup, as the strategy replaced it with a more abstract conflict.

It is then possible to identify three simultaneously functioning, main mechanisms through which religion is involved in the weakening of the labour movement. First, Islamic capital, organized under MÜSİAD, tends to use the fact that employers and employees share a common religion as one source of trust and solidarity, among others, between the two sides and as a justification for the avoidance of formal contractual agreements. Second, the social reflections of the secular-religious divide contributed to the erosion of working class solidarity through the perpetuation of identity-based alliances. The electoral support that the AKP continues to receive from the working class despite its anti-labour and pro-capital policies, viewed together with the religious identity linked with AKP voters suggests that religion is among the factors that tend to overshadow class consciousness in Turkish politics in a neoliberal setting. Third, keeping in mind the compatibility of Islamic scholarship's take on industrial relations with neoliberal theory, the efforts of Hak-İş to incorporate Islam into trade unionism, as demonstrated by the initial adoption of the discourse around unionism being rooted in spiritual values, and the relative aversion to strikes, produced a 'social dialogue' approach that, despite its 'employee ownership' model in the Kardemir case, failed in general to substantially challenge the government or employers during labour disputes, especially during the AKP era. Forming more favourable relations with both MÜSİAD and Hak-İş than it has done with other employer and employee associations, the AKP government has facilitated these mechanisms, and drew criticism from most of the unionists interviewed for this research.

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Appendix.

Chronological list of Turkish governments

Table 2.

Governments of Turkey

Years	Prime Minister	Prime Minister's Party	
1923-1924	İsmet İnönü	CHP	
1924			
1924-1925	Fethi Okyar		
1925-1927	İsmet İnönü		
1927-1930			
1930-1931			
1931-1935			
1935-1937			
1937-1938	Celal Bayar		
1938-1939			
1939	Refik Saydam		
1939-1942			
1942-1943	Şükrü Saraçoğlu		
1943-1946			
1946-1947	Recep Peker		
1947-1948	Hasan Saka		
1948-1949			
1949-1950	Şemsettin Günaltay		
1950-1951	Adnan Menderes		DP
1951-1954			
1954-1955			
1955-1957			
1957-1960			
1960-1961	Cemal Gürsel	<i>Military</i>	

Years	Prime Minister	Prime Minister's Party
1961	Cemal Gürsel	<i>Military</i>
1961-1962	İsmet İnönü	CHP
1962-1963		
1963-1965		
1965	Hayri Ürgüplü	<i>Non-party</i>
1965-1969	Süleyman Demirel	AP
1969-1970		
1970-1971		
1971	Nihat Erim	<i>Non-party</i>
1971-1972		
1972-1973	Ferit Melen	CGP
1973-1974	Naim Talu	<i>Non-party</i>
1974	Bülent Ecevit	CHP
1974-1975	Sadi İrmak	<i>Non-party</i>
1975-1977	Süleyman Demirel	AP
1977	Bülent Ecevit	CHP
1977-1978	Süleyman Demirel	AP
1978-1979	Bülent Ecevit	CHP
1979-1980	Süleyman Demirel	AP
1980-1983	Bülent Ulusu	<i>Military</i>
1983-1987	Turgut Özal	ANAP
1987-1989		
1989-1991		
1991		
1991-1993	Süleyman Demirel	DYP
1993-1995	Tansu Çiller	
1995		
1995-1996		
1996	Mesut Yılmaz	ANAP
1996-1997	Necmettin Erbakan	RP
1997-1999	Mesut Yılmaz	ANAP

Years	Prime Minister	Prime Minister's Party
1999	Bülent Ecevit	DSP
1999-2002		
2002-2003	Abdullah Gül	AKP
2003-2007	Tayyip Erdoğan	
2007-2011		
2011-		

Source: The Prime Minister's Office (Türkiye Cumhuriyeti Başbakanlık, 2011)