FINANCIALIZATION AND MORALITY:

INDEBTEDNESS UNDER A NEW REGIME OF “NEED” IN TURKEY

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DECLARATION OF ORIGINALITY

I, Ferda Nur Demirci, certify that

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ABSTRACT

This thesis studies the overgrowth of household indebtedness, which has gained enormous speed and intensity through the rapid introduction of consumer credits in 2000s in Turkey, and the moral discourses that promote and accompany this encounter. Through the promotion of credit mechanism as a way of economic self-sustenance by the state, Turkey has been hauled into the problem of household indebtedness for the first time under the AKP government. In line with a redefinition of the engagement with modern finance, the moral norms against finance and especially the use of credit have been reformulated by the strategic utilization of the notion of need in the financialization process. In this thesis, I am concerned with both the collaboration between the state and financial markets in relation to the promotion and practical application of the credit mechanism as well as the discursive investments buried in the concept of need. Therefore, first, I focus on the shifts in the social policy regime and in the attitude towards financial development by studying AKP's economic development project publicized in 2002. Second, I discuss the reformulation of the credit mechanism and the Islamic ban on interest by the Directorate of Religious Affairs in light of the current concerns of economic well-being and needs of subjects. Lastly, I systematically analyze the personal narrations about the credit mechanism from specific web forums that I had public access in order to explain how the concept of 'need' is articulated in a subjective manner. I argue that with the strategic utilization of the notion of need in the financialization process of the Turkish economy, there has emerged a new moral discourse that mainly refers to the urgency of economic needs and family structure, and paves the way for a harmonious encounter with modern financial instruments, which even bypasses the religious anxieties around the use of credits.

ÖZET

Bu tezde Türkiye'de 2000'lerde tüketici kredilerinin kullanılmaya başlanmasıyla birlikte hız kazanan ve yoğunlaşan hane halkı borçlanmasının artışı ve bu süreci destekleyen ve eşlik eden ahlaki söylemler tartışılıyor. AKP döneminde devlet tarafından kredi mekanizmasının bir çeşit ekonomik geçim kaynağı olarak teşvik edilmesiyle birlikte, Türkiye tarihinde ilk kez hane halkı borçlanması sorunuyla yüz yüze kaldı. Devletin modern finansa karşı aldığı yeni tavra paralel şekilde, finansa ve özellikle de kredi kullanımına ilişkin ahlaki normlar da bu finansallaşma sürecinde ihtiyaç kavramının stratejik kullanımı sayesinde yeniden tanımlanabildi. Ben bu tezde, bir yandan kredi mekanizmasının teşvik edilmesi sürecinde devlet ve finansal piyasalar arasındaki ortaklığı inceliyorum, bir yandan da ihtiyaç kavramında saklı olan söylemsel yatırımı açığa çıkarmaya çalışıyorum. Bu nedenle, öncelikle AKP'nin 2002'de yayınladığı ekonomik kalkınma projesini inceleyerek devletin sosyal politikalarındaki ve finansal kalkınmaya dair aldığı tutumdaki değişimlere odaklanıyorum. İkinci olarak, kredi mekanizmasının ve İslam'daki faiz yasağının Diyanet İşleri Başkanlığı tarafından, bireylerin ekonomik refahı ve ihtiyaçları çerçevesinde yeniden formüle edilmesini inceliyorum. Son olarak, bir internet tartışma forumundan aldığım kredi üzerine olan tartışmaları sistematik olarak analiz ederek "ihtiyaç" kavramının öznel açıdan nasıl algılandığını inceliyorum. Bu tezde, Türkiye ekonomisinin finansallaşması sürecinde ihtiyaç kavramının stratejik bir şekilde kullanılmasıyla, kredi mekanizmasına dair dini kaygıları hasır altı edebilen, temel olarak ekonomik ihtiyaçların can alıcılığına ve aileye gönderme yapan yeni bir ahlaki söylemin ortaya çıktığı ve bunun da toplumsal açıdan modern finansal araçlarla sorunsuz bir karşılaşmaya olanak sağladığı iddia ediliyor.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This thesis focuses on the recent overgrowth of household indebtedness in Turkey since the start of the intensive implementation of consumer credits in 2005. The phenomenon of indebtedness, which becomes a contemporary agenda through the ongoing global trend of financialization, exceeds the limits of the realm of economy and extends to those of the social, community, and subjectivity. Neoliberalism has resulted in the replacement of welfare state apparatuses with the private methods of economic sustenance and insurance, and in the aggravation of debt relations that substitute the social policies that have been plundered through financialization. In a parallel fashion, in Turkey as well financialization and the following overgrowth of personal indebtedness have been introduced, and they have come with certain local discursive formulations and moral codifications.

The economic restructuring of Turkey in compliance with neoliberal premises, is taken to another level with Adalet ve Kalkında Partisi (Justice and Development Party, hereafter AKP); and its claim of constructing a ‘New Turkey’ and ‘a strong economy’ has resulted in the emergence of a ‘local’ discourse on financialization that constantly utilizes affective agendas, such as taking ‘need’ as its constitutive discourse, and constantly referring to the pains and failures of ‘old Turkey’ in order to push for the immediacy of financial development and the empowerment of the banking system. The contribution of this thesis to the studies that try to explain the current financialization and neoliberal restructuring of the Turkish economy is to bring to fore the functioning of

morality in this period of economic transformation. My main argument is that the Turkish experience of financialization has been accompanied by certain moral discourses that have helped to establish the hegemony of modern finance by enabling the neutralization moral and religious anxieties especially against the use of bank credits. The invention of a specific type of consumer credit, 'credit for need', that is unique to Turkey can also be considered in relation with this collaboration between a particular moral discourse and the institutionalization of financialization.

The credit for need was institutionalized in 2005, just after the introduction of consumer credits in the beginning of 2000s, since then it has become the most popular type of personal credit among others. The number of users of consumer credits has multiplied after the introduction of credit for need, and reached to more than 10 million in the period between 2005-2015. In this thesis, by focusing on credit for need, I will try to explain the construction of a conservative-neoliberal project in which the concept of need has been exploited as the mediator between moral anxieties against financialization and the use of consumer credits. Therefore, I claim that the invention of this specific type of credit through a novel reference to need is much more than a basic market strategy for promoting consumer credits; on the contrary, I argue that the utilization of the concept of the need in the financialization process of the Turkish economy has helped to ease and reformulate the moral and religious anxieties concerning engagement with modern finance. Both the production and dissemination of this moral discourse and debate at different levels of the state and its reception at the level of public will be my objects of study.

1.2 Theoretical premises and conceptual bases of the research

Throughout this thesis, I will discuss the indebtedness and financialization as social consequences of neoliberal social policies. Many scholars argue that neoliberal policies and the financialization of the economy have paved the way for the unexpected growth of household indebtedness globally (Harvey, 2006; Palley, 2007; Lazzarato, 2012). I will try to limit my approach to these accounts that consider financialization and the increase of personal indebtedness as mutually evolving structures under the governance of neoliberal restructuring. I utilize this multi-faceted conceptualization for my thesis, which I extensively discuss in the second chapter, however, I add a different layer by focusing on the functioning of morality, and specifically, by focusing on the shifts within moral discourses that concern economic activities and conceptions of economic well being, which I consider to have a crucial role in terms of extending the credit mechanism to all layers of the society.

Firstly, I have to clarify what I understand from 'morality' and how it is utilized within this thesis. I engage a two-faceted elaboration of morality; the first one has a local character specific to the history of Turkish politics and concerns the political-moral and religious anxieties that accompany financial development and engagement with modern finance. For decades, economic development and reform programs had been subjected to moral and political critiques and failed to involve masses in economic transformation projects. In other words, in Turkey, moral and religious anxieties functioned as efficient excuses and acted as obstacles against the public approval of neoliberal policies and the financialization.

It is possible to read the effectiveness of moral anxieties in determining economic attitudes in Turkey through the example of the long-term opposition of the religious-conservative population to global financial integration and financial

development. Aligning the integration to global finance with Imperialism and juxtaposing the former with the Islamic ban on interest, claims that were mostly raised by the Milli Görüş Hareketi (National Outlook Movement, hereafter MGH), the predecessors of AKP, have been the fundamental political claims. These two moral concerns can be considered to have resulted in the aversion of the conservative masses to any economic reform project that harbors neoliberal inclinations and positive attitudes towards globalization. Accordingly, my research aims to study the shifts in conventional political narrations concerning the attitudes towards finance and financial development.

Second, I utilize morality in a way that is specific to neoliberal restructuring of economy and society and perceive in the functioning of neoliberalism the attempts at unifying and making compatible moral and economic rationalities. Studying the relationships between economic activities and morality is not, of course, a novel research area. In fact, it is one of the main bases of sociological theory after Weber's introduction of the issue in his path-breaking work on "*The Protestant Ethic and the Spirit of Capitalism*" (2005). For instance, economic sociologist Viviana Zelizer's account can be regarded as a genuine contribution to this research area in terms of emphasizing the market-making functioning of moral premises and the transformation of these premises in line with the shifting economic agendas. Zelizer discusses the promotion of life insurance through moral discourses that take the economic sustainment of children as its main concern (Zelizer, 1979). Her intention to revitalize the relation between markets and morality results from the need to show the intermingling between the intimate relations and market policies, rather than conceiving of these two as being contradictory.

There is a tendency to consider the moral aspects of the social as indifferent or even resisting to the changing market policies. I.e. the family and familial relationships, or the religious concerns and premises, are often regarded as free from the penetration of

market relations and the exploitative logic of capitalism. However, Zelizer's account and the other accounts that re-focus on the relationship between morality and market-making trends easily reveal the fallaciousness of such a thesis. For example, Zelizer shows the commodification of emotional labor in US through a new (national) conception concerning childhood and the welfare of children (Zelizer, 1994). Therefore, she attempts to challenge the contradiction between the sacredness of family and children and the ongoing market relations: market has capacity to reshape morality and the market itself is reshaped in accordance to local moral anxieties and resistances.

By acknowledging the contribution made by Viviana Zelizer in terms of the discussion on the relationship between market and morality, according to the aims of this thesis and the specificity of the situation I deal with, I extend my approach to accounts on neoliberalism that consider the role of the state in altering certain moral concerns about economic activities as crucial. So, my approach on the relation between morality and financialization takes the role of the state agency and the narrations produced by certain state institutions as crucial terminals for putting action in society a new moral-economic logic.

In this thesis, I argue that, in the process of financialization of Turkish economy and the period of the intensive implementation of consumer credits, the state agency under AKP governance has involved in this transformation process through both direct and indirect ways. In line with this cooperation between state agency and the market, I utilize Althusserian theory of Ideological State Apparatuses in order to show how a (particular) ideology which redefines the engagement with finance and the use of credits, has been produced, circulated and put into practice by certain state institutions, which I discuss in the third chapter. I take the extension of the state as the main functionary of the constellation among neoliberalism, financialization and indebtedness both in terms

of bringing about dramatic changes in the social policy regime and in terms of the production and publication of certain moral discourses that are compatible with the financialization through state institutions, such as the case of the Directorate of Religious Affairs (Diyanet İşleri Başkanlığı, hereafter DRA).

To explain this constitutional role of the state agency in terms of the institutionalization of the logic of financialization and the following overgrowth of household indebtedness, and the specific relation between morality and economy in neoliberal construction, I also rely on Michel Foucault's discussion on neoliberal governmentality. Foucault argues that neoliberalism mainly functions through the constitution of a new moral-economic rationality whose foremost characteristic can be considered as "self-responsibility" (Foucault, 2004). In a more tangible sense, the social project of neoliberalism includes the invention of new technologies of economic management, which often target individuals in line with the privatized form of social policy unique to neoliberalism.

As Jason Read argues that "the examination of neoliberalism entails a reexamination of the fundamental problematic of ideology, the intersection of power, concepts, modes of existence and subjectivity" (Read, 2009, p.26). Neoliberal mode of governing endows the abstract discussions on "ideology" and "discourse" with materiality (Read, 2009). With this concern, I rely on Foucauldian discourse analysis, specifically the lectures that investigate neoliberal way of governing (Foucault, 2004) which is particularly effective for interrogating and analyzing neoliberal discourses, and especially insightful for making sense of the discourse of need.

In fact, Foucault's discussion of neoliberal governmentality is crucial for my research for several reasons; first, although Foucault does not elevate the role of the state in the constitution of power relations, neither does he underestimate the role of state

institutions in terms of the production and circulation of certain discourses. Rather than undermining the role of the state, he adds a different layer to discussion by pointing out the uniqueness of neoliberal governmentality and its utilization of the state. By differentiating the governmental techniques of neoliberalism from former methods of governing, through the concept of 'governmentality', Foucault opens a path for re-considering the role of state vis a vis the reproduction of economic relations. In other words, he points out the vitality of the production and circulation of certain discourses with regard to the adaption of society to novel economic and social attitudes.

Governmentality means a specific mode of governing through conduct, rather than coercion or discipline, which relies on the production of regimes of truth and the specific ways of presenting problems by delimiting their possible solutions. As Foucault argues "the very wide semantic domain of" "to govern", "refers to the control one may exercise over oneself and others, over someone's body, soul and behavior" (Foucault, 2009, p.122). Therefore, it is accurate to argue that neoliberal governmentality constantly acts upon the moral considerations by reformulating them with regard to neoliberal logic. I rely on Foucault's conceptualization of neoliberal governmentality as one of the main theoretical bases of my research on financialization and the overgrowth of household indebtedness while adding to it the accompaniment of certain moral reformulations, which is taken up in Maurizio Lazzarato's discussion on the current debt regime (Lazzarato, 2012).

Foucault argues that neoliberal governmentality utilizes 'the entrepreneur' in the economic and social realm as one of its main functionaries. Therefore, the examination of Foucault's emphasis of 'the entrepreneur of the self' is crucial to understand the functioning of neoliberal governmentality and its utilization of discourses that help deciding on the possible worlds of action. To explain briefly, discourses help to state,

delimit, and present truth regimes and so they function as the main intermediary of neoliberal governmentality that depends on technologies of the self and methods of conduct, rather than disciplinary mechanisms, or discourse of rights. In the figure of the entrepreneur, one encounters the convergence of the truth regime and the method of conduct; by promoting and enforcing self-responsibility and the logic of competition, individuals are forced to become an entrepreneur who should constantly calculate the profit and loss, and who should embrace risks privately. The presentation of the use of credit and other kinds of financial instruments, the promotion of indebtedness as a mechanism of economic self-development and self-sustenance is undeniably related with this specific characteristic of neoliberal governmentality.

Through the moral consultancy function of state agency in the financialization process of Turkish economy, and the emergence of the discourse of 'economic needs' in relation to overgrowth of household indebtedness, this vital role of discourse gains materiality and becomes the backbone of my research. I claim that the production of discourse of 'need' is far beyond a basic market strategy for promoting the use of consumer credits, but rather it is positioned at the center of neoliberal governmentality that promotes the logic of self-responsibility through promoting financialization as an instrument of self-sustenance, as well as reversing the question of economic inequalities and rights into a question of morality.[1] It is a specific way of conduct by "acting upon the possibilities, rather than the actions" (Read, 2009, p. 36). I consider the production

[1] The current global functioning of micro-finance can be taken as resembling the functioning of the ideology of need that prompts up the discourse of self-responsibility. This resemblance can be supported by two different points; first, micro-credit regime is also based on a certain kind of group morality that is constantly enstrenghtened by emphasizing the solidarity of the group and by converting this moral value of solidarity into a kind of capital (Roy, 2010). Second, the second phase of micro-credit regime, which started in late 1990s, resembles the functioning of the credit for need in terms of the reasons that have led people take out credit and for what those credits are used to purchase. Different from the developmental desires of the poor, which were targeted and mobilized in micro-finance, micro-credit has been utilized to sustain the daily survival and purchasing of basic consumer goods. In Turkey, micro-credit has failed to appeal popular public support despite the legal and state-led attempts to promote this form of finance; rather credit for need has been the current dominant form of individual-financing.

and the circulation of the discourse of need in the financialization of Turkish economy as crucial in terms of its opening and closing certain possible worlds.

1.3 Notes on the research method

The methodology of this thesis is constructed upon a tripartite analysis that brings together the different scales of (1) a macro-level analysis that looks at the broad shifts in the political discourse in Turkey during the related period of economic transformation, (2) a meso-level analysis that looks at state institutions and their role in this transformation process, and (3) a micro-level analysis of the subjective realm that looks at how subjects engages with the shifts in the moral-economic discourses. Through these three levels I try to analyze different aspects and resonances of the Turkish model of financialization in relation to one another. To this end, I have mainly used the methods of textual analysis and discourse analysis and analyzed three different sources of data, i.e., "official" political discourses, institutional debates, and web-forum discussions.

In the first layer (first chapter), I attempt to analyze the conventional political narrations in terms of the redefinition of financialization during AKP governance. The first set of data I have utilized is the 2002 election statement of AKP that lines up with a neoliberal understanding of the state and which re-defines its role as 'the protector of market economy and competition'. In addition to the 2002 election statement, I quote and discuss the statements publicized by AKP agents, especially as they relate to the new hybrid idea of 'conservative democracy', in order create the popular support and participation in the economic transformation project. Here, I try to search for the political and economic environment and discourses that have helped to provide for a refreshed and positive definition of neoliberalism and financial development. This part

of my discussion is crucial for explaining how the political stage is set for AKP's neoliberal economic restructuring project and the new positive environment for financialization and then the sudden and unexpected growth of household indebtedness.

In the second layer (third chapter), I analyze a document of a complete transcription of a discussion meeting that was organized by DRA and during which there was a fervent discussion on the use of consumer credits, which at the time had been recently introduced. My intention to engage in such an analysis stems from the need to explain the role of state institutions in the financialization of Turkish economy. The main reason that drove me to choose to use the document of this meeting is to be able to briefly explain the indirect ways through which Turkish state has been involved in the financialization process by way of intervening into moral discussions. I do this by showing how DRA has contributed to the consent to financialization by re-interpreting the ancient rule of the Islamic ban on interest with the aid of revitalizing the Islamic notions of need and necessity. Also, through analyzing the discussions of this meeting I found the opportunity to examine the religious references to the notion of the need, as well as its juxtaposition with the notion of necessity in the religious discourse.

Lastly, in the third layer (fourth chapter) I systematically analyze the personal narrations around the credit for need that I had public access from a specific web forums, in order to study how the current indebtedness and taking out consumer credits are justified and how the concept of 'need' is articulated in the subjective manner. In this respect, I engage in a quasi-ethnographic research that intends to reveal and make sense of the convergence between moral, religious, and economic discussions in the subjective narrations of debtors. The use of a web forum discussion is relevant for my research for several reasons; the first reason is due to the fact that I have just mentioned above, that is, the convergence among different realms of discussion in this platform under the same

discussion topic. Secondly, this convergence let me analyze the role of the discourse on need in terms of the creation of a new moral-economic discourse by unifying these distinctive realms through the interface of the family and familial needs.

Actually, my attempt to engage in such a multi-layered analysis of financialization and the overgrowth of indebtedness has made me realize the constitutive role of need in the financialization process of Turkish economy only later. In the beginning of my research, I was just aware of financial market's strategy to redefine consumer credit with the moral notion of need and I just read it as an advertisement strategy that merely attempted to ease the moral anxieties concerning the use of consumer credits. However, after I examined DRA's involvement in this process and after I decided to analyze the personal narrations of potential and actual debtors, I realized that the reference to need was well beyond a market strategy. It is a shared discursive basis for the new religious discourse of DRA on the use of consumer credits and the personal narrations of web members. Then, the discourse of need and the different elaborations of this notion became the backbone of my research on indebtedness and financialization.

The elaborations of the notion of need in relation to the use of consumer credits within these two different levels show important resemblances, as well as fascinating differences. The similarities are the morally constitutive role deployed by the notion of need and the functioning of this notion as a strategy to underestimate the negative image of consumerism; however, the elaboration of the need depends on distinctive bases in these two realms. While the need functions as a notion that both refers to the changes concerning economic self-sustenance in the contemporary world and the religious notion of necessity in the religious discussions of the DRA, in the web discussion forum it functions through a direct reference to the family structure and the familial needs, and

enjoys a materiality that relativizes the religious discussions on the use of credits.

The shared manners of relying on the notion of the need as well as the distinct investments on this concept in the two different realms are also important for the theoretical discussion in this thesis that circulates around morality and financialization. The existing literature that studies financialization and indebtedness under the shadow of neoliberal restructuring of the economy mainly focuses on the production of subjectivity as the reproductive force of debt relations (Lazzarato, 2012). The role of family structure for instituting the logic of financialization and for persuading people to utilize the private economic mechanisms by way of projecting a new morality through the economic self-sustenance of families has often been ignored. However, my analysis of the public discussions of the current credit mechanism compels me to look at the fundamental role of family with regard to the extension of the financial logic and the reproduction of debt relations. Indeed, it compels me to propose that (nuclear) family functions as the main interface between morality and economy in the process of financialization of Turkish economy and the main governmental unit to reframe the discourse of economic self-responsibility.

To clarify and summarize, this three-layered method of analysis helps me to engage in a comprehensive analysis of both the process of the introduction of consumer credits through the penetration of neoliberal logic and the process of how this sudden encounter with finance and the rapid introduction of consumer credits are experienced and justified in subjective level.

1.4 Overview of the chapters

In the second chapter, I situate the modulation of the political and economic trajectory of

neoliberalism in Turkey by AKP government as it promoted financial development as a fundamental goal to achieve economic development. To this end, I engage with a textual analysis of the first election statement of AKP publicized in 2002. After explaining the positive shift in attitude of AKP towards neoliberalism and financialization, I examine the ways through which AKP has tried to mobilize popular consent for these policies. My main claim is that AKP, different from former regimes, has achieved to attract popular consent through presenting a redefinition of conservatism, that is not reactive to modern finance (and contrary to the economic policy of MGH that is AKP's precedent), but rather that is positive towards financial development as a way of strengthening the Turkish economy. The populist utilization of the former economic failures, the economic crises and public debt, has also facilitated to offer such a refreshed definition of financialization by uniting different groups of people under the same demand of economic development and stability. Lastly, in order to point out the specificity of AKP period in terms of the extension of neoliberalism and the logic of financialization, I point to the state-offered credits to injured groups of citizens as a form of ameliorative action and as necessary instruments for economic self-development.

In the third chapter, after giving a brief history of DRA since the constitution of Republic and I try to differentiate the AKP period in terms of the empowerment of this institution and the increase of its responsibilities; the main intention of this emphasis on AKP period is not to show the conservative, or religious inclinations of AKP government, like many analyses do, but rather to highlight its attempt to intervene and act upon morality that supports changing economic policies and political attitudes, and specifically the introduction of consumer credits as an instrument of financialization. The chapter includes a combined discussion of both Althusserian ideology and Foucauldian discourse in order to understand the function of DRA under AKP

governance. To show the role of moral consultancy of DRA in economic affairs, I analyze a discussion meeting organized by it in 2007 on the topic of the religious lawfulness of the use of consumer credits. In this meeting, the religious ban on interest was subjected to a re-interpretation and the discourse on need and the necessity was used to disempower this prohibition. By relying on the Islamic statement of 'necessities make illicit deeds permissible', the use of consumer credits has been reformulated as deeds done because of necessity and they are thus declared as religiously lawful. Moreover, in order to secure this shift within the religious discourse, I mention how a formerly promoted model of banking, participation banks, has been degraded through the accusation of deceit. In this chapter, I try to show how notions of need and necessity become the main functionaries of the religious and moral justification of the credit mechanism by a constant reference to a personal survival dilemma.

Fourth chapter is a quasi-ethnographical analysis that utilizes the online discussion forums on the topic of consumer credits in order to make sense of the subjective perceptions of the credit mechanism from the perspective of potential and actual debtors and the personal mechanisms of moral justification. In order to show how moral, religious and economic discussions are intermingled with each other I present the data in its own flow. There again the concept of need comes as a constitutive motto; it is the most repetitive and important point in the subjective narrations of debtors, a number of them narrate and justify their engagement with the credit mechanism by relying on the concept of the need. I examine the bases of this subjective discourse on the notion of need and claim that it is related to the family structure in an indissoluble way. To explain the fact that the reference to family structure is also a common strategy of the financial market, I study the advertisements of credit for need in which there is a constant reference to family and familial needs. I claim that family functions as a curtain in terms

of preventing the discussion on economic inequalities as political questions. Therefore, it is possible to argue that the notion of need has been a constitutive motto of the recent household indebtedness in a multilayered way; it both helped promote consumer credit as a specific kind of loan that is taken to satisfy needs rather than desires for consumption and helped institute the neoliberal logic of economic self-sustenance and individual responsibility through the interface of nuclear family.

CHAPTER 2

NEW FACES OF NEOLIBERALISM AND FINANCIALIZATION: AKP, CONSERVATISM AND ECONOMIC DEVELOPMENT

2.1 Introduction

This chapter attempts to explain the political and economic trajectory in which the excessive growth of household indebtedness has emerged as a consequence of the neoliberal policies and the financialization exerted upon Turkish economy. To achieve such an analysis, this chapter aims to focus on the continuities and the discontinuities in political and economic realms between the 1980s and the ruling period of AKP government. To this end, I try to study the ways in which the neoliberal economic transformation policies are reformulated through the use of financialization and the introduction of new financial instruments and through their framing within conservative and populist narratives and slogans in the ruling period of Adalet ve Kalkınma Partisi (Justice and Development Party)[2] starting with 2002, generating in turn an extensive public consent and participation to the economic transformation project.

In particular, I aim to show the specificity of the AKP period in its redefinition of the neoliberal economic adjustment project with an articulation of conservatism, which has led to the ending of the reactive stance of political Islam against globalization and financialization. In other words, following Cihan Tuğal's claim on "passive revolution" of the Islamist movement since 1980s (Tuğal, 2009), I claim that there occurred a passive approval of the neoliberal policies and financialization under the regime of AKP. This happened by the elimination of the political and moral anxieties concerning the kinds of economic restructurings that have kept the conservative-religious political

[2] Here after it is referred as AKP.

movements alert—as exemplified in their rejection and abhorrence of finance—for decades, as in the case of AKP's predecessor Milli Görüş (National Outlook).

Different from the previous regimes, AKP achieved ease for an overarching economic transformation process by way of integrating the public into this process and the internalization of the legacy of those policies by an extended group of the population. I claim that this ease in economic restructuring, which is almost totally relieved from political and social oppositions, is achieved mainly through the introduction of a new definition of 'conservatism,' which is compromising in terms of economic change and neoliberal restructuring, and through the populist utilization of former economic failures, economic crises, and the long-term problem of public debt. By researching the articulation of financialization and neoliberal policies with conservatism, I want to decipher the ways through which the private indebtedness has increased to such a great extent, integrating more than 10 million people to the current credit mechanism, and consumer credits are presented as the means for economic self-development, despite the former conservative-religious anxieties around financialization.

In order to account for financialization beyond a shift within the composition of capital and to show its embodiment within indebtedness as a social consequence, the chapter opens up with a theoretical discussion and I choose to highlight certain approaches that takes financialization as an effect of the changing economic relations over society, mainly as a result of neoliberal restructuring; those are the class-based elaborations of financialization and indebtedness that focus on the shifts within real wages and the redistribution mechanisms and Foucauldian discussion on neoliberal governmentality that clearly explains the institutionalization of self help logic in neoliberalism, which I consider an effective tool for analyzing the relationship between neoliberalism, financialization and indebtedness.

In the following part, I try to briefly summarize the recent history of neoliberalization and financialization of Turkish economy and I utilize the first election statement of AKP publicized in 2002 in order to show the neoliberal inclinations within AKP's economic recovery program. Then, I try to differentiate AKP period from previous periods, in terms of creating popular social consent to those transformations, which was lacked before. In order to explain how this mass scale consent is procured, I will focus on the discursive utilizations of AKP that enjoyed conservative and populist characteristics; these are proposed as the main points of AKP's novelty in terms of the internalization of neoliberal economic policies by the public and the creating a popular participation following overgrowth of indebtedness. Lastly, I wish to exemplify how credit has become a form of social policy making by showing the ways in which the credit-based programs have targeted the disadvantageous groups of Turkish society as providing the means for economic self-development through state agencies.

2.2 Neoliberalism, financialization, and indebtedness

In this chapter and throughout this thesis, I regard financialization and the overgrowth of household indebtedness as a social consequence of the change within the social policies of state and the extension of the market logic into society in line to neoliberal transformation process. My approach to financialization differs from the accounts that choose the read financialization through emphasizing the perpetual dominance of finance in capitalism, empowerment of the finance markets or the upsurge of the credit function of the money. I certainly admit that the extension of indebtedness to all layers of society has undeniably resulted from the relaxation of the legal structure towards financial markets, the integration of domestic capitalist markets to global finance and the attempts of nation-states for the development of financial sector, that all can be

considered as the main bases of the financialization of any economy. By admitting all these processes as constitutive in terms of the current indebtedness trap, I regard indebtedness as a social price, a substitute for increasing economic inequalities and one of the main functionaries of the financialization. Instead of focusing on how finance capital has surpassed other forms of capital and how it abstractly produces value, my proposal to define financialization relies on the penetration of financial instruments, especially private consumer credits, to the life of all subjects.

There are different accounts that focus on the relationships between financialization and indebtedness; in current Marxist discussions, the increase of household indebtedness is referred as the mere conclusion of the changes in state's economic policies, the redistribution mechanism, and the real wages of the workers (Harvey, 2006; Resnick & Wolff, 2010). Even though neoliberalism is not directly indicated as the main trigger of these changes in these accounts, the ongoing restructuring of the economy in the whole word is often titled as neoliberal transformation which includes both the structural changes concerning the role of the state in terms of the economy and the institutionalization of new subsidy mechanisms. Therefore, throughout this thesis, I suggest there is a collaborative relationship between the household indebtedness and the neoliberal restructuring of society.

It is to say that, for the aims of this thesis, I engage with a definition of financialization through the consequence of the current indebtedness regime that is "becoming today the general condition of social life" (Hardt & Negri, 2012, p. 10). Accordingly, I argue that is exemplified in the process of neoliberal restructuring and the financialization of Turkish economy in an extended manner through the high-speed overgrowth of household indebtedness. In accordance to the intentions, I mention and discuss some of the theoretical approaches that intend to explain the overgrowth of the

personal indebtedness with the shifts within capitalist economy and the social policy regime of the state; the first set of these theories is the class-based accounts of Resnick and Wollf and David Harvey. Second, I discuss Michel Foucault's concept of 'neoliberal governmentality' that clearly explains the institution of the logic of self-responsibility in neoliberalism, which is one of the main bases of financialization logic, and Maurizzo Lazzarato's approach which refines Foucauldian discussion of the neoliberal governmentality by utilizing it as a tool to understand the current debt regime.

2.2.1 Class perspective on indebtedness: Financialization as a consequence of the shifts within capitalism

Marxist approaches mostly focus on the shifts within class composition and capitalist mode of production in order to explain the recent phenomenon of the financialization and the overgrowth of household indebtedness. For instance, the account of David Harvey can be considered as providing a Marxian macro perspective in terms of explaining the on-going financialization within neoliberal regime (Harvey, 2006). By relying on the analysis of capital accumulation, Harvey considers neoliberal turn as a new way of accumulation that responded to the crises in capital accumulation since 1970s. It is "a class move" (Harvey, 2006, p. 148) with the intent of empowerment that aimed to strengthen economic sovereignty of capitalist class by changing the mode of distribution; in Harvey's terms neoliberalism is a new mode of accumulation, "the accumulation by dispossession" (Harvey, 2003). It is crucial that Harvey tries to point out that there is nothing generative –in terms of production- within neoliberalism; on the contrary, it is just a re-composition of certain mechanisms of redistribution for the sake of capitalist class.

Harvey considers financialization[3] as one of the most important economic shifts that came by as a result of the redistribution regime of neoliberalism, in addition to "privatization" and "state redistribution (of wealth)" for the benefit of capitalists (Harvey, 2006, p. 155). The collaborative functioning of these mechanisms of redistribution makes accumulation by dispossession possible and efficient in neoliberal era. By the attempt of state redistribution, the public subsidies have been cut off and with the privatizations citizens have become obliged to pay the fees for certain services that were formerly fulfilled by state agency. Therefore, there has begun a compulsory engagement in finance by taking credits, whether for housing, or daily needs. Harvey names this compulsory financialization as the functioning of a specific type of capital, "the fictious capital" (Harvey, 2006); he argues that in contemporary world, indebtedness functions as a substitution of present income; a substitution of what is actually extracted from workers as a surplus value is re-added to the circulation of money in a fictitious way to sustain consumption. In other words, financialization means a double folded appropriation of surplus value from the worker; it both paves the way for the appropriation of surplus value and it driven individuals to substitute their reproductive needs with the financial credit with regard to accumulation by dispossession.

On the other hand, in addition to Harvey's focus on capitalist accumulation, Resnick and Wolff focuses on a different Marxist determinant for explaining the ongoing financialization; that is the degree of exploitation and the changes in the real wages of workers, while analyzing the nature of the 2007-2008 (financial) crisis in US economy (Resnick & Wolff, 2010).

[3] According to Harvey, financialization also means a comprehensive shift in terms of the composition of capital, which began to depend mostly on the financial profit, rather than industrial growth. Financialization goes hand in hand with the globalization of capitalism that makes such global transactions of money possible (Harvey, 2006).

They start their analysis by pointing out the growth structure of the US economy from early 1890s until 1970s that paved the way for the following increase in the real wages in this period. They argue that increase in the rate of exploitation accompanied this increase of the real wages; however workers were also “better paid” prompting them to consumption (Resnick & Wolff, 2010, pp. 174-176). The consumerism, which came with the Fordist policy of increasing real wages, helped to the successful growth of US economy for a century, yet with the introduction of competitive economic actors into the scene, like Japan and Western Europe, this trend stopped. In the following period, both the composition of US capital changed and the real wages of workers started to diminish.

Their analysis on the recent overgrowth of household indebtedness depends on this relation between the long-term promoted consumerism and the sudden decrease in the real wages, which resulted in a serious crisis for workers and their families. “Rising consumption was the realization of personal hopes, the signs of social success, the return to education, and the promise to one’s children that one had to keep” (Resnick & Wolff, 2010, p. 179). The working class responded this shift with the strategies of increasing the number of employers in the family and the substitution of this cut in wages with “household debt” (Resnick & Wolff, 2010, p. 179); in other words under the collaboration of the ideology of consumerism and the sudden decrease in real wages workers had no opportunity but the credit. According to statistics, there occurred an almost seventeen fold increase in the household indebtedness in US between the years of 1975 and 2006. According to Resnick and Wolff, capitalists’ response to this overgrowing indebtedness was the intensification and increasing the number of financial enterprises, which led to mass-scale financialization of US economy and, eventually, big financial crisis of 2008-2009 and this was realized by the transmission of the excess

surplus value to financialization, which was accumulated through the period of perpetual growth of US economy (Resnick & Wolff, 2010).

Marxist accounts on indebtedness I have quoted above are efficient tools for this research that intends to assure the indebtedness emerges as a consequence of changing economic policies in line with neoliberal restructuring of Turkish economy because these approaches clearly show the main intention between the excessive offer of credit mechanism, that is a re-intervention on the class relations by aggravating the degree of exploitation, as well as preventing economic inequalities from resulting in a political demand. Since AKP started to govern the Turkish Republic in 2002, the neoliberal restructuring of the economy is accelerated, as well as the financialization by the strengthening of the financial sector and the increase of financial instruments, and Turkey has encountered with the problem of excessive overgrowth of the household indebtedness for the first time since the constitution of Republic, which is exemplified by Table 1 on the ratio of household indebtedness in relation to disposable income and Table 2[4] on the tangible growth of the household loan between the period of 2002-2012.

Table 1. The Ratio of Household Indebtedness in Relation to Disposable Income

Year	Percentage
2002	4.3
2006	25.00
2010	40.00
2012	53

[4] BDDK, Financial Markets Report, 2014.

Table 2. The Household Loan Burden

Year	Billion TL
2002	3.4
2006	55.8
2009	143
2013	355
Total Increase (in Proportion)	10440

As the Table 1 and Table 2 clearly point out, since 2002, the start of the AKP government, there has happened a rapid and huge increase in household indebtedness in Turkey. The recent overgrowth of household indebtedness is undeniably related with the neoliberal restructuring of the Turkish economy that has gained enormous speed since the beginning of 2000s. While the sole architecture of the neoliberal restructuring of Turkish economy is not AKP, its ruling period is critical for the internalization of neoliberal policies and the creation of a debt-ridden economy by extending the functioning realm of financial sector.

However, the main concern of this thesis is limited to the relation between the overgrowth of household indebtedness and the moral-economic construction that accompanied the capturing of Turkish households into the debt trap. And the presentation of the personal credit mechanism as a self-developmental instrument by the state agency and the market played a big role in that. Class perspective on indebtedness is capable of explaining the relationship between current credit boom and the tangible shifts within capitalist economy and the distribution mechanisms, yet Foucauldian perspective contributes to understanding the institution of the logic that convey people to finance their needs by utilizing private subsidy mechanisms, like consumer credits.

perspective contributes to understanding the institution of the logic that convey people to finance their needs by utilizing private subsidy mechanisms, like consumer credits.

2.2.2 The logic of self-responsibility in neoliberalism and the credit regime: Foucauldian account

In Foucauldian account, the most important rupture of neoliberalism is the economization of the state and the social (Foucault, 2008). Neoliberalism indicates a re-positioning of the state against the market, "the economization of the state" (Foucault, 2008); the state should be redefined and repositioned in terms of its relation with the market economy. "[T]he state and market economy are not juxtaposed to each other but that the one mutually presumes the existence of the other" (Lemke, 2001, p. 4).[5]

The state within neoliberalism, which is misconceived by conventional accounts as 'rolling back', is actually donated with a few fundamental duties in relation to the market, such as "defense against foreign aggression, provision of legal and economic infrastructure for the functioning of market, and the mediation between social groups in order to preserve and expand market relations" (Saad-Filho, 2005, p. 114). Neoliberalism, then, requires, instead of the minimization of the role of state[6], a strong

[5] It is important to note that while discussing neoliberalism, Michel Foucault differentiates between two forms of neoliberal thinking; the first one is "Ordoliberals" in Germany and the second one, emerged in USA, is the Chicago School (Foucault, 2008). While both forms agreed on the re-positioning of the state via the market, there are certain distinctive aspects in terms of their attitude towards society and social policy making. Different from Ordoliberals, Chicago school intends to extend market logic into the all spheres and this responsibility is assigned to state by offering a certain kind of policy making, which can be titled as privatized social policy. In other words, market logic is conceived as the sole reality for all other domains, rather than being one of those domains by the Chicago School. There are also others, who agree on the variety of neoliberalism, see Yahya Madra and Fikret Adaman, (2008). Yet, the re-positioning of the state and economization can be taken as a shared intention for each form of neoliberalism.

[6] The re-emphasis to market freedom in neoliberal thinking can be considered in compliance with the classic liberal conception but it would be a misconception to consider the emphasis on freedom as the same with classical liberalism (Lemke, 2001, p. 10). What makes neoliberal understanding of state distinctive is the 'exaltation/reduction' of the role of the state; different from laissez-faire policies of 19th and 20th century liberalism, which merely forced state to stay away from economy and trade,

state in order to perpetually extend and preserve the market logic, because neoliberalism needs to sustain the primacy of private property and the dominance of market over the social (MacEwan, 2005). Then, the state itself is required for neoliberals to regulate and reconfigure the social relations in accordance to the market logic (Munck, 2005).[7]

The most important rupture within neoliberalism can be considered to be the realization of the need for the political construction of the market and the positioning of the state as an important actor for market economy.[8] That kind of theoretical shift comes along with a new conception of capitalism; in neoliberal thinking, capitalism refers to an "economic-institutional entity" rather than a natural operation (Lemke, 2001, p. 5). The consideration on the autonomous rules and laws of the market was replaced by a concept of "economic order" in neoliberal thinking (Lemke, 2001, p. 4). Therefore, the state is repositioned as a politico-economic actor that should supply the necessary superstructures for the continuity of economic relations, and the production and the circulation of certain truth regimes in order to maintain those economic relations.

Privatizations, substitution of social rights with private financial instruments and novel incentive mechanisms, and the cut back of subsidies inherited from the welfare state can be considered as the most important ones of such policies that help the economization of state apparatuses and the inoculation of the market logic to the social. Indeed, the regulation of social policy under neoliberal rules has resulted in certain significant social implications like the overgrowing of private indebtedness as a way to substitute for the retrenchment of the welfare regime.

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neoliberalism requires 'a political constitution of market' with this new positioning of state (Munck, 2006, p. 60).

[7]It is a rupture from "naturalistic" conception of the market, which initially demands the freedom of market from state intervention. Rather than proposing a total rejection of the role of state on the economy, or prohibiting and declaring the inefficiency of state intervention, neoliberals endow the state with the role of the provision of a necessary environment for the continuity of economic relations. Neoliberalism means the social and political construction of market economy (Foucault, 2004).

While explaining the novelty of neoliberalism, the re-positioning of state and the new attitude against the social, Michel Foucault offers a new concept; that is "governmentality" (Foucault, 2009). Neoliberalism means the political construction of markets and it immediately requires a process to institute market logic in society in an extended way. Therefore, different from former regimes that depended on discipline, or providing the basic material conditions for the reproduction of labor power as in the case of Fordism, neoliberalism requires certain discursive instruments in order to offer new truths and "technologies of the self" (Foucault, 1988) which can be counted as constituting "neoliberal governmentality" (Foucault, 2008).

> The concept of governmentality suggests that it is not only important to see if neoliberal rationality is an adequate representation of society, but also how it functions as a 'politics of truth', producing new forms of knowledge, inventing new notions and concepts that contribute to the 'government' of new domains of regulation and intervention. (Lemke, 2002, p. 8)

Neoliberal governmentality can be understood most prominently by an examination of the new social figure of the entrepreneur (Foucault, 2008). In neoliberalism, there begins a new definition of the social; "neoliberal government intervenes in the domain of the social by converting the latter into a function of enterprise" (Lazzarato, 2001, p.120). This shift within the social policy regime of state means the end of protectionist policies of the welfare state; neoliberals offer a privatized form of social policy that basically means the assignation of risks to individuals privately.

The shift concerning of the social policy regime means the extension of the most fundamental logic buried in neoliberalism, "competition" (Foucault, 2008), to all apparatuses of state, including those of Welfare State. Contrary to state subsidy mechanisms, neoliberal logic aims to institute self-responsibility logic. Individuals, then, should take upon the responsibility abandoned by state for the sake of "improving efficiency" and "protecting competition" (Foucault, 2008). "Everybody should take the

necessary insurance for protecting her/himself" (Foucault, 2008, p. 159). Therefore, they should redesign themselves in order to undertake those risks and to manage them in the most efficient way. Foucault's new social figure of entrepreneur gains significance thanks to this functioning of governmentality, which offers a new regime of political truth by promoting the economization of every sphere of the social (Foucault, 2008).

"The key feature of the neo-liberal rationality is the congruence it endeavors to achieve between a responsible and moral individual and an economic-rational individual" (Lemke, 2002, p.12). The individual, as an entrepreneur, should calculate her/his profit and loss, take over all economic responsibility, design her/himself with necessary skills and care for her/his own self-substitution; in other words, s/he should act as an entrepreneur.[9] Accordingly, we encounter with a new mode of intervention in neoliberal governmentality that can be identified as "shifting the responsibility for social risks such as illness, unemployment, poverty, etc." (Lemke, 2001, p.12) to the individual by donating her with the logic of entrepreneurship.

With regard to this new positioning of state vis a vis the social realm, financialization should take the lead to make up for the expenditures that result from the withdrawal of the state from the social and the privatization of social policy. "The strategic process of neoliberal program consists in a progressive transformation of social rights into social debts" (Lazzarato, 2012, p.103). However, the role of financialization is mostly neglected in the discussions on neoliberal governmentality (Lazzarato, 2008), even by Foucault. Maurizio Lazzarato insists that the new neoliberal governing logic of

[9] Foucault's emphasis on the concept of 'human capital' is significant at this point in order to ground the notion of entrepreneurship. Human capital was a theory developed by Gary Becker, who was an economist at the Chicago School, which re-formulated the labor part within the classical political economy analyses. In rough terms, Becker offered the implementation of cost-benefit logic in the decisions of individual selves in the rational allocation of their resources. Foucault says that this is a rupture from classical conception of labor. Contrary to the classical conception that takes labor as an immutable input of the production process, Becker re-positions it as a resource that could be developed individually to result in the increase of efficiency and productivity, Foucault argues that for Becker labor itself can be redesigned and the individual, as an entrepreneur, is active in the efficient allocation of self capabilities (Foucault, 2008).

the state agency, its understanding of the social and the economic rationality logic converge and are unified within the new debt regime which has emerged with financialization (Lazzarato, 2012). According to Lazzarato, the debt regime is the main tool to sustain the maintenance of the neoliberal mode of governmentality because its multilayered functioning include a conduct of subjectivity, a new model of state logic, and the financialization of life at the same time.

The new social figure of the entrepreneur, invested with the responsibility of embracing risks privately, resonates in the debtor, who is taken hostage by the financial logic as a substitution of social rights. In other words, neoliberal understanding of the state, which limits the role of the state with the extension and protection of market, does not take any protectionist measure against the social; rather it "conduct[s]" (Foucault, 2008) the conduct of individuals towards financialization as a compensation of the former protective measures. In other words, debt is presented as a substitution of social rights (Lazzarato, 2008) and access to credit is proposed as a method of achieving social stability and security for personal risks in accordance with the social policy of neoliberalism. Lazzarato formulates this form of capitalism, which is nourished by neoliberal governmentality and the financialization logic, as a debt economy (Lazzarato, 2012).

For the aims of this thesis, the theoretical tool of neoliberal governmentality is crucial to understand the sudden institutionalization of financial logic. Governmentality, in a sense, refers to soft-governing techniques rather than force and domination, it is a well-designed method of governing subjects in a neoliberal transformation by conducting individuals to utilize the instruments for self-economic development by destructing the legacy of political demands of economic equality. It is a method of endowing of every domain of society with the same moral-economic rationality.

As the new social figure of the “entrepreneur of the self” (Foucault, 2007), the debtor can be considered as one of the most crucial functionaries of the reproduction of neoliberal social relations and the efficiency of neoliberal governmentality (Lazzarato, 2012). The neoliberal re-positioning of the state then, is actually an extended way of control; it redefines the social, it fuels individuals with the agenda of self-responsibility and so it differentiates the methods of governing from the former regimes that depend on the disciplinary technologies, or the direct regulation of citizens through social welfare regimes. On the contrary, it functions through certain “injuctions” (Lazzarato, 2012), the formulation and the circulation of new regimes of the truth, a specific way of presentation of the problems and their possible solutions (Foucault, 1990).

By aggravating the requirement of self-responsibility through the promise “to pay off” (Lazzarato, 2012), credit functions as the most efficient instrument to install subjects with the capabilities of “economic-rational individual” (Foucault, 2008). At the same time, it functions to internalize the new social policy regime of neoliberal understanding that is the privatized form of social policy, which constantly ought and force individuals to shoulder the economic risks privately by the logic of self-help (Özden, 2014).

2.2.3 Indebtedness and financialization as a substitution for the plundered social policies

According to these two distinct perspectives on financialization, i.e., class-relations based analysis on indebtedness, and Foucauldian neoliberal governmentality, financialization and indebtedness can be considered as one of the most important instruments for neoliberal intervention on the social. Neoliberalism has resulted in a new positioning of the state vis a vis market and the social and it terminated the legacy of

provision of basic social rights, which were replaced by privatized social policy and domination of the market logic over welfare policies. This rationality actually tasks out any social and economic responsibility to the individual and desires the making of an "economic-rational" individual who should act as an entrepreneur (Foucault, 2008). On the other hand, class relations based analyses argue that the cut in real wages and the restructuring of state distribution mechanisms eventually have paved the way for financialization and household indebtedness. It is a new form of domination in terms of class relations by forcing individuals to shoulder risks privately and to substitute their needs through indebtedness, as well as continuing to fuel surplus value for the market through the sustainment of consumption.

To sum up these theoretical discussions, I argue that financialization means the abandonment of society to private financial instruments in order to sustain the gap between incomes and social needs. It functions as a depoliticizing method of responding to the question of economic inequalities. Through the shifts within social policy regime in the years of neoliberal restructuring in Turkish economy, financialization started to dominate the society as the sole way of economic self-sustainment. For these concerns, I consider financialization and the overgrowth of indebtedness as comprehensive projects; they harbor certain social and political implications by the compulsory introduction of financialization and the institutionalization of self-responsibility and self-help logic at the subjective level. According to Lazzarato, who bases his analysis on financialization on Foucault's arguments on neoliberal governmentality, credit regime is the main functionary and the most important consequence of this neoliberal logic of governmentality (Lazzarato, 2008). Personal credits provide an access to what is not provided by the state anymore, or what cannot be purchasable because of increasing

economic inequalities; the political demands of equality are exchanged for the credit mechanism.

In Turkish case, the neoliberal social policies utilized since the end of 1990s ended up with the same result, the overgrowth of household indebtedness as the most crucial problem of the years of neoliberal restructuring. The increase in credit proposals and the increase in the rates of tangible indebtedness can be regarded as the two main signs of financialization in Turkey, especially since the year of 2005. The statistic that starts with the year of 2002, has revealed that there has occurred a forty four-fold increase in terms of personal indebtedness in Turkey since 2002. The approximate household debt stock is around 266 billion Turkish Lira in 2012, showing a significant increase from the amount of 6.6 million in 2002 and it does not cease to grow (TBB, 2016). According to the latest statistics, published at the end of 2015 by Türkiye Bankalar Birliği (Turkey Union of Banks) (2016), the number of private debtors who have utilized consumer credits has reached to 10.495.718 with a total loan burden of 165.042 million Turkish liras.[10]

The overgrowth in household indebtedness did not become a crucial political discussion. On the contrary, the conservative narration of AKP government emphasized the democratic character of neoliberal restructuring and financialization by presenting the adaptation of these policies as a rupture from the ancient regime and the ending of the interventionist policies of the Turkish state on economy. Therefore, it is required to discuss the articulation between neoliberalism and conservatism in order to clarify the appropriation of financialization as an alternative instrument for social policy making by AKP regime.

[10] https://www.tbb.org.tr/tr/bankacilik/banka-ve-sektor-bilgileri/istatistiki-raporlar/59

It is significant to point out that in order to analyze the tangible relationship between the implementation of neoliberalism and the increase in household indebtedness in the Turkish case, it is required to deepen the quantitative analysis by studying the data on real income rates, disposable income and growth rates of Turkish economy during the ruling period of AKP government. The theoretical picture I have drawn above mainly focuses on the shifts on the real wages and the increase of individual expenditures as a result of neoliberal policies, as well as the institutionalization of the neoliberal self-responsibility logic. There are a few researches that try to explain this material relationship between neoliberal policies and the increase of household indebtedness in Turkey by pointing out the structural changes triggered by the 2001 economic crises and the extension of neoliberal restructuring in the following period. However, in line with the main aim of this thesis, explaining the relationship between the financialization of Turkish economy through the rapid introduction of consumer credits and the moral discourses that accompany this process, I don't attempt to demonstrate the quantitative relation between tangible economic transformations and the overgrowth of household indebtedness. Rather than dealing with a comparative analysis that tries to demonstrate the relationship between the shifts in real wages, or the ratios of state subsidies and the overgrowth of household indebtedness, in the following part, I discuss the reformulation of the neoliberal restructuring project and the development of the financial sector as the necessary paths for economic development of the nation by AKP government starting with 2002. To this end, I first give a brief summary of the implementation of neoliberal policies in the history of Turkey in order to contextualize the specificity of the AKP period in terms of extending the neoliberal logic and appropriating popular public consent to economic transformation project by reframing neoliberalism with conservatism.

2.3 Turkey's first encounter with neoliberalism and financialization: 1980 Coup d'État and onwards

Turkey's journey with neoliberalism started in the early 1980s with the support of the '12 September Coup d'État'. It shows resemblances with the conventional neoliberal institutionalization in many respects, as well as important differences. First of all, in Turkey, neoliberal construction started with the force of military regime, rather than a transformation that was directly triggered by market and capitalist forces. The military intervention of 1980 and serious changes in global economy has hauled Turkey onto an encounter with neoliberalism. With the support of the repressive climate provided by the authoritarian military regime, critical reforms concerning economy were introduced under the leadership of Turgut Özal, who was the minister of economy before Coup d'État (Öniş, 2004, p.7). In this period, for the first time, the state began to actively engage in an economic development program based on neoliberal premises that were influencing the whole world. These alterations within economic policy were all new paces for Turkey because the country had maintained its protectionist economic policies for decades. The main engagement with neoliberal restructuring initially involved infrastructure building and loosening of strict protectionist economic considerations. These were a series of reforms that attempted to make Turkish economy compatible with global economic trends, "trade liberalization, invitation of direct foreign investment, deregulation and privatization" (Eder, 2015, p. 47).

Özal years between 1980-1989 can be considered as the period of "the speedy implementation of market-oriented reforms" (Öniş, 2004, p.13) during which the introduction of neoliberal patterns was institutionalized from top to bottom. As Ziya Öniş points out this institutionalization was realized through a technocratic approach of state agency and the strengthening of certain bureaucratic mechanisms like the

revitalization of governmental decrees (Öniş, 2004). Most of the reforms lacked transparency and "Özal preferred a decision-making style based on Cabinet Decrees as opposed to Acts of Parliament" (Öniş, 2004, p.13).[11]

The first liberalization concerning foreign trade and finance was implemented within this period under the governance of Özal and decided by a small group of politicians with the use of "governmental decrees" (Bekmen, 2014, p. 52). This period was also "the beginning of financialization of Turkish economy" with the elimination of the borders that kept foreign capital away (Bekmen, 2014, p. 56). Özal period can be considered as successful with regard to macro-economic standards (Öniş, 2004). However, it is possible to argue that short-term success of Turkish economy in this decade was related with anti-labor policies, which cheapened the value of labour power and paved the way for the intensification of small enterprises that depended on cheap labor (Bekmen, 2014). Despite of the fact that Özal enjoyed "high degree of domestic support" (Öniş, 2004, p. 9) and the positive results of macro-economic indicators considering inflation and economic development, the attempts of economic structuring failed to galvanize public approval and participation, and remained as formal alterations. Furthermore, the excessive public debt became a remainder of this period as a result of unstable and short-term based economic policies.

Starting with 1990s, Turkish economy has started to undergo economic shocks repetitively with a series of economic crises of 1994, 2000, and 2001, which led to the suspension of the implementation of neoliberal policies. Those crises were related with the former Özal decade policies that focused on the short-term sustainability and lacked public approval and Turkey was led to a "highly fragile, debt led" period of economic

[11] Also, certain new institutions were formed with regard to the immediate needs of neoliberal introduction, like the 'Undersecreteriat of Foreign Trade and Treasury'.

growth (Öniş, 2004, p.20).[12] In these crisis-ridden years, Turkish economy has been continuously shocked with the excessive growth of public debt as well as the imposition of strict structural adjustment policies of International Organizations, like International Monetary Fund (IMF) and World Bank (WB), as remedies. Another explanation for the emergence of this series of crises in 1990s is Turkey's encounter with global finance without the necessary legal and institutional infrastructure to cope with it (Öniş, 2009). In this period, Turkish economy has perpetually shaken by huge budget deficits[13] and the successive governments engaged in a continuous process of borrowing in order to finance those deficits. Accordingly, it is proper to call this "second phase" of neoliberal introduction, between the years of 1989-2001 as a period of perpetual crisis, growing national budget deficits and huge public debt.[14]

It is in this crisis-ridden context that Kemal Derviş, who was a former member of WB, was invited to Turkey by the coalition government of the time in order to heal the national economy after the last and worst crisis in 2001. As a successful member of WB's court of economists, the reform package Derviş put forth likened any neoliberal reform package offered to any developing country. His invitation can also be considered as related with the memory of Turgut Özal, both occupying the position of an economic technocrat. Another factor that led to the choice of Derviş as the healer of economy was

[12] It is important to mention the Castelli Affair, which can be taken as an example that demonstrates the instability and lack of formality in this period, as well as the consequences of the adopted policies. In line with Özal policies, there emerged a constant dependence on the entry of hot money into the economy and this period can be considered as the rise of Bankers in Turkey as a result of this dependency. Cevher Özden was the most controversial of these bankers. He managed a vast volume of savings by offering extereme rates of interest. which became possible as a result of the 'free interest rate' policy of that time. The story ended with a big banking failure and the loss of the savings for numerous people.

[13] The main reasons of the budget deficits was the growing public expenditures; in this sense, the second Özal government between the years of 1987-1991 shows fascinating differences in relation first one according to macroeconomic indicators. In this period, the rate of inflation grow rapidly and the rate of growth decreased dramatically (Özen, 2011).

[14] The public budget deficit was 588.5 billion Turkish Lira in 1983 and it reached to 12283 billion Turkish Lira in 1989 (Bütçe ve Mali Kontrol Genel Md., 1995).

his “significant linkages to the transnational financial community” (Öniş, 2009, p.12) and the huge amount of debt of Turkish state to those institutions.

Reform program of Kemal Derviş was called “Türkiyenin Güçlü Ekonomiye Geçiş Programı” (Turkey’s Transition to Strong Economy) and focused on certain conventional policies like “re-gulation of public financing and debt management” (Bekmen, 2014, p. 57). One of the most important innovations realized in this period was the formation and integration of regulatory institutions into the fiscal regime, like the formation of Bankacılık Düzenleme ve Denetleme Kurulu (Banking Regulation and Supervision Agency). This institution can be considered as the most crucial legal infrastructure for the adaptation of Turkish economy to global finance standards (Bekmen, 2014). Accordingly, the period of Derviş reforms can be considered as instrumental for installing the legal and institutional conditions for the integration of Turkish economy to global capitalism and finance.

Derviş’s program for economic recovery had been subjected to criticism in political circles, despite of the technocratic character the recovery package of Derviş enjoyed. As I have mentioned above, Derviş has been invited to Turkey by the coalition government of that time for the urgency of economic recovery but his program was also subjected to harsh critiques by the same political circles. In other words, the neoliberal adaptation and crisis-recovery program of Derviş was a controversial matter for the political arena in Turkey. The main content of the critiques was the aggravation of the dependency of Turkish economy to the international monetary organizations as a result of the implementation of Derviş reforms and these critiques were publicized through the pumping up a form of populist-nationalism.

After the crisis in 2001 and during the period of the implementation of Derviş reforms, AKP movement took the lead of Turkish politics and had a major electoral win

in 2002 by putting an end to the continuity of coalition governments. The great electoral win of AKP can be considered as the unification of different groups that were exhausted both from statist policies and economic crisis (Öniş, 2006) and as the beginning of the neutralization of the controversial attitude against neoliberal "recovery" policies.

However, instead of exclusively highlighting this political differentiation between AKP's economic reform program and Derviş package, one can also point to the ways in which the former resembles the latter in various aspects. In line with the global demands of integrating developing economies to global financial markets, these two programs aimed at the same goal of creating a stabile economy and accelerating the invitation of foreign capital to Turkish economy. In this sense, Derviş program of the post 2001 economic crisis and the start of the ruling period of AKP government should be underlined as a rupture point in terms of the shift in the general structure and the indebtedness patterns in Turkish economy. It is the end of the problem of high inflation rates and the high amount of public debt, which were the remarkable characteristics of Özal period and afterwards (Akçay & Gürgen, 2015). The reforms following the 2001 crisis (both Derviş package and AKP's reform program) have led to a stable economy, in which inflation rates are controlled, and supplemented by a high amount of foreign capital investment (Akçay,& Gürgen, 2015). Banking sector also has experienced an extended regulation as a consequence of this macro-economical agenda shift. These structural changes can be considered as the main triggers of the start of household indebtedness in Turkey by making debt accountable, as different from the period of high inflation rates and the informal and inefficient functioning of the banking sector.

AKP, which became the ruling party after the 2001 crisis and after the implementation of Derviş reforms, can be considered as a loyal follower of these already instituted neoliberal policies, yet this new party also tried to ensure the compatibility of

the novel economic policies with the moral values with the help of a new definition of conservatism and the utilization of populist political strategies concerning the economy. Accordingly, while the economic policies of AKP government is determined by the need to adapt to the global economy and neoliberalism, and followed the former economic program of neoliberal transformation publicized by Kemal Derviş, public discourse of the government clearly followed a different path through a perpetual reference to the communitarian and conservative values. For the first time conservative population was convinced and engaged in a neoliberal social project; in other words, AKP provided the "social consent" for an extended neoliberal transformation and the integration to global finance (Bekmen, 2014, p. 62).

2.3.1 AKP period: Formal restructuring of economy

To summarize, the neoliberal journey of Turkey and financialization of Turkish economy started at the beginning of 1980s and was tried to be implemented, and extended for two decades before the coming to power of AKP in 2002. The second phase of this introduction, including the years between 1989-2001, was a very unsuccessful period in developmental terms because of the destructive effects of a series of crises. AKP movement emerged in such an atmosphere of economic instability and public exhaustion by way of differentiating its political and economic project from the all-former predecessors. With AKP government, Turkish economy has been hauled into an extensive neoliberal transformation and financialization but for the first time this orientation enjoys such a high level of public approval and utilization. With AKP, which publicly enjoys the conservative and populist discourses on economy thanks to former

failures within Turkish economy, Turkey has entered a long-term and extended neoliberal transformation process.

One does not have to dig into much in order to show AKP's positive attitude for financialization and neoliberal repositioning of the state because it was already revealed within the first formal election statement of the party, which was published in 2002. AKP movement, which presented itself as a new and different alternative for all fractions of Turkish society, was actually in collaboration with the former and familiar programs of neoliberal transformation that took its foremost form with the reform package of Derviş after the 2001 crisis. In pursuance of the former neoliberal program of Derviş, the fundamental economic vision offered within the economic recovery program of AKP can be summarized as "the minimizing the role of state over economy, a dedication to privatization program, the promise to respect market economy and a positive attitude against globalization and financial development" (AKP Election Statement, 2002, p.53). Different from the ancient policy of interventionism and closed economy, AKP presented itself through a neoliberal project whose first promise was a repositioning of the role of the state in relation to economy and the market, "AKP, in this new process, favors such a role of state that involves mostly on policy-making, fund-raising, standardization and supervision [of market] rather than direct regulation and production" (AKP Election Statement, 2002, p. 33).

This priority of market and the role of state in relation to market can be considered as the most important example in terms of the neoliberal inclinations of economic understanding of AKP. As it is indicated in the first election statement in 2002, AKP movement stated its approach to economy as "not interdictory but minimizing the negative impacts on economy" (AKP Election Statement, 2002, p. 66). In other words, AKP's first formal promise to market was acting as a supervisor and

improver in terms of providing the necessary conditions for market economy; it was a declaration of the voluntary approval of the role of a neoliberal state. In order to deal with the failures of Turkish economy and go beyond economic interventionism, AKP came with the proposal of a number of "structural changes" (AKP Election Statement, 2002), focusing on a number of policies such as the adjustment of the privatization policies and the speeding up of privatizations; the development of the finance sector and correction of monetary policies that once resulted in the financial crises; a more efficient debt management; reducing inflation with the aid of more stabile monetary policies; the encouragement of foreign investors to invest in Turkey; and the development of certain sectors like energy sector, which became inefficient under state management (AKP Election Statement, 2002).

2.3.2 Enhancing the financial market as a path for economic development

The requirement to heal the financial sector and increasing the number and type of financial instruments was declared as one of the most important structural changes offered by AKP and it can be taken as an indicator of AKP's positive attitude for financialization and integration to global finance. It is important to remind that this policy of AKP government was also inherited from Derviş package, which can be proven by this package's sensitivity in terms of the regulations on banking sector and the functioning of BDDK. As various structural reforms, AKP also followed Derviş way of policy making within the realm of finance market.

In the first election statement of AKP, in the chapter on finance, there was a constant emphasis on the need to alter the financial system in order to eliminate the negative consequences at the time and for the development of Turkish economy.

“[I]ncreasing the productivity and competition in the financial sector” was declared as one of the most fundamental ways to deal with the excessive public debt of Turkey (AKP Election Statement, 2002, p. 52); AKP considers financial development as a way to eliminate the public debt owed mostly to international organizations like IMF and WB.

In order to put into effect financial restructuring, AKP statement names certain possible solutions that mention the need to alter monetary policy, increase competition within the finance sector and multiply the number of financial instruments. The fundamental point was the declaration of the failure of macroeconomic policies as the reason for the underdevelopment of the financial sector. It goes without saying that the unsuccessful monetary policies formerly utilized by the state were narrated as the main reason for the inefficacy of the financial sector. “The precondition of a healthy, efficient and stable financial sector is a steady monetary policy and monetary stability” (AKP Election Statement, 2002, p. 78). Another emphasis was on the need for legal and institutional adjustments like re-positioning the role of the state on finance as “an effective inspector to increase efficiency and competition for the financial market” (AKP Election Statement, 2002, p.78). The privatization of the state banks “and restructuring with regard to commercial principles” (AKP Election Statement, 2002, p.78) was also presented as one of the possible remedies for the financial sector. This is a clear positive gesture to the adaptation of global financial standards: the state should function so as to provide an environment that allows for finance sector to bloom out and function well, and it should cease to be a financial actor.

In addition to the legal financial adjustments of financial development, the statement enumerates some measures like the provision of competition within the banking sector, the increasing of the variety of financial instruments and institutions, the

adjustments in the insurance sector and some other preventive legal measures, introduction of the instruments of micro-finance and the banking sector credits in exchange with the state developmental benefits for agriculture and small enterprises. (AKP Election Statement, 2002). In a sense, the development of financial sector and the increasing the variety of financial instruments are considered as the ways to exchange certain state subsidies with the private substitution mechanism. It is, then, compatible to argue that one of the main premises of the intensification of financialization through neoliberal social policy was also affirmed by AKP; that is a reconfiguration of social welfare regime.

Such a positive, even enthusiastic, approach of AKP towards financial development and the need to increase the number and variety of financial instruments can be considered as a crucial phenomenon which paved the way for the emergence of household indebtedness starting with the early 2000s, and it was beyond a usual phenomenon. The most important rupture that led to such an increase of private indebtednees came along with the redefinition of the already existing consumer credit as "the credit for the need" (ihtiyaç kredisi) in 2005 and the relaxation of the process of borrowing. In a parallel fashion to this redefinition, the number of private debtors, who are mostly indebted through consumer credits, has increased excessively from 2 millions of individuals in 2004, before the introduction of the credit for need, to more than 9 million, just after its introduction in 2005, and more than 6 million individuals took out the credit for need in that year. Since then, credit for need has remained as the most favored type of credit, dominating over all others, even the mortgage credits.

The invention of this type of consumer credit and the relaxation of borrowing procedures can be seen as AKP's policy to develop the financial sector, as well as increase the number of financial instruments. Yet, I suggest another causality between

the overgrowing household indebtedness and the economic restructuring project of AKP, that is the institutionalization of the logic of self-help through shifting the question of social inclusion from one that is focused on the “equality of result” to another that depends on the “equality of opportunity” (Patton, 2010, p. 448), in a compatible manner with the functioning of neoliberal governmentality. So I claim that financialization has become an apparatus of the social welfare regime of AKP with the presentation of credit as a democratic (because it supplies for equality of opportunity) and developmental mechanism.

It is crucial to note it is not proper to define AKPe relaxation of borrowing procedures can be seen as AKP’s policy to develop the financial sectopects, AKP government has extended the welfare apparatuses of the state agency by offering direct support to marginal disadvantageous groups. However, the institutionalization of the neoliberal self-help and the self-responsibility logics in the social policy regime during AKP governance (Özden, 2014; Patton, 2010, Coşar & Yücesan-Özdemir, 2012) and the perpetual increase of the private financial instruments indicate the fact that the credit mechanism has been promoted as one of the most important ways of current economic sustainment mechanisms, which is also exemplified by the offer of entrepreneurial credits to certain disadvantageous groups by state agency as ways for economic self-development, which is presented as a form of ameliorative action.

2.4 The reformulation of economic transformation by AKP: Articulating neoliberalism with conservatism

The analysis of the first election statement of AKP reveals its positive attitude to neoliberal transformation and integration to global finance. Especially, AKP’s

repositioning of the state converges with the neoliberal understanding of state as well as its insistence on “efficiency” and “competition” (AKP Election Statement, 2002). Yet, apart from the formal structural changes which are the main objectives of the economic reform program, the reasons for the immediacy of a large-scale economic restructuring has been declared to the public by utilizing moral references which are nourished and supplied with conservative mottos. The 2002 reform program of AKP had the title of “ Herşey Türkiye İçin” (Everything is for Turkey) and AKP came with a new political identity, which was “conservative democracy” (AKP Election Statement, 2002).

In order to understand the speed and the ease in putting into effect this economic reform program, I want to underline the utilization of conservative democracy as an umbrella term that enabled the attachment of conservative population to the developmentalist economic program as well as the emphasis on the economic failures to obtain public consent to neoliberal policies and financialization. First, the constant promotion of this new identity let AKP to ensure its potential base that mainly included Islamist and conservative masses, and second, despite of the accumulated anxiety of this organic base around engaging in financialization and globalization processes, AKP achieved to sustain the primacy of neoliberal economic policies and financialization of economy by making them morally approvable through articulating them with the communitarian values (Patton, 2010) and the demands of liberalization.

The encounters and cooperation of neoliberalism with different political demands and agendas is a growing research agenda. Wendy Brown remarkably theorizes that neoliberalism should not be approached as a complete, encompassing and stable governmental program that can be implemented through the same policies in every geography; rather it constantly makes alliances, or encounters with contradictions through differing political agendas and localities (Brown, 2006). Brown offers to

approach neoliberalism as a fragile and adjusting political rationality by exemplifying the relation between neoliberalism and neo-conservatism in US context. She puts into question the alleged relationship between “amoral” neoliberalism and “expressively moral and regulatory” (Brown, 2006, p. 692) neoconservatism.

Such a questioning is a requirement for analyzing the encounter between neoliberalism and conservatism in the recent history of Turkey. In his discussion on the uniqueness of the implementation of neoliberalism in Turkey, Patton considers AKP’s way of policy making as inclining to the “Third Way” strategies of neoliberal communitarian perspective (Patton, 2010, p. 440) but with an unusual nuance that comes as a consequence of the Islamist roots of the AKP regime. In order to argue for the specificity of AKP’s institutionalization of neoliberalism Patton mentions the history of the religious movements in Turkey and especially the history of Milli Görüş Hareketi (National Outlook Movement, hereafter MGH) that mostly based its economic ideology on the “communitarian values of the Islamic rule” (Patton, 2010, p. 442).

Neoliberal policy of AKP clearly opposes this reliance on Islamic considerations of solidarity as an economic organizational principle but AKP also enjoyed “the communitarian perspective of MGH by neoliberalizing it” (Patton, 2010, p.442). By admitting Patton’s analysis on the unique way of the AKP government to institutionalize neoliberalism in Turkey and Brown’s detection on the adjustment character buried in neoliberalism, I want to emphasize the role of conservative democracy in terms of AKP’s specific way to localize neoliberalism by making it morally approvable. This emphasis is crucial for the aims of this thesis that argues there occurred the cooperation between moral considerations and neoliberal behavioral patterns during the financialization of Turkish economy.

I argue that conservative democracy and the former economic failures of Turkish economy utilized by AKP acted as discursive reliance points in terms of making the on-going neoliberal economic policies and integration to global financial trends acceptable for conservative masses in Turkish society. This new hybrid political identity of AKP movement and the utilization of former economic failures functioned as accelerators for the political and moral approval of the neoliberal policies and the financialization of Turkish economy. The articulation of neoliberalism with conservatism led to a local form of neoliberalism and financialization through the utilization of conservatism as a terminal, which I consider as constitutive in terms of the financialization of Turkish economy with a new moral-economic consideration on credit mechanism.

2.4.1 "Conservative democracy": From a religion based definition of conservatism to "conservatism as the engine of change"

"Conservative democracy" was first used in the election statement of AKP in 2002 and constantly emphasized as party's ideological identity in the election process. The most striking aspect of this new identity is its hybrid nature that unifies being "conservative" with "democracy".[15] One of the constituent members of AKP, Yalçın Akdoğan, explained their attachment to this new identity by pointing out "the overarching inclusiveness afforded by a conservative democratic identity" (Akdoğan, 2006, p. 59).[16]

[15] This definition obviously resembles 'conservative democrats' that is a definition utilized by United States Democrat Party in order to refer the members and voters with conservative inclinations. There are different examples in the World that define their ideology on the convergence point between conservatism and democracy, those are Switzerland and Greece Conservative Democratic Parties. Yet, this ideological stance has introduced into Turkish political arena by AKP for the first time.

[16] The culture of reconciliation and the desire to comprehend distinct groups of people can be considered as the first emphasized aspect of conservative democracy. It is presented as offering 'a third way' 'instead of conflict, formation of cliques and polarization' (Akdoğan, 2006, p. 51). AKP argued that the formulation of this identity was not an intention to create a populist ideology, but rather a result of the extended dissatisfaction of the masses (Akdoğan, 2006). In other words, it was presented as a way to get over the dichotomist and controversial nature of Turkish politics. The word

In other words, conservative democracy was utilized through the desire of comprehending different groups, for the sake of a new movement that searches for "reconciliation" and "service to nation" rather than conflict (Akdoğan, 2006, p. 51). [17]

The scholars who examine conservative democracy and its political implications pointed out the different aspects of this hybrid concept such as the fundamentality of this identity in terms of party's self-representation in foreign and domestic politics: 'conservative democracy' was designed to present a less radical and a developmental identity against foreign countries and the domestic population (Dağı, 2006). It is also argued that AKP has invented this concept in order to gain a new representation which helps it both keep organic ties with Islamist and conservative population and represent itself as a secular and economically modernist movement (Coşar, 2012). In other words, the name provided a site for public presentation rather than defined real ideological inclinations of AKP; the ongoing secular anxiety against Islamist parties was tried to be eliminated by emphasizing this new ideological stance (Tepe, 2006). However, with regard to the new economic welfare program of AKP, I argue that this concept also functioned to create public approval for economic transformation for the sake of financialization and adaptation to globalization. In addition to the functioning as a slogan for public presentation, AKP procured the consent of conservative masses in terms of economic transformation with the help of this new definition of conservatism, "[c]ivic culture and institutions should be prevented from the state-intervention. Then, as a result of contemporary developments, when the state stands back from economy, the

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was offered in the search of a new path to free Turkey from this kind of politics and to appeal to masses rather than certain groups of people (Akdoğan, 2006).

[17] It is important to note that same author published another book on 'Welfare Party' with the title of 'Political Islam', Akdoğan, *Siyasal İslam*, Şehir Yayınları, 2002. His differentiation of AKP from former Islamist movements and parties, and his insistence on the new comphrensive ideology of AKP can be examined through such a dichotomic positioning against former movements.

control over civic culture, which is produced by society, will inevitably diminish" (AKP Election Statement, 2002, p. 23).

Conservatism can be briefly defined as "the preservation of the sustainability of what is old and localized, traditional and sacred in modern conditions, even it does not mean the total rejection of what is new" (Bora, 1998, p.54). Therefore, AKP's redefinition of conservatism with regard to economic freedom was a new beginning. AKP came with a distinctive definition of conservatism by equalizing the preservation of civic culture and traditional values with the preservation of the economic liberties. As it is well known, this kind of equalization can be considered one of the most important elements of Friedrich Hayek's thought. Hayek argues that "market freedom will nourish individual freedom eventually" (Munck, 2006, p. 61). By articulating conservative democracy with the liberalization in a multilayered way, AKP utilized a "fine-tunning of liberal rhetoric" and still "instilling it with nationalistic and religious sentiments" (Coşar, 2012, p. 69).

As Akdoğan stated, different from former elaboration of conservatism in political arena, AKP aimed to make conservatism "the engine of change"; it will be the engine of a "gradual and progressive transformation" (Akdoğan, 2006, p. 54). Conservative democracy, which stands in the exact point of collaboration between economy and morality, helped AKP formulate a new rhetoric for the neoliberal economic transformation project, which involved integration to global finance. It is important to clarify the reasons of engaging with such collaboration between morality and economic development project: the main intention of AKP to engage with such an attempt was the long-term opposition of finance and neoliberalism by the religious-conservative political groups and an important proportion of the masses. To discuss the novelty of AKP, I have

to firstly summarize the history of the conservative-religious movements in Turkey, especially MGH.

2.4.2 'Milli Görüş Hareketi' and opposition to finance

The conventional conservative discourse in Turkey opposed to neoliberal policies and the policy of integration to global finance until the ruling period of AKP. The most important predecessor of AKP, MGH was the most important opponent against those economic policies. Most scholars agree that AKP movement enjoyed organic roots with MGH, which was the most important and sole legal representative of Islamist-conservative movement in the political realm (Öniş, 2006; Coşar, 2014; Yalman, 2014). AKP was constituted through the rupture of some politicians from MGH (their last political representative was Felicity Party) and the collaboration with other right-wing political figures. After the closure of Welfare Party and the developments following 28 February 1997[18], MGH constituted a new party "Fazilet Partisi" (Virtue Party) in 1998. This party gained 15.41% of the total votes in Turkey and had one hundred and eleven chairs in the assembly; yet just after the rupture of "Yenilikçiler" (Innovators) from the movement, and after the constitution of AKP in 2001, the proportion decreased to 2% in the 2002 elections.[19] The base that MGH had enjoyed until that day turned to AKP, and

[18] It was not a usual kind of coup d'état but a kind of military warning against the governing Islamist Party in those years, as it can be understood thanks to the title of the project 'Action Plan against Reactionism' This action plan has been prepared in 2000 with the lead of MGK (National Security Council). It consist of 12 titles such as exerting control over charitable foundations, associations and donations which are formerly free of tax and state control, exerting control over local administrations under the governance of Welfare Party, offering financial support to poor students in order to prevent them from reactionary groups, the intervention to Directorate of Religious Affairs and so on.

[19] However, AKP's informal public speeches and statements always utilize the rhetoric of right-wing and Islamist movements by insistently referring to how they were positioned in the centre while including also the periphery (Akdoğan, 2006, p. 61), always calling people 'millet' and re-appropriating the concept of 'just'.

there only left the remnants of this movement. This statistical comparison captures as a snapshot the close political affiliations between these two movements.

Despite this political affiliation between MGH and AKP, their economic vision sharply differs from each other. MGH clearly opposed globalization and financialization by relying on the legacy of Islamic considerations on economy. However, AKP had an obviously different vision on economy and was a loyal follower of neoliberal transformation project and globalization. Indeed, the constitution of AKP and their rupture from MGH depended on its new vision on economy. The separated group, which formed AKP and called themselves "Yenilikçiler" (Innovators), assured that they needed to adopt the rules of contemporary world, instead of following with MGH's backward political and economic vision, which also signified the need for transformation in terms of economic understanding and globalization. Those politicians who degraded MGH in terms of its resistance to global changes argued that they had a distinctive, modern and comprehensive agenda (Patton, 2010).

MGH's ideological stance about economy depends on the premise that Turkey is able to sustain development with its own labor force and economic power, with paying attention to preserving its traditional values (Tuğal, 2009). Their economic program had three fundamental titles; first one is 'Adil Düzen' (Just Order) whose main claim is 'the prohibition of interest in order to prevent the exchange of money as a commodity.[20] This can be interpreted as an active declaration of an opposition against the on-going financialization all around the world; it rejects the foremost principle of modern finance, the exchange of money as a financial instrument and gaining profit through financial operations. The second one was 'Reel Ekonomi' (Real Economy), which concerns the developmental strategy of the state; MGH favors the development of the sectors that are

[20]http://www.milligorusportal.com/?page=milli-gorus

productive with the help of quasi-cooperative institutions. It was a rejection of globalization and financialization by favoring development through strengthening productive capability of Turkish economy.[21] The last one is 'Hak Anlayışı' (Sense of Right) and its purpose was the prohibition of undeserved gain and the logic of exploitation. With its obvious Islamic inclinations, this policy indicated the rejection of any kind of 'undeserved profit' like interest.

In 1991, just before the first coalition success of MGH in the elections, RP, which is political representative of MGH in that time, published a booklet that is called "*Just Economic Order*" (1996). The most important points in the booklet were again its attack on interest and its negative attitude towards taxation. The modern financial instruments like cambium and credit were labeled as 'microbes'.[22] In the booklet, discourse on new 'Just Order' is mainly sustained with the critique of capitalism and it includes elements from socialist understanding of economy and exploitation.

MGH was a kind of nationalist-conservative-anti-capitalist movement with regard to its constant emphasis on its stance against imperialism and exploitation.[23] Its economic policy was mostly determined by Islamic rules such the stance against finance because of the prohibition of interest, the solidarity narration, and the sensibility against (capitalistic) exploitation (Tuğal, 2009). In addition to these Islamic concerns on

[21] RP, the political representative of MGK at that time, came with 'the heavy industry plan' in 1990s, which gives clue to their understanding of economic development. This project was declared as the most important and efficient policy to make Turkish economy independent and strong. Also, rather than private financing, usury-free state-credits to business was declared as the developmentalist policy of the state concerning industry.

[22] http://www.todaie.edu.tr/resimler/ekler/82b373d320a0402_ek.pdf?dergi=Amme%20Idaresi%20Dergisi. The booklet led to many controversies, especially oppositions from the business sector because of its harsh critiques of and policies against capitalism. Of course, the policies remained formal and could not gain practical examination. Yet, they are still important for representing the economical attitude of the Islamist movement a decade before the success of AKP; that is because the former proponents of this movement became the organic base of AKP just a decade later.

[23] In those years, the conservative movement in Turkey were seriously interested in the ongoing war between Israel and Palestine. Islamist Movement of Turkey at that time, unsurprisingly, considered themselves as an ally with Palestinian Muslims and they regarded Israel as an imperialist force. Their fundamental reaction to imperialism can be related with this situation rather than remaining totally loyal to Islam's understanding of solidarity.

economy, MGH can be regarded as inclining to a welfare state instead of a neoliberal one. Indeed, it considers state as the main agency of protection in terms of threats, risks and deficits of market economy. The need to get rid off these Islamist constraints concerning economy and the need to enact a neoliberal positioning of state compelled AKP to produce such a new hybrid identity through the naming of conservative democracy.

As it is defined by Akdoğan, 'conservatism', which is assured as the constitutional identity of AKP, does not mean being resistant to transformation and progress, but adjusting to changes without losing your essence (Akdoğan, 2006). With the idea of conservative democracy, Akdoğan argued "AKP has been able to place these religious values within its wider platform of social justice and the importance of the social structure" (Akdoğan, 2006, p. 64). Accordingly, AKP's rupture from MGH resulted from "the recognition of the need of global integration for an economic development", in addition to Dağı's argument on the recognition of the hostile attitude against Islamist movements in Turkish political arena (Dağı, 2006). It is not a rejection of Islam; yet a new articulation, which can be named as 'social Islam' by limiting the role of Islamic values with civic culture and pointing out the requirement of a modern economic development program, which is purged from Islamist and backward policies according to AKP.

As Patton argues, in spite of the fact that neoliberal transformation process of Turkish economy started before the AKP period, AKP is the architecture of a new dialogue between moral anxieties and economic transformation by way of a strategic utilization of communitarian and conservative values (Patton, 2010). Accordingly, I argue that conservative democracy is not just an ordinary strategy of representation but rather a project that provides for a new collaboration between Islam and capitalism

(Yalman, 2012). The contribution of this concept to the neoliberal transformation process of Turkish economy can be considered as multilayered; on the one hand, the non-ideological representation of AKP suggests the limitation of Islam within the sphere of civic culture, and on the other hand through the utilization a redefinition of Islam as an element of civic culture AKP leaves behind the repressive account of economic transformation and globalization inherited from former Islamic movements, and articulates instead peaceful and positive account of financialization and globalization process through the notion of development. Finally, it has enabled AKP to offer a new positioning of the state in the social realm by replacing the welfare understanding of MGH with a new social policy understanding that mainly depends on privatization (Patton, 2010).

2.5 Crises and public debt: Populist implications of neoliberalization and financialization

Conservative democracy can be considered as one of the most important discursive products of the process of offering new economic policies to a conservative population. However, it was not the sole strategy for creating social consent to neoliberal economic transformation program. AKP also utilized a certain negative narrative of the then-current Turkish economy to arouse approval for the neoliberal economic transformation project. One of the most important discursive moves of AKP in terms of justifying the immediate need of economic transformation was, unsurprisingly, pushing to the center stage the last economic crisis in 2001 and the burden of public debt, which was conceptualized as “the vicious cycle of debt and interest” by AKP agents (AKP Election Statement, 2002, p.51).

To politicize the economic recovery program and the proposal of structural changes, AKP also utilized a certain populist discourse around the, economic failures of crisis and public debt in order to gain popular support to install its neoliberal economic projects. The crisis of 2001 and the overgrowing public debt were problems that affected every part of society adversely. Due to this extensive discontent of the people about these two fundamental economic problems, appealing to them helped to appropriate populist social demands.

As Ernesto Laclau points out, we should take populism as a political logic, instead of a type of political system (Laclau, 2005, p. 117).[24] The main characteristics of populism, as a political logic, can be summarized as its creation of an interior enemy and its utilization of empty signifiers for bringing together distinct and unsatisfied social demands with each other (Laclau, 2005). Populist tendencies of the AKP government have already been discussed through the repetitive emphasis on certain facts and notions as the constituent ideology of part, like the motto of "hizmet" (service) (Özselçuk, 2015) which functioned as an "empty signifier" (Laclau, 2005) for constructing a new social unity. Also, the populist welfare policies of AKP have been discussed in relation to the neoliberal economic program of AKP, such as the new health insurance system (Özden, 2014).

In addition to these examinations on AKP's populist strategies, I argue that the AKP regime has utilized the 2001 economic crisis and the long-term problem of public debt as a populist strategy to gain public support to its neoliberal economic policies. Unifying the victims of economic failure and formulating an interior and historical convict within the body of the ancient regime, which refers to interventionist Republic

[24] Laclau clearly points out that the right question concerning populism is not to ask if a movement is populist or not, but that of 'to what extent is a movement is populist?' (Laclau, 2005, p. 45). I take this theoretical remark as a basis for my analysis in this thesis. My main intention is not to argue that AKP was a populist movement, rather I want to point out how AKP utilized populist discourses for instituting neoliberal and financial transformation policies.

since 1923, were the main components of this populist strategy. The former economic impasses and 2001 crisis functioned “as the accelerator of reforms and breaking down the resistance against reforms” (Öniş, 2006, p. 218) by the AKP regime.

2.5.1 The discourse on economic crises as an “accelerator of change”

> Who is responsible for the crisis are not our people. The former governors of this country are responsible for this crisis. The 3 December Election is a crucial opportunity to stop this trajectory. There is the need of a political will that will overcome the high rate of unemployment and inflation, which have become chronic, constantly growing foreign and internal debt, the instability and shrinkage of economy, high interest rates and the debt management attitude that utilizes savings for financing public deficits and that will weather Turkey a crisis. (AKP Election Statement, 2002, p.8)

This kind of accusation of the former governments and the emphasis on the recent economic crisis were the most important discursive bases of the narration on the need for an immediate economic transformation. By historicizing the economic failure and setting up an equivalence of all former governments in this way, AKP presented itself as a new beginning. In addition to attacking the ancien regime as the convict of economic failure, such a declaration did not target a certain group of society, yet it was a political claim that appealed to everyone. In other words, by narrating the need for structural changes in order to break with the former failures and current inefficiency of economy after the harsh economic crisis, it is possible to encourage a variance of classes and political groups with contradictory economic interests to come together around the same economic program. As Öniş mentions the crises are natural accelerators of an economic transformation (Öniş, 2006) and AKP utilized economic crisis of 2001 as a discursive component in order to interpellate everyone to this economic transformation project.

> The social and economic cost of crisis was too harsh, the internal and foreign debt burden grew in an incredible manner, and thousands of business shot down, millions of people lost their jobs, economy has been left to the governance of IMF and WB. More importantly, our people lost their confidence to state and politics; their hopes for future were broken. (AKP Election Statement, 2002, p.16)

Second aspect of AKP's populist utilization of economic crisis was the emphasis on nationalist values by declaring the need of an independent economy and by refusing the rule of IMF and WB over the Turkish economy. Yet, as it is already stated in the beginning of this chapter, AKP was a loyal follower of neoliberal policies dictated by IMF and WB. However, they still enjoyed conventional nationalist claims on economy in order point out their uniqueness and novelty in terms of economic governance. According to AKP, the economy, which was left to the control of IMF and WB because of the amount of public debt, should be rescued; it was required to release Turkey from the bondage of international monetary organizations. The fundamental point is, then, how they utilized the refusal of the domination of international finance institutions as a nationalistic claim that exploits the motto of the economic strength of the nation.

2.5.2 Cursing the public debt: "Vicious cycle of debt and interest"

In addition to populist utilization of economic crisis, the elimination of public debt was narrated as the vital necessity to construct a stronger national economy. Not only as a beginning motto but those claims have always been main points of reference for AKP government –even when the public debt has started grow again.[25] The public debt has been a long-term problem of the Turkish economy. Since the years after World War II,

[25]While public debt was 102 billion dollar in 2002, it was drawn back to 95,6 billion dollars in 2003. This regressive trend remained until only 2007. Then, the state once again encountered a rapid increase of foreign public debt. In 2008, it jumped to 112,4 billion dollars and it still continues to grow. Although the concrete situation regarding public debt has changed after 2007, government agents have continued to emphasize the elimination of public debt as a reminder of their success.

Turkey has a problem of foreign public debt. Within the years between 1950-60 under the government of Democratic Party, Turkey had encountered a rapid growth of foreign public debt. The situation remained the same in 1970s until the introduction of neoliberal policies in 1980s; after that time the amount of public debt started to grow more and more. To eliminate this public debt, which AKP connected to "the mistakes of former governments" (AKP Election Statement, 2002, p. 8), was one of the main election promises in 2002.

The elimination of public debt was not only an economic claim but also it harbored a certain affective agenda, which mobilized a traumatic but also foundational rupture with the past, as a component of the populist discourse AKP enjoyed. The public debt has always been a reference to Turkey's dependence on foreign monetary institutions, a reference point for its economic inadequacy and for the enslaved nature of Turkish economy, thus, its elimination appealed to national strength in terms of economy.

It is crucial to note that the phobia of public debt in Turkey was inherited from the Ottoman Empire. Before the years of WWI, Ottoman economy was formally left to the hands of an international monetary institution, Düyun-u Ummumiye, for 5 years, because of Empire's excessive unpaid debts. This incident occupies a great importance in Turkish formal historical narration and memory and it was constantly brought up for discrediting Ottoman Empire and applauding the economic success of the Republic. In other words, public debt functioned as a reminder and rupture point in Turkish history.

AKP's making use of the anxiety around public debt and its emphasis on its enslaving nature can be considered as the main populist components. The affects buried and accumulated through this historical memory of the "public debt burden" (AKP Election Statement, 2002, p.44) was utilized as a discursive strategy by AKP agents; by

a rhetorical move on the burdening and enslaving nature of public debt, AKP gave body to its economic recovery program through populist inclinations. Similar to the way the Ottoman public debt was a constitutive reference for Republic, the accumulated public debt was utilized as a rupture point by AKP agents. It functioned as a unifying empty signifier; while AKP's own economic recovery project is a neoliberal one and clearly favored financialization and the integration to global capitalism; it was publicized as a nationalist project that intended to re-found an economically independent state by addressing a national public who shares the burden of a long-term, overgrown public debt.

2.6 Conclusion: Credit as opportunity

As it is discussed throughout this chapter, AKP government favored a neoliberal transformation project since the beginning of its legacy. In compliance with neoliberalism's effects on the social, in Turkish case financialization took the lead as a consequence and resulted in an excessive amount of household indebtedness for the first time in Turkish economic history. However, contrary to the representation of public debt as enslaving, private indebtedness was represented as an opportunity: state-offered credits to injured groups as a way of providing them with economic capabilities can be taken as a tangible indicator of this representation.

Starting with its first years of government, of AKP began to offer interest-free credits to certain groups of citizens. Those were mainly the disadvantaged groups, which were designated as being continuously ignored by former governments and denied from access to "contribute to national economy".[26] The new credit-based social policies were

[26] http://www.trthaber.com/haber/turkiye/girisimcilik-engel-tanimaz-65713.html

offered by the Ministry of Family and Social Policy and the main target groups were woman and disabled people[27] and the precondition of credit was "entrepreneurial education"[28]. Although the groups and their position within the category of disadvantage varied, the state discourse used to publicize these projects remained mostly the same; that is, as a reformulation of credit as a way of empowerment of the injured and ignored ones and as a way to access to national economy. One of the most important of these projects was named "No Obstacles to the Entrepreneur!" (Girişimcilik Engel Tanımaz!).

In one of the promotional meetings of these projects, Emine Erdoğan, the wife of the then Prime Minister, Recep Tayyip Erdoğan, made a speech and the most emphasized argument of her speech was the need to integrate the disabled ones to the public life. On this point, one can track the neoliberal inclinations of AKP in terms of social policy-making as replacing the welfare state apparatus with a finance-based one. Different from welfare state social apparatuses which refer to basic rights and compensate inequlities in capabilites with protective mechanisms, this new kind of policy making calls citizens to take action for their lives and economic development. It does not call for charity, or short-term remedies but demands a kind of policy making in which people make themselves capable, and in which they also can be counted as economic subjects through becoming entrepreneurs through the aid of credit.

The minister of Family and Social Policies at that time, Fatma Şahin declared this developmental function of credit in one of her speeches at a promotion meeting by saying that "we teach people to how to catch fish" (Şahin, 2013) .[29] In other words, credit-based social policy was favored through its contribution to personal-development.

[27] See Can Evren's thesis on the neoliberal reformulation of disability by state agency under AKP governance.
[28] '*Girişimcilik eğitimi'*: It was the main strategy for those kind of policies; you can only access to credit if you take this education and complete it in a successful way.
[29] https://www.akparti.org.tr/site/haberler/amac-yoksula-balik-tutmayi-ogretmek/42661#1 This has been a popular motto throughout such social projects of AKP. The self-developmental aspect of credit-based policies has been utilized in almost all of the projects that support entrepreneurship by state hand.

It is important to note that these projects were narrated not only under the title of ‘social policy’, but also as paths of economic development of the nation. The state agency persistently argued that rather than ignoring or excluding, this new policy would provide the inclusion of disadvantageous ones within life through the demolition of social obstacles. Credit was re-defined as a form of ameliorative action that worked by endowing citizens with self-responsibility and with the capabilities for self-development. This kind of redefinition of credit as a form of ameliorative action and social policy reveals a shift in terms of social policymaking in a neoliberal construction that harbors such characteristic specific to financialization. Despite the fact that those were interest-free credits, it was the first time that such a mechanism was promoted to citizens and formulated as a form of social policy of individual economic development.

The provision of new types of credit to disadvantaged groups captures the shift in social policymaking under the regime of AKP. It is easy to catch the fact that this discourse goes parallel to discourse of neoliberal subjectivity to giving people opportunity to make themselves entrepreneurs. Rather than focusing on solidarity logic of the state, with citizens in economic terms, state positions credit mechanism as an access to economic arena. Those people who are denied of being economic subjects are now invited to become a one and that was offered through credit mechanism. Accordingly, state’s role in such a process was pictured as the provider of the way, who offers an access; on the other hand, the fundamental responsibilities of becoming an entrepreneur and the self-economic development are assigned to citizens.

For the first time personal indebtedness is formulated as a way to sustain economic well being and becoming an entrepreneur is narrated as a requirement as well as a contribution to national economic development. However, this shift in the economic vision is not limited to state-offered credits and the formulation of credit as access by

state agency. Starting with 2002, household indebtedness has gradually reached an excessive point; the incentives concerning finance sector and the positive attitude of state agency towards the financialization of Turkish economy can be considered as the most important reasons of such an increase.

The most important jump within household indebtedness came after 2005, with the invention of a specific type of consumer credit, the credit for need, as I have mentioned. According to the statistics of BDDK, after the invention of this credit and after a successful advertisement process, credit for need has overtaken any other type of credit, even mortgage and credit cards. The introduction of the credit for need resulted in a directly proportional increase in household indebtedness; it was more than 200 billion Turkish lira in 2011. According to last statistics of 2015, more than 9 million individuals have been indebted through the credit for need within the total 10 million debtors. In other words, the credit for need was one of the major ruptures for the financialization of Turkish economy.

The excessive increase in household indebtedness and the intensive utilization of credit for need can be explained by a number of factors like the low interest rates, less paper work in the borrowing process and the possibility to use this credit for paying other forms of debts. However, as I will try to explain in the following chapters, the extensive public use of this type of credit was also related with the conservative and populist implications of financialization in Turkish society.

As the credit based social policies for disadvantageous groups was narrated as an ‘opportunity for economic self-development’, the utilization of the concept of need for offering consumer credits has crucial implications like the easing off anxieties and moral codes around engaging in financial transactions and a method for escaping the greedy atmosphere of consumption in terms of the use of consumer credits by exchanging the

consumption with the conservative definition of the need. In other words, credit for need has acted as a significant discursive devise and mechanism for AKP's conservative-populist institutionalization of financialization and the implantation of neoliberal behavioral patterns in society.

CHAPTER 3

RELIGION AND FINANCIALIZATION:

DRA'S RE-INTERPRETATION OF THE BAN ON INTEREST

3.1 Introduction

In this chapter, my focal point will be on how a state institution, whose responsibility is to take care of religious matters, Directorate of Religious Affairs (henceforth DRA) has been withdrawn into the financialization process for the purpose of gathering moral support for the new economic policies and for promoting the use of credit mechanism in line with the financialization of Turkish economy. In Turkey, the moral anxieties around modern finance and use of private credits were mainly stemmed from the religious ban on interest, which associated interest with the accumulation of an undeserved gain through the time value of the money. Accordingly, the prohibition of interest needed to be reformulated in order to avert those anxieties and convey to the population the utilization of novel financial instruments like consumer credits. And this, as I argue, the state institution of DRA is one of the main bases of this reformulation.

For long years, DRA's function was restrained and its legacy as a state institution was constantly disturbed by secular state agency. However, starting with the beginning of 2000s, and coinciding with the rise of AKP, DRA became an important and well-regarded state institution, and its responsibilities grew. Since then, DRA started to organize consultation meetings and produce moral opinions towards current social matters. In this chapter, I argue that, this re-designing of DRA as an institution that provides moral consultancy to the society, rather than just stem from religious and conservative inclinations of AKP, is actually related with the need

of providing guidance for the changing economic policies of the state. In order to ground this argument, I utilize Louis Althusser's theory of the Ideological State Apparatuses (ISAs) that points out the fact that the reproduction of capitalist economic relations requires ideological apparatuses of state, in addition to ones that depend on coercion and force. By relying on the theory of ISAs, I argue that the activation of the discursive power of this institution, DRA, under AKP and its new function of consultancy were an extension of the state to the moral realm; and the guidance of society with a new moral-economic ideology was one of the main purposes of this new consultancy function of DRA.

Accordingly, the main focus of analysis will be a discussion meeting that was organized by 'Din İşleri Yüksek Kurulu' ('High Council of Religious Affairs) in 2007 and in which the recently introduced financial instruments, like consumer credits, were fervently discussed. In order to explain the relationship between re-interpretations of certain Islamic considerations that are related with economic activities and the ongoing financialization, I rely on Foucauldian discourse analysis, which focuses on the co-operative functioning of the discourses and the changing economic interests by focusing on the ruptures and shifts within certain discourses. In a parallel fashion to the morally approvable and "non-ideological" formulation of neoliberalism and financialization by AKP government, in this meeting the use of financial instruments, the engagement with credit regime, were attempted to be reformulated in ways that would ease the moral anxieties around finance. The main object of this reformulation was the ban on interest, which can be considered as the main moral barrier that has resulted in the hesitation of people to engage with new financial instruments. By reformulating the ban on interest as a rule that belonged to ancient times through underlining the requirement of 're-interpretation of Islamic

rules' with regard to the contemporary world and by emphasizing the inevitability of interest in modern economy, the formerly respected ban on interest was degraded as an ancient rule and the participation banks that offered Islamist financial instruments, which they claimed to be free from interest, were accused of deception by the professors of Islam in the meeting.

In the meeting, concepts of 'need' and 'necessity' were utilized as fundamental discursive tools for re-positioning new financial instruments in such a way that would both ease the moral anxieties against finance and harmonize these concepts with consumption. These concepts enabled a new moral/ethical stance through their reference on 'basic economic needs and necessity' and by way of projecting a constant imagination of a survival dilemma as they were brought up to revitalize Islamic statements, such as 'necessities make illicit deeds permissible'. I will study how the neoliberal emphasis on economic well-being is articulated with the reformulation of morality (with regard to Islamic considerations) by way of (biopolitical) considerations on 'the change of time', 'the concern for the well-being of subjects' and 'the basic needs in the contemporary world'. This, I argue, indicates the economization of religious and moral discussions in Turkey

3.2 Restructuring of the DRA

3.2.1 Laicism of the newborn Republic and the history of DRA

DRA was formally constituted in 1924, within the first years of Turkish Republic. According to an enactment legislated in 1924, this institution was assigned to be responsible for "managing the issues related with belief and worship of Islam and administrating religious institutions" (Directorate of Religious Affairs, in History

Section)[30] and was absolutely prohibited from intervention into the social life. That was clearly linked with the new republic's policy to eliminate the influence of religion from the political realm through the declaration of laicism as a constitutional principle (Gözaydın, 2008). In a fashion compatible with the secularist intentions of the new regime, the duties and the realm of authority of DRA were clearly stated in the constitutional law. By relying on this formal declaration of the responsibilities of the institution, it is possible to argue that its realm of functioning was very limited; its space of intervention was restricted with just the assignment of religious officials, the organization of the pilgrimage and the collection of public data on religious matters. In other words, DRA was an institution that was established for regulating Islamic services but was actually utilized for "securing the secular nature of the state" (Gözaydın, 2008, p.216).

The central point of the secularist anxieties of the Turkish Republic was the former political power of shaykh al-islam' (Şeyhülislam), the religious authority, in the Ottoman Empire. Shaykh al-islam was the single most authorized religious executive of the Empire. He enjoyed a crucial political power because the Emperor had to take his advice on certain important matters, which was formally referred as religious but also concerning with morality, and his confirmation about Emperor's decisions should be declared to public; in a sense the word of shaykh al-islam was a kind of bridge between the decisions of the Empire and the public approval of these decisions. The secularist concerns of the Republic around DRA stemmed from the former functioning of this analogous institution in the Ottoman Empire and the crucial position it enjoyed in the eyes of the public. Accordingly, the prohibitions placed on the consultancy, which was embodied in the prohibition to say a word on personal matters and the prohibition to

[30] See http://www.diyanet.gov.tr/tr/icerik/kurulus-ve-tarihce/8

intervene into politics were directly stated in the constitutional decree of DRA in order to prevent it from having any resemblance with the power of shaykh al-islam (Çakır&Bozan, 2005).

DRA also had a consultancy committee since its formation in 1924, which was named as 'Advisement Committee' (Müşavere Heyeti). However, this committee was ineffective, and it was denominated in 1950 as the 'Council of Advisement and Interpretation of Religious Texts' with just four members. In 1965, state permitted to the formation of an analogous council, High Council of Religious Affairs, which was declared as the highest religious agency for decision and advisement.[31] Although the council was recognized and constituted by law, it still continued to create a tension with the strict laicism of Turkish state; therefore the Council of State (Danıştay) disentitled High Council of Religious Affairs for two times in the years between 1966-1970.[32] After these conflicts between state and DRA subsided, High Council of Religious Affairs started to function formally after 1970; yet its permitted number of members were always kept very low and accordingly it remained as an inoperative committee; the sole function of the council was producing reports on religious matters. These reports, which were designed to survey the religious inclinations of society were the only material documents that are left from the period between the years of 1970-1999.

As a consequence of the secularist anxieties of Turkish Republic, even the responsibility of assigning religious officials was taken back from DRA in 1931 and transferred to the General Directorate of Foundations (Vakıflar Genel Müdürlüğü). After the elimination of its most important administrative duty, DRA became an inoperative institution; it just enjoyed a legal entity with a very limited number of officials (Çakır & Bozan, 2005). The duty of administration of religious officials was not

[31] http://www2.diyanet.gov.tr/dinisleriyuksekkurulu/Sayfalar/Kurulus-ve-Tarihi-Gelisme.aspx
[32] http://www2.diyanet.gov.tr/dinisleriyuksekkurulu/Sayfalar/Kurulus-ve-Tarihi-Gelisme.aspx

given back to DRA until 1950 and this retreat of the state agency resulted from the political changes in Turkey between the years of 1940-1960. After the elimination of the one party system in 1950, Islam gained a political significance again with the Democrat Party's (Democratic Party, hereafter DP) taking the lead. DP made religion a political claim by declaring its denial of the strict laicism of the state agency (Çakır & Bozan, 2005). Both in the ruling period of DP and in the following time period of CHP government strict regulation of the DRA was eased. The formation of High Council of Religious Affairs also coincided with this time period in 1965.

The re-formation of the council in 1965 with a clear declaration of its role of consultancy can be taken as a significant shift in terms of the history of DRA with regard to the relation between religion and politics, but in practical and concrete terms this consultancy council did not function effectively until 2000s. Starting from the end of 1990s, Directorate was redesigned and empowered, which can be observed from the increase in the number of members and the increase of its duties (Çakır & Bozan, 2005). Since 2002, High Council of Religious Affairs started to organize intermittent discussion meetings on religious matters that enjoyed the broad participation of religious scholars and certain experts. These discussions have been organized under the general titles of 'Consultation Meetings' (İstişare Toplantıları), or 'Religious Council' (Din Şurası) and after each of these discussions extended transcripts were published. These can be considered as the first active, formal and direct intervention of Directorate of Religious Affairs into the moral issues of social life.

The redesign of DRA and the increase in its power of intervention coincides with the rise of AKP. In the following period, the state under the lead of AKP engaged in certain important alterations that concern the role of the Directorate of Religious Affairs. These included the centralization of the content of Friday sermons and the increasing of

the instruments of consultation like consultancy meetings, publishing of fatwas, responding to religious questions from public 7/24 with a call center and through a web page. These new functions can be regarded as the material practices through which DRA was re-designed by AKP as an institution that produces moral premises and morally justifies controversial social matters. It can be said that former anxieties about DRA with regard to the danger of its intervention into daily life and politics is left behind. Indeed, the DRA is raised to such a position that intends to produce moral discourses on current controversial and social matters.

3.2.2 Re-designing the DRA: Moral consultancy for changing economic relations

For the aims of this thesis, I will limit the rest of my discussion on DRA to a focus on the attempts to produce a new moral-economic discourse that is compatible with the ongoing process of financialization of Turkish economy and the installation of the neoliberal behavioral patterns, and specifically I will focus on the moral-economic discourse produced by DRA in the consultation meetings, which intends to morally justify the use of credits and the engagement with modern banking. In the second consultation meeting organized in 2007, the use of bank credits from banks was one of the four main discussion titles and the whole discussion circulated around the need of reinterpreting the ban of interest. Such a focus easily reveals how AKP's conservative and populist institutionalization of financialization and the re-structuring of society with regard to neoliberal policies are resonated within the new consultancy function of DRA in relation to following moral re-interpretation of the certain economic activities and the finance by this institution.

The focal point of DRA's discussion on the use of credit is the re-interpretation of the ban on interest, which is one of the most important bases that shapes Islam's positioning towards finance. In line to AKP's positive attitude towards financialization and neoliberalism and the aim to appropriate popular support for these transformations, DRA is endowed with a function of consultancy and start to produce moral opinions about controversial economic matters.

In order to position the new function of DRA, the provision of moral consultancy on controversial economic matters, in a proper way and to relate it with changing economic relations under the lead of neoliberal transformation, I will rely on Althussers theory on "Ideological State Apparatuses" as a sociological tool (1971). I hope that the utilization of the theory of ISAs lets me to assure the effectiveness of DRA's re-vitalization as an institution that produces moral-economic premises in relation to restructuring of the economic trajectories of the state under the rule of AKP.

In his much-discussed essay on Ideology and Ideological State Apparatuses, Louis Althusser introduces the concept of 'Ideological State Apparatuses', which he argued to be the indispensable parts of any mode of production, necessary for the reproduction of it, as well as for the social formation of which it is a part (1971). The main departure point of his theory was the inefficacy of Marxist theory of state that considers state just as an apparatus of coercion; yet, Althusser argued that the coercive apparatuses of state, alone, are not capable to secure the reproduction of labor power by relying on Marx's claim that the survival of a capitalist mode of production is impossible without the reproduction of the social relations that it depended on (Wolff, 2007).

By referring to Gramsci's analysis on civil society, Althusser argues that "state could not be reduced to the repressive state apparatuses, but included a certain number of institutions from civil society" (Althusser, 1971, p. 142), which were named by

Althusser as Ideological State Apparatuses (1971). The repressive state apparatuses "function by violence", "whereas the Ideological State Apparatuses function by ideology" (Althusser, 1971, p. 145). Those ISAs constantly reproduce "a number of realities" in order to sustain the continuity of the reproduction of capitalist class relations and it is such realities "that presents themselves to the immediate observer in the form of distinct and specialized institutions" (Althusser, 1971, p. 143). In other words, Althusser emphasizes the materiality of ideology through his insistence on the practices that are materialized through ISAs; the tangible examples he points out are such as the ideological function of the church, or the school apparatuses (Althusser, 1971). The most important ideas raised by the theory of ISAs are the materiality of ideology as well as its role in the reproduction of social relations of production.

It is vital to note that Althusser's theory of ideology was a comprehensive one; Althusser argues that one is always in ideology (Althusser, 1971) because ideology represents a certain way of dealing with reality. Ideology is the imaginary relation we establish with the world, which is also a material reality.[33] This materiality of ideology is sustained through the functioning of 'interpellation' whose main function is call individuals as subjects and make them respond. In other words, Althusser's theory of ideology goes beyond explaining the functioning and institutionalization of a particular ideology. "Ideology is a form of consciousness and unconsciousness (recognition and non-recognition); individuals experience their relations with their own living conditions in this form in an imaginary way" (Balibar, 2002, p. 18).

However, it is still possible to make use of this theory of ISAs to make sense of the institutionalization of a certain form of ideology. For instance, Richard Wolff utilizes

[33] Althusser explains the functioning of religious ISAs by pointing out how it 'interpellates' individuals by way of unifying them in an imaginary relation with a complete subjectivity (e.g. God). In other words, the comprehensive aspect of Althusser's theory of ideology is related with this (ideological) effect of being a reconciled 'subject'.

the theory of the ISAs in order to show how consumerism, as a “particular ideology”, was extended to society in US capitalism (Wolff, 2007). According to Wolff, “modern capitalism presses its ISAs to interpellate and thus to subjectivise/identify individuals in those particular ways that will provide the ideological conditions of existence for capitalist exploitation” (Wolff, 2007, p. 5). Accordingly, I will make use of Althusser’s theory of ISAs in order to explain the current re-design of DRA as an extension of the state apparatus in order to interpellate individuals to, and subjectivise them in line with the new moral-economic ideology of financialization.

In line with Gramsci’s re-examination of civil society as a realm for the construction of hegemony of a certain class, Althusser emphasizes the way in which ISAs function at the border between the public and private domains (Althusser, 1971). The new position of DRA, which is a state institution but limited to the intervention to the moral realm, can be considered as a well-suited example of the functioning of ISAs just at the border between public and the private; with its new function to produce moral opinions on social matters, DRA helped the institutionalization of behavioral patterns and imaginaries that are comfortable with financialization and at the same time sustained its representation as a non-ideological institution. This new function of DRA can be related with the specificity of neoliberalism in terms of economization of the social relations (Foucault, 2008) and functioning of the morality in this restructuring. If neoliberalism means the economization of the social and the institutionalization of the logic of self-responsibility, the extension of the state to society through the re-vitalization of the consultancy function of the religious apparatus, embodied in DRA, can be taken as a very effective way to put into effect this economization of life.

The effectiveness of DRA in relation to institutionalization of logic of financialization is related with its possible contribution in terms of the creation of

popular support to financialization and neoliberal restructuring. As I have claimed in the first chapter, there a few fundamental moral obstacles that encircle the engagement with the modern finance and the use of the credits, and the Islamic ban on interest is one of them. Therefore, the re-designing of Directorate of Religious Affairs, as an institution that delivers moral opinions about changing economic and social matters, can be considered as an important instrument for providing a moral ground for such changes. Accordingly, offering novel alliances between moral anxieties against finance, which is embodied in the prohibition of interest, and new economic patterns can be considered as one of the most striking functions of the novel moral discourse produced by Directorate of Religious Affairs.

3.3 Consultation meetings (istişare toplantıları): The re-interpretation of the prohibition of interest

In November 2007, The Religious Affairs Council organized its second consultation meeting that focused on the current and conflictual issues like new financial instruments and medical innovations, which were expected to produce moral and quasi-formal opinions on certain social problems. The main topics, which were counted as 'current matters', were matters concerning family and social life, medical issues that were problematic in terms of religion, new health insurance system, the economy and the status of using new financial instruments according to the Islamic law. It is easy to decipher the shared characteristic of these discussion topics; the meeting obviously attempted to say a word and intervene on matters that concerned the daily life and the economic and bodily well being of subjects. The sessions on economy and medical issues give direct clues about how this institution aims at re-situating religiously

controversial issues within religious and moral codes. The formal titles of the session on economy were credits (commercial credits and credit for need), stock market, financial institutions, online trade and copyright, and the recently introduced consumer credits, and especially credit for need was one of main topics. Despite the variation of the subheadings, the whole discussion on economy was debated around 'the prohibition of interest', which inevitably indicated a moral barrier for the utilization of these kinds of new financial instruments.

The debate on the prohibition of interest by Islamic rule is an old problematic for the Muslim population in Turkey. The regular reports produced by DRA shows that it has always been the most asked question by the Muslim population (Çakır & Bozan, 2005). The first survey organized by the High Council of Religious Affairs, by collecting data from the local religious staff between the years of 1991-1997, shows that the question on interest was the most solicited one with a percentage of 4.65. The second survey, which was organized by collecting data from the previous period of 1981-1990, reveals the same predominance of the question of interest over others with a percentage of 12.5. In terms of the most asked questions, the one on interest is followed by those on certain worships, like salaah (namaz) or alm (zekat).

Timur Kuran confirms this finding by arguing in his detailed analysis on Islamic economies that the prohibition of interest has always been one of the most discussed and constitutive elements of this genre (Kuran, 1989). The prohibition of interest was one of most conspicuous claims of Islamic economies; "Most Muslims, whether or not they favor a ban on interest, and regardless of how they interpret Islam, readily agree that avoiding interest is among the constraints Islam places on economic behavior, if not its most important economic requirement" (Kuran, 2004, p. x). According to him, interest can be considered as one of the most important embodiments of Mammon in Islamic

thought[34] (Kuran, 2004). Also, in a fashion compatible with the economic understanding of the MGH, the prohibition of interest "sanctifies opposition to global economic integration" (Kuran, 2004, p. x), which currently means global financialization. Accordingly, the ban on interest enjoyed a crucial position in terms of the moral responses of the Muslim society vis a vis the economy.

In addition to Kuran, Bill Maurer mentions the same tendency in the Muslim world in terms of searching alternatives to the conventional capitalist system through Islamic banking models and he also argues that the ban on interest (or riba) is a constitutional base of this genre (Maurer, 2005). As a case study, he engages in an ethnographical research on Islamic banking, even, he participates in an online certificate program on Islamic banking. His research has an extended scope of examining different forms of alternative economies and currencies, and he elaborately discusses the uses of and networks through which these currencies are circulated. However, Maurer criticizes the general approach towards Islamic banking, which can also be regarded as a critique against the stance of Kuran, in terms of the point on the deficiency and pragmatist nature of current Islamic banking. Rather than approaching Islamic finance through the pragmatist nature of this disciple, Maurer offers to engage with "anthropology of entanglement" (Maurer, 2005, p.41) and focus on the practical functioning of Islamic economies. He labels the former approach as "casuistic" (Maurer, 2005, p. 74), focusing on the morals and ethics but ignoring the circulation and the tangible relation between ideology and practice. Despite his theoretical criticisms against the inquiries that

[34] See '*Islam and Mammon: The Economic Predicaments of Islamism*', Timur Kuran, Princeton University Press, 2005. Kuran explains the history, the main predicaments and contradictions of Islamic economies. In this book, Kuran explains that the prohibition of the interest by Islamic law is one of the most important constitution points in those genre of Islamic economies; their offer of an alternative economy and banking model depends this ban on interest and their promise to function without engaging with interest.

approach Islamic banking with regard to its reliance on the ban on interest, he still seems to be agreeing on the constitutional effect of this ban in terms of Islamic finance.

The rapid introduction of modern finance instruments by AKP after 2002 gave added impetus to the discussion on interest in Turkey and accordingly forced DRA to take a position. The main response of High Council of Religious Affairs, which was declared as the highest religious authority of the country, can be summarized as positive towards financialization and the use of novel financial instruments like consumer credits. High Council attempted to interpellate individuals to financialization by easing the ban on interest through the utilization of a discourse that focuses on the well-being and the provision of the economic needs of the population, contrary to the strict refusal of interest by old sacred statements.

On this point, I make use of Foucauldian discourse analysis in addition to Althusser's theory on ISAs. This need has resulted from the urgency to understand the utilization of a new moral discourse that focuses on the current economic needs of the population that takes the place of the old prohibitive discourse on interest. Foucault defines discourse as a specific method of exerting power; it is the main point at which power and knowledge acts upon one another (Foucault, 1972), discourse is employed by Foucault "to explore this power-knowledge nexus" (Cheek, 2008, p. 356), which is also a fruitful focal point to explain the shift from the prohibitive to the affirmative discourse on interest. Discourses function in the convergence point between the narration and the practice; they have the power to shape the reality by reframing it in a certain truth regime and through the presentation of certain problems and the possible solutions. In other words, discourses have a material effect according to Foucault in terms of the constituting the specific ways of subjectivation, and determining, limiting and constituting the worlds subjects speak and think (Foucault, 1972).

The genuine aspect of Foucauldian discourse analysis can be considered the way it connects what is said in a specific time period to what is stopped to be said, or concealed. In other words, it focuses on “ruptures” within a specific discourse and it enables a methodological insight for comprehending and explaining the political implications of such a rupture, or “discontinuity” (Foucault, 1972). Foucault does not search for the consistency within one discourse, or among different ones; rather rupture within a certain discourse draws his attention as it reveals the formation of new power relations and the new strategic intentions and interests. It allows one to search for what is represented as being desirable currently, as well as what is demoted in accordance to the new strategic interests. Therefore, we can use Foucauldian discourse analysis, with its focus on ruptures and shifts within a certain discourse, to make sense of the shift from the prohibitive discourse on finance to DRA’s production of a new moral-religious discourse on financialization in Turkey.

The passage from Althusser’s theory of the ISAs and ideology to Foucauldian discourse analysis is actually a complex and even a problematic process because of the likeness and contradictions between ‘ideology’ and ‘discourse’ as different ways of making sense of the reality. On the one hand, Althusser’s ideology is comprehensive, it is eternal and everlasting, even a constitutive element of consciousness that can never be prevented. On the other hand, Foucauldian discourse is constructed through ruptures and does not search for continuity, or completeness; the focus on rupture is the main instrument for the explanation of changing norms and their construction with regard to changing power relations. There are certain arguments that Foucault offered the concept of discourse “in dialogue with and in reaction to definition of ideology” (Mills, 2004, p.32). The main reference of such an argument is a statement from Foucault, in which he explained his discontent of the concept of ideology due to the three bases of this

concept; the truth, the ready-made supposition of the subject, its vital relation with economic (or material) structure (Foucault, 1979).

Another point of difference between Althusserian ideology and Foucauldian discourse can be deciphered through the relative positioning of the state; while Althusser emphasizes the importance of state apparatuses, which are dispersed and extended to civil society, in terms of the production and circulation of ideology, Foucault degraded this foremost role of state, or certain state institutions in terms of production or the sustaining the extension of certain discourses (Mills, 2004). However, I sense that what Foucault tries to do is to point out the complexity of power relations, rather than the degradation of the role of the state (Foucault, 1979). Moreover, Althusser's theory of ideology and ISAs cannot be reduced to mere phenomena of material relations, or the appearance of the economic base. On the topic of subject, moreover, I have a sense that the subject is removed from its privileged place by both of these scholars; there is no centered subject in Althusserian ideology, as well as in the Foucauldian one, there is only the experience of a process of subjectivation with the functioning of interpellation. Similary, Foucault just talks about the subject positions by explicitly expressing the impossibility to speak about 'a subject'. [35] In a manner similar to their methods, I will not deal with how DRA's discourse resulted in the emergence of a new individual subjectivity; instead, in this chapter, I just want to decipher the functioning of the moral discourses that are produced in a compatible way with the financialization of Turkish economy.

[35] The shared anxiety about the completion of their methodology for analysis can also be taken as an interesting collaboration point between Althusser and Foucault. In order to prevent himself from the traps of positivism, Althusser desired an extended description of ideology, which also helped to analyze ideological construction within certain forms of Marxism, or ideological tendencies of Marxist politics. In accordance with this concern, he tried to remain detached from the state ideology of Stalinist USSR. His obsession with the problematic of science and ideology can also be interpreted in relation to this anxiety. On the other hand, Foucault always averted himself from giving an analytical explanation of discourse analysis with the same anxiety of falling to the traps of positivism and analytical thought; in other words he tried to avoid his method of analysis turning into a discourse itself.

Despite the theoretical tensions between these two accounts, I acclaim that it's still possible to use them in a collaborative way without reducing one to another in order to make sense of the Turkish journey of financialization and private indebtedness. Rather than being limited with non-institutional, or only market-based backing and encouragements, in Turkey financialization and the use of credit have been promoted through the active participation, revitalization and creation of the state agency and certain state institutions, and through the practices in these institutions of a new moral-economic ideology taken up also in order to ease the anxieties towards such a transformation. Therefore, I admit into my framework both the Althusserian theory of ISAs in order to properly position the functioning of DRA as the state's extension to re-institute an economic ideology, and Foucauldian discourse analysis in order to explain the ruptures within religious discourse and understand the contribution such a rupture has made for the institutionalization of financialization.

There are other reasons that led me to use Foucauldian discourse and Althusserian ISA's co-operatively; the first one is Foucault's disinterest in terms of pointing out the functioning of certain socially admitted institutions for the production and circulation of certain discourses; this disinterest results in a requirement to embrace Althusser's theory of ISAs for properly positioning DRA in Turkish journey of financialization. The second reason is related with the inadequacy of the Althusserian ideology analysis for explaining the micro-shifts within a certain ideology (or Althusser's perdurable resistance to engaging in a detailed elaboration of the functioning of ISAs), despite the fact that he already pointed to the shifts among different ISAs throughout the history. By taking these two different and irreducible approaches, I will continue my analysis of the consultancy meetings of DRA by utilizing Foucauldian

discourse analysis and of the discursive innovation of ‘current’, which is exploited in the discussions as the ground for ‘re-interpretation’. This is the first point I want to assert.

3.3.1 First consultancy meeting: The introduction of ‘current’ to religion

The first meeting of the High Council of Religious Affairs was organized in 2002; the series of meetings were titled as ‘Consultation Meeting on Current Religious Matters’ (Güncel Meselelere Dair İstişare Toplantıları). That meeting was the first time the consultation function of the recently instituted committee of DRA was exercised by extending its realm of intervention in such a way that includes current issues. In the meeting the discussion topics were fragmented to four main titles: the first one was ‘The Traditionalist and Modernist Approach in terms of Interpretation of Religious Texts and Social Implications’, the second was ‘The Religious Discussions on Women Problems in Contemporary World’, the third was ‘Discussions on Pilgrimage’ and the last one was ‘Contemporary Discussions on Worships’ (Consultation Meeting on Current Religious Matters I, 2004). Except of the first one, the following three discussions can be considered as conventional Islamic discussions that deal with worship and Islam’s vision on women.

The most important sub-heading in the first section of the consultation meeting was ‘the Change of Islamic Texts according to the Change of Time’ In compliance with the aims of the council, the need of change of interpretation was a common inclination for every contributor who declared an intention. Despite certain distinct approaches on re-interpretation and its methodology, every speaker declared the urgency of such a necessity. After long discussions, at the end of the section, the staff of organization produced a final declaration that summarized the section:

> The alteration of judgements should be based on the provision of the needs of the believer and exercising Muslims. If there is a situation of need, it is possible to make temporal alterations with regard to the quality of necessity, or there can be long-term changes depending on the source and quality of the related statements. (The Discussion on Contemporary Religious Matters I, 2004, p.163)

What is crucial in such a declaration, after long hours of discussion, is the consensus on the need of re-interpretation with regard to the 'current needs of Muslims' and the subheading had been altered to "Religion, Society and Change" (Consultation Meeting on Current Religious Matters I, 2004, p.186). Islam has always been a religion that is open to alteration with regard to the progress of time; the differentiation between 'the current time' and 'the time of Companion (Sahabe)' in terms of elaborating certain executions and prohibitions can be considered as a clear clue of this tendency. Although the discussion on the excessive historicism is a perpetual concern for Islam professors (Consultation Meeting on Current Religious Matters I, 2004), the re-interpretation in accordance with daily needs has always had a legacy with the inheritance of 'fatwa', which is the religious statement concerning the current matters. Given this inclination within the Islamic law to re-interpretation, the concept of 'current' has been utilized to refer to the contemporary object of change and the marker of the immediate necessity of reinterpretation.

The new positioning of the DRA in terms of the issue of 're-interpretation' can be considered in relation to such a shift of the target of power in neoliberalism; the old, strict and non-contestable religious statements encounter the life of population as a crucial problem and this leads to an immediate need of re-interpretation. The particular introduction of current can be read in this light: the strict religious texts and even Koran have been subjected to a re-interpretation because the Muslim body now becomes an object whose productivity and efficiency should be increased in compliance with the neoliberal policies that address the capacities of the individuals, rather than punishing

and disciplining the body by relying on old and strict Islamic rules. The religious opinions should now care for the economic well-being of subjects and the fulfillment of contemporary needs.

In the first meeting of Religious Affairs Council in 2002, except for the discussion on ‘re-interpretation’, the other discussions can still be considered as compatible with the usual and conventional Islamic discussions. In other words, the discursive power of Directorate was still limited to the declaration of their intention on the issue of ‘re-interpretation’ and a positive attitude towards the personal needs of the members of the community. The following discussions in the first consultation meeting did not signify such a rupture, except this methodological discussion in the beginning on the necessity of re-interpretation in accordance with current changing trends. The main rupture that clarifies the positive attitude of DRA towards financialization came in the second consultancy meeting organized in 2007.

3.3.2 The second consultancy meeting: reformulation of interest and credit

In the second consultation meeting, which included a session of economy, there was a variety of contributors that included experts, religious professors, counselors, and professional managers of banks and financial institutions. The discussions were generally held with the lead of section moderator and the explanations of experts and professionals on the topic; then, any speaker could take turns and ask a question, or declare his/her statements. The section on economy involved a controversial and fervent discussion, which seemed to have unfolded a bit disorderly, and which circulated and debated around a few identifiable topics. Those topics were the prohibition of interest, the use of new forms of credit, the credit for need, and its use under certain desperate

situations, and the religious lawfulness of participation banks, which claimed that they were free from interest.

The circulation and overlap of different topics can be considered as an important clue for the level of interposition between morality and economy; the narrations that focused on existing financial sector and criticized ‘participation banks’ and the ones that were clearly theological and showed care about the Islamic law went hand in hand throughout the whole discussion. Almost all of the speakers utilized the same strategy; while they were discussing the contemporary lawfulness of engaging in interest, they opposed the participant banks’ claim of functioning without interest. In order to present the discussion in an organized way, I will try to outline the discussion by categorizing the important points under different titles, despite the fact that the discussion did not follow such an orderly path.

3.3.2.1 ‘Faiz’ or ‘Riba’: The differentiation between interest and usury

In this meeting as well, a former moral alteration, which functioned through the emphasis on the change of time, was utilized again through the differentiation between ‘interest’ and ‘usury’. Turkish word for ‘interest’ is ‘faiz’. However, this word belongs to the Arabic language and Koran never refers to ‘faiz’ while explaining the details of prohibition; rather ‘riba’ is used to refer to such an operation and the prohibition also refers to ‘riba’. For a long period, there has not been any discussion on the need to differentiate between ‘faiz’ and ‘riba’; ‘faiz’ was used to nominate the gain from any debt operation and the prohibition has been known as ‘the prohibition of interest’. There were not any linguistic implications for differentiating between these two terms. However, through the whole discussion in this meeting, there were various attempts to

distinguish the two different forms of ‘faiz’ by making references to history in order to differentiate modern interest from usury.

The main reason for such an attempt of differentiation is actually related with being able to consider the old form of ‘faiz’ at the time of the Prophet Mohammed as usury, as an ancient and unlawful type of interest which enjoyed ‘an enslaving nature’ (Kuran, 2004), but regarding the modern ‘faiz’ as different from ‘usury’ and taking it as what we call as ‘interest’:

> It is possible to go to a bank and take out credit with an interest of 3%, rather than subordinating to someone by asking for a loan. According to my opinion it is not the same operation, it is not the *riba,* which was prohibited by Koran. Also, in contemporary age it is impossible to have a world without banks. That is because the age changed a lot. (The Discussions on Contemporary Religious Matters II, 2009, p.313)

Similar to the function “current” enjoys in the discussions on reinterpretation, ‘the change of time’ (and the difference among the living conditions between then and now) were utilized as a common strategy as well, as a way to differentiate between the modern interest (faiz) and the ancient usury (riba). However, the discussion on the difference between usury and interest did not lead to a compromise of affirming interest. There were different opinions that still considered the usury and interest as the same and defended the prohibition of both as well as the use of modern financial instruments. Despite this absence of compromise, what can be considered as crucial for the unfolding of a new logic was how such strict Islamic texts and a thousand year old discussion on the prohibition of interest had been subjected to an attempt of reformulation by emphasizing the new conditions of time, which obviously referred to the ongoing global financialization.

As Timur Kuran explains, the interpretation of the ban on interest has always been a controversial issue for Muslim societies; there have always been conflicting interpretations on interest among religious professors who are dealing with economy. The differentiation between usury (riba) and interest (faiz) is often revisited and usury is emphasized for its enslaving nature. As an example, in the time period in which Islamist banks started to be established in Turkey, a general prohibition of interest was brought forward without any differentiation between interest and usury. Therefore, it is important to keep in mind the pragmatist inclinations buried in this ban (Kuran, 2004). As in the period of the global establishment and rise of Islamic banks in the 1970s, the discussion on the prohibition of interest has been revitalized in the beginning of financialization of Turkish economy and the period of the extensive introduction of new financial instruments. This is to say that the prohibition of interest, and the decision whether to emphasize this prohibition, or to demote its legacy are often determined by the changing economic strategies and interests; this controversial prohibition, functions like a modulating factor, and is perpetually revisited with regard to changing economic strategies.

3.3.2.2 The inevitability of interest: Degrading the Islamic model of participation bank

The participation banks and other forms of religion-based financial institutions have also utilized the ban on interest. It is possible to argue that their operation field was created through this and the emphasis of this prohibition by religious movements in Turkey. In Islamic world, the profit and loss sharing model has been offered as a favored alternative to operating with interest (Kuran, 1989, p.13). In accordance with the approval of this model by the religious-conservative movement, there emerged a specific type of

financial institution in Turkey, the participation bank, which are known as Islamist Banks by the public. The first Islamic banks had been formed in 1970s and promoted themselves as the identical copies of the ancient financial institutions, “waqfs” (Kuran, 2004, p.2).

The opposition to interest was their most important element of self-promotion; the interest that “transfers wealth from poor to the rich increasing the inequality in the distribution of wealth” (Siddiqi, 1981, p.63) was argued to result in certain moral discrepancies among the Muslim community and those institutions declared their intention to overcome these discrepancies by offering a solidarity model of finance (Kuran, 2004). As a result of the religious discourse of MGH, which absolutely embraced the prohibition of interest as its economic premise, Islamic bourgeoisie conveyed that they would carry out their financial operations with Islam-based finance institutions. The religion based financial institutions were the most lucky ones that benefited from the prohibition of interest (Kuran, 2004). Before 2005, those institutions were known as ‘financial institutions’ (finans kurumu) yet with a change of law their names were altered to ‘participation banks’. Despite the positive attitude towards these institutions, in the second consultation meeting of the Religious Affairs Council the same institutions were subjected to serious interrogations and accusations.

Kuran argues that there is a quasi-consensus among Islam professors in terms of the ban on interest (Kuran, 2004). However, the discussion in the second consultation meeting, which was held by DRA, seems to have shaken the ground of such a claim of consensus. On the contrary, in the meeting, most of the religious professors declared their approval of the lawfulness of interest in the contemporary world. In addition to the approval of interest, they accused the participation banks with the abuse of religious values through their deceptive claim of operating without interest. The main principle of

operation of this type of financial institution is based on 'buying' and 'selling' a product, rather than lending cash money to customers[36]; second, the participation banks claim that their strategy of operation relies on profit and loss sharing, rather than giving and receiving interest. With these two principles participation banks assure their difference from ordinary modern banks that operate on interest. This claim was one of the most controversial issues in the discussion. The content of accusations concentrated on their deceptive self-presentation. It is also crucial to note that one never comes across the term, credit, when one examines the promotion of these banks; rather one comes across the word, 'financing'.[37]

In the discussion, there was only one proponent for participant banks and he was the manager of a well-known participation bank, Fahrettin Yahşi. His speech, unsurprisingly, focused on the explaning the differences of participation banks from classical banking; yet what was surprising was his strategy to emphasize the legal operational differences of participant banks. Rather than utilizing references to Islamic values, he proposed arguments on the formal differences of participation banks from ordinary ones, and he based his explanation on the current law of banking. The most important point he emphasized was, unsurprisingly, the functioning of participation banks through buying and selling rather than giving credits. Also, he tried to differentiate participation banks' operations through using different terms by replacing 'capital' with 'fund', and 'interest' with 'leasing'.

[36] This points out to an important differentiation in Islamic law between the buying and selling of a material product and the buying and selling of a fictitious, or unrealized thing like money. While Islamic law accepts the former as lawful according to Islam, it considers the second as an illicit deed. A professor who is a contributor to this discussion goes further and differentiates between 'bey akdi' and 'selem akdi'. The former refers to the basic buying and selling contract yet the latter refers to the buying and selling of a 'nonexistent' product, which will be produced in future, or which is an abstract thing like money and gold. Accordingly, it is possible to read this differentiation as an internal opposition against the financial function of money in Islamic rule.

[37] See http://www.albaraka.com.tr/tuketici-finansmani.aspx also http://www.bankasya.com.tr/ihtiyac-pratik-hakkinda.aspx..

The contributors who opposed to the Islamic lawfulness of the participation bank model seemed to utilize two different but complementary discursive strategies; the first one was to show the similarities between the participation bank model and modern banking in their operation, and the second has to do with affirming the necessity to use modern banks in the contemporary world. The first strategy was to point out the likeness of the participation banks' model of profit and loss sharing with modern interest by way of sharing the same characteristic of accumulating profit through the time value of money:

> When it is said that 'the alcohol is forbidden' I can understand it easily as a Muslim person. I do not try to differentiate between vodka, rakı, wine and gin. That is to say that everything that makes one drunk is alcohol or I can understand other illicit things. Yet I am confused in terms of the question of whteher 'usury' is the same thing with interest, or usury (faiz), which is prohibited by Islam, and the interest (faiz) given by today's bank are same things. (The Discussions on Contemporary Religious Matters II, 2009, p. 299)

The quotation above was spoken by Mehmet Emin Özcan, who was at the time a member of the board of directors at Ziraat Bank but also was formerly employed in a finance institution, Albaraka Türk. His main point was to equalize any form of financial operation in the contemporary world. Özcan depended his argument on the resemblance of these two institutions in terms of utilizing the same mechanism of gain in any financial operation, by any financial institutions; that is, the calculation of time and profiting through the time value of money. If what is sinful was making money out of time, both institutions engaged in that sin. In terms of commercial credits, the calculation of the amount of money that should be taken back from the debtor is calculated with ways that are very similar with those of the classical banks by the participation banks. Then, he emphasizes that there was only a difference in terms of how this operation was referred. Classical banks call it 'commercial credit' and yet the participation banks call it

‘support for production’. The calculation is, in any way, very similar but the sole difference is how those credit mechanisms are called, “[i]n terms of the functioning of the credit mechanism, when the redemption date is utilized, the most important thing becomes the time value of money whether it is operated by a classic bank or a participation bank” (The Discussions on Contemporary Religious Matters II, 2009, p.299).

Özcan was not the only one who raised the claim that classical banks and participation banks were similar in terms of their way of functioning; this critique against the participation bank model can be considered as one of the most agreed upon topics in the whole section. It was utilized as a discursive strategy to reveal the impossibility of any institution, or person to hold aloof from the interest. The accusation of the participant banks with the ‘deception of Muslim people’ was also a common ground of critique throughout the discussion on the participation bank model. Abdülaziz Bayındır, a religion professor, accused the participation banks for exploiting the religious values of Muslim people. Bayındır argued that after the last adjustment of the Law of Banking, participation banks have gained the opportunity to make all of their operations with interest and they started to abuse this opportunity. According to Bayındır, since this change of the law in 2005, the participation banks started to abuse this advantage of law and it was an obvious form of religious deception, “it is strictly forbidden to make operations with interest by concealing them in the figure of exchange” (The Discussions on Contemporary Religious Matters II, 2009, p.287). “Interest is the profit gained through debt. Concept of ‘credit is the articulation of the word ‘karz’, which means debt, in the West. Therefore, every credit is a debt and every profit gained is interest” (The Discussions on Contemporary Religious Matters II, 2009, p.286).

In addition to Bayındır, Prof. Baloğlu touched upon the fact that it is impossible for any finance institution to make operations without engaging in interest in the contemporary world.[38] Therefore, he accuses the participation banks for exploiting this claim of functioning without interest and declares the impossibility of such a functioning, "it is a cover that is utilized for the manipulation of the religious values of our people" (The Discussions on Contemporary Religious Matters I, 2004, p.288). On this point, what was crucial was the constant emphasis on the impossibility of keeping off from interest in the contemporary world. This emphasis of "having no alternative" can be regarded as a crucial discursive strategy for degrading Islamist finance institutions that have constituted their legacy through offering alternative models against the interest-based financial operations and affirming modern finance instruments that depend on the interest.

This discursive strategy to point out interest-based financial operations as the sole option is also related with a certain characteristic of the Islamic rule; that is one of the primary premises of the Islamic law, 'necessity makes the illicit deeds permissible'. However, there should not be an alternative to this illicit deed, in order for it to count as a situation of necessary. In other words, if a vital necessity is at stake and if there is no alternative at the moment, an illicit deed becomes permissible. In other words, the presence of an alternative is the point of determination in terms of whether to engage with a deed is necessary or not. This Islamic law can be considered as the main reason for the degradation of the participation bank model, which was previously favored as an alternative to modern finance by the religious people. The declaration of participation

[38] It is also very important to note that the opponents to participation bank model were the long-term supporters and even the members of the advisory councils of participant banks. However, the situation altered and they tried to point out the deceptive character of those institutions; as another professor narrated from a former conversation, 'We do not have to tell lies in classical banking but here [in participant banks] we have to tell lies' (p.). The long-term supported model of Islamist banks were now degraded by their own advisors and accused of 'exploitating the religious values'.

banks' engagement in interest-based operations means that the modern finance and banking system, which depend on interest, are matchless, and accordingly it is permissible for a Muslim to use modern finance instruments.

Foucauldian discourse analysis proposes the importance of the ignorance of alternatives for offering a new norm and truth (Foucault, 1971). This strategy to reveal the similarities between the Islamic participation banks and the modern ones, and assuring the inevitability of engaging with credit in the modern world was utilized in the meeting as the main discursive strategy for offering the moral affirmation for the use of modern finance instruments. If there is no alternative in a case of necessity, then modern finance and using interest-based loans becomes a necessity for anyone to finance her/his needs. At the end of his speech, even Fahrettin Yahşi, who was the sole proponent of the participation bank model and the manager of one of those institutions, declared his positive opinion on the modern finance instruments and admitted the necessity of the new ways of finance in the contemporary world by saying that "without taking any risk it is impossible to sustain Muslims needs be financed, and only one form of operation is also not enough to sustain those needs" (The Discussions on Contemporary Religious Matters I, 2004, p. 352).

> Business, consumers, individuals need to be financed. How do you meet this need? If you cut out the mechanism of credit, in terms of satisfying the need to be financed, there is left only the mechanism of profit and loss. (The Discussions on Contemporary Religious Matters II, 2009, p. 299)

Although Yahşi did not agree on the fact that there is no alternative model to modern finance, even for a deputy of a financial institution, the modern banking under the influence of global finance was a necessity to be adapted. The whole discussion on interest and the lawfulness of Islamic financial institutions ended by emphasizing the

necessity to adopt to global finance and to use financial instruments like credit in the contemporary world. The presentation of modern finance as without alternative, then, was the main discursive reference for redefining financialization and using credits as contemporary necessities.

3.4 Need and necessity as excuses for interest

It can be argued that in the consultation meeting of Religious Council, in the section of economy, there was a common inclination to reconsider modern finance and the new financial instruments as a contemporary necessity, such as the consumer credits that had been recently introduced into the Turkish economy since 2006. As the formal title of the section indicated, consumer credits and especially 'the credit for need' were chosen as the discussion topics and the lawfulness of taking consumer credits from banks was one of the most important and long-discussed topics, in addition to the discussions on interest and the participation bank model. The unique type of consumer credit, 'the credit for need', has been utilized in such an atmosphere in which the financial instruments required a moral re-interpretation for dealing with the moral anxieties against modern finance, embodied in the ban on interest. Proceeding from the invention of this name, the credit for need, one can argue that need and necessity were employed as the moral references to re-formulate a new attitude towards modern finance within the discussions of Islam professors. Especially, on the issue of taking personal credits, 'need' is functionalized as a vital excuse for engaging with interest.

3.4.1 The equalization and economization of 'need' and 'necessity'

The metaphors of 'need' and 'necessity' are the constitutive aspects for Islamic economies' understanding of economic justice and Timur Kuran argues that Islam professors often seem sure about their description about their definitions of 'need' and 'just' according to the Islamic rule (Kuran, 2004). Need is a concept which both refers to moral and religious values, as well as has a clear reference to material needs.[39] While the definition of need means "the requirements which result in hardship and distress if they are unfilled" ("Need", 2016), necessity means "great danger and harm which even makes illicit deeds permissible" ("Necessity", 2016).[40] The definitions of these Islamic terms seem not self-evident yet in the discussion organized by DRA, they were quickly attached to economic requirements by most of the contributors. This kind of economic elaboration of these concepts can also be taken as the domination of neoliberalism through the economization of any other social realm.

> What is important here is the situation of need (ihtiyaç) and necessity (zaruret) and as it is well known "necessities makes an illicit deed permissible". That is why we say that in certain situations it is permissible to pay interest. Those are the situations of necessity; as certain illicit deeds become permissible in the case of necessity, there is an agreement on the lawfulness of taking debt/credit with interest in the case of necessity, which should not exceed the necessity. […] Therefore, as necessities make illicit deeds permissible, we can name the credits we take when we encounter a necessity, which means a distress even without a threat of death, with a hardship, getting sacked and a situation of impairment, as credits for need and we confirm that it is permissible to take those credits. (The Discussions on Contemporary Religious Matters II, 2009, p. 281)

As the quotation above reveals, the situation of necessity was easily equated with a situation of economic necessity by ignoring the Islamic origins of the concept. The necessity, which makes illicit deeds permissible, actually refers to a situation that would

[39] It is important to note that, in the same meeting, on the section on 'medical alterations', which focused on the controversial medical innovations like organ donation, the need was utilized again in order to emphasize the materiality of necessity and to re-interpret the prohibition against organ donation.

[40] See http://www.islamansiklopedisi.info/index.php

lead to the death of subject if it won't be fulfilled. As an example, drinking wine is permissible, only if one is in the desert, having no water, or something else that drinkable and dying of thirst. Drinking wine should be the sole option of survival, and then it is permissible to drink wine according to the Islamic rule. In other words, necessity in Islamic law refers to situations where a matter of survival is at stake instead of economic needs, and, accordingly, necessity is clearly differentiated from the need in Islamic law through its determination according to the criterion of survival. While need refers to certain kind of situations that can lead to distress, necessity mostly refers to a higher level of obligation, to a survival dilemma. However, this origin of the Islamic statement, 'necessities make illicit deeds permissible,' was continuously ignored by most of the Islam professors, except Abdülaziz Baki:

> As an example, shelter is a need that can be counted as necessity. If someone ends up homeless because of a necessary situation, we can call that illicit deed becomes permissible for him. Yet, if there is a lawful alternative, like renting a house, that is the actual lawful deed. The ownership is not a necessity. A new married man should find a shelter for his wife but the ownership is not a necessity. No sir, it is just a need. All right, we are equalizing need and necessity and then we call it lawful. (The Discussions on Contemporary Religious Matters II, 2009, p. 318)

In the whole discussion on the current utilization of credits and the discussion on the lawfulness of taking out credits, no one except for Baki reminded the differentiation between need and necessity and the strict rules that determines whether a situation is a necessity or not according to the Islamic law. A necessity, different from a situation of need, should consist of certain characteristics according to Baki; first, the situation of necessity should take place personally, second, there should not be any permissible alternative, "the patient must be bound to this kind of cure and that must be the sole way of healing" (The Discussions on Contemporary Religious Matters II, 2009, p. 319), and

lastly it requires a professional decision to declare this necessity. Accordingly, he was not convinced of the affirmation of personal credits as permissible according to Islamic law in a situation of economic need. All the other speakers followed a different narrative strategy that equated necessity (zaruret) with need (ihtiyaç) and affirmed interest in the contemporary world by basing their argumentation on the requirements of contemporary world. Although there were discordant opinions about the lawfulness of using bank credits, rather than a consensus, the most important point is the discursive utilization of need while discussing credit as a moral terminal to ease the religion-based anxieties against modern finance and interest.

> In my opinion, I should not take commercial credit, working capital loan, or credit for need, because through any of them I desire to operate my money with interest and Islam prohibits gain through interest. On the other hand, I am a poor and needy man, I need to buy basic goods for survival and I need to borrow for this reason. The Muslim community does not lend me money; then, can I satisfy my need by taking a loan with interest? (The Discussions on Contemporary Religious Matters II, 2009, p. 280)

That is a quotation from one of the religious professors in the discussion; this speech of Prof. Dalgın started with a general definition of interest as “an unjust profit” (The Discussions on Contemporary Religious Matters II, 2009, p.280). Interest is “the unreturned excess which is initially determined within a relation of debt” (The Discussions on Contemporary Religious Matters II, 2009, p.279). In his speech, Dalgın clearly argued that every form of interest was declared as unlawful by Islamic rule, but as it unfolded in the quotation, he distinguished the situation of a needy man who had to take credit, and offered that such occasional situations, which are related with an economic need, can be considered as permissible. Accordingly, it can be argued that the Islamic terms of need and necessity were equalized by way of endowing both with

economic references, subsuming the moral anxieties against finance under the neoliberal consideration of the economic well-being of subjects.

3.4.2 'Need' instead of 'consumption'

In addition to the discursive utilization of the concepts of need and necessity in the consultation meeting in 2007, after the popularization of personal credits in Turkey, one of the members of the High Council of Religious Affairs of that time, made an explanation on the lawfulness of these instruments and declared a fatwa on the lawfulness of taking mortgage, or credit for vehicle for people who did not own any of them by defining them as basic needs: "[h]ousing and vehicle are the basic needs. If it is impossible to own these without taking credit, then it is proper to take credit according to the religious law" (Yeprem, 2007). The basis of this fatwa was explained with the same religious statement that declared that 'the necessities make illicit deeds permissible'.

> According to opinions of an ancient Islamic scholar, one house for summer and one house for winter are considered as basic needs. We also see no harm of taking these two with credit, if it is limited with needs. Also, according to those scholars, the riding a horse, or a camel are important needs. The contemporary equivalent of riding a horse is vehicle. Therefore, we see no harm of using credits for buying a vehicle but it again should be limited with need. Moreover, the model of the vehicle is significant for determination; it should not be a luxury car like Hammer, but also it should not be a Murat 1974. A moderate car can be purchased with credit. (Yeprem, 2007)

Despite the obvious difference of the origin of those Islamic statements concerning need and necessity, the High Council of Religious Affairs confirmed the lawfulness of taking personal credits to fulfill basic needs, like an apartment, or a vehicle. This emphasis on housing and vehicle as basic necessities can be regarded as an example of the moral functioning of the concept of need via financialization; as a moral and economic

reference, need refers to necessity rather than greed, or consumption. In other words, by affirming the use of personal credits through referring to the concept of need and to the requirement for the fulfillment of basic needs, the aspects of consumerism and the greed can be undermined. By considering the utilization of new financial instruments like consumer credits as necessity, and by focusing on the situation of the borrower, rather than the creditor, the whole discussion was rescued from the risk of justifying greed, or excessive-consumption. Rather than a focus on consumption, the concepts of need and necessity resulted in a different discussion that mostly circulated and debated around certain occasional situations of taking credits.

The discursive utilization of 'need' for averting the moral anxieties regarding taking out credit is not unique to Turkey and the Islamic reformulation of the modern financial instruments. While discussing US's history of personal indebtedness, Louis Hyman points out the utilization of the concept of need for differentiating between personal loans, given by banks, and the former installment credits. Although the credit mechanism of each resembles one another, the personal loans were separated from the consumption discourse and advertised as the way of substituting for the immediate needs of people (Hyman, 2012). Also, looking at the presentation of mortgage as a 'social need' throughout 1930s, mortgage credit boom can be considered as another example for how personal indebtedness is justified through the concept of need by exploiting the moral references of this concept (Hyman, 2012). In other words, rather than referring to greed for consumption, making use of the need for justifying personal indebtedness signifies "taking responsibility for life's uncertainties" (Hyman, 2012, p.75), as in the Turkish case, in which there were excessive emphases on the needy situation of the borrower. Accordingly, 'need' functions through relieving the moral anxieties around

greed and consumption, as well as its reference to religious values and the elimination religious anxieties.

3.5 Conclusion: Need in exchange of the ban on interest

In accordance to the positive attitude towards financialization and the empowering presentation of indebtedness by the state under the governance of AKP, there emerged a new moral discourse on the use of personal credits by an emphasis on concepts of need and necessity. On this point, the DRA, and especially its consultant committee of High Council of Religious Affairs, have been mobilized to produce moral opinions on changing and controversial matters. As Althusser's theory on ISAs proposes, under the regime of AKP, DRA has functioned as an institution that contributes to the reproduction of certain economic relations and the redefinition of financialization by offering a compromise between the changing economic requirements and moral anxieties. With the help of the quasi-formal opinions, presented by the consultancy committee, DRA and the fatwas on controversial economic matters, the moral approval of modern finance and the use of credit were subjected to a reformulation by constantly referring to the position of a needy borrower, and situations of necessity.

Since the activation of its consultancy function in 2002, DRA has started to subject many religious and moral issues to a process of 're-interpretation'; the need of re-interpretation and its methodology were one of the foremost discussion topics of the first consultancy meeting of the High Council of Religious Affairs. In accordance with the ongoing financialization of the Turkish economy and the offer of a variety of new financial instruments, the most important subject, which was subjected to re-interpretation, was the ban on interest that functioned as a moral barrier against global finance for years, and which was promoted as an agenda of the anti-globalization

campaign by the former conservative-religious movements in Turkey, like the MGH. However, in a way compatible with the changing economic policies of the Turkish state, this ban has lost its legacy. As it is shown by the analysis of the consultation meeting, the most important discursive component of this shift came with the extensive utilization of the concept of need by way of exploiting its moral references, as well as utilizing material references within it. Different from the former restrictive interpretation of the ban of interest, a great number of religious scholars have preferred to re-interpret the prohibition of interest by taking the economic well being of Muslim subjects and their basic needs as the fundamental reference points in line with the economization of society through neoliberalism. Accordingly, the former strict Islamic regulations on economy have lost their legacy under the effectiveness of this concern for the economic needs of subjects. That is to say, the introduction of new financial instruments has been reformulated under this moral intervention that was conducted through the leadership of DRA.

Both by reconsidering the extensive use of financial instruments, i.e., consumer credits, as the inevitable requirements of the changing world, and interpreting the credit mechanism through the concept of need, DRA offered a new moral-economic stand. The need and its reference to necessity function like the new and modulating metaphors with regard to their capacity of justification; they are almost the subjects of a new ethical stand which can be roughly defined as the declaration of the contingency of daily life and the immediacy of needs. A new modulation over moral behavior has been produced through such a proposal of the credit mechanism, which is based mainly on the concept of need. The accumulated tension of involving in the formal debt relations with interest has been tried to be resolved with the offer of this new moral stance, which is both responsive to the needs of the population and which projects itself as modern and

benevolent in terms of taking the modern world into account. All these aspects of reformulation have paved the way for a temporary annulment of the ban on interest according to the Islamic professors.

CHAPTER 4

NEED, FAMILY and INDEBTEDNESS

4.1 Introduction

In the second chapter, I have claimed that the use of credit has been morally and religiously justified by the state institution of DRA through using arguments of need and necessity as the reasons for the relaxation and invalidation of the existing ban on interest. In this chapter, my question is: how is this shift of discourse at the governmental level experienced and received at the subjective level? Through which concerns and justifications have the individuals narrated their experiences about, and responses to the new discourse on financialization? By way of interpreting online data I have extracted from a web discussion forum, I claim that family and familial needs appear as the main bases of engagement with the credit mechanism in subjective narrations. That is, the ideas of need and necessity also resonate in web-forums as can be observed from people's excessive reference to them when they give reasons for their involvement in a relation of credit. However, the functioning of these is directly related with another component in their subjective narrations; that is the family. Their references to need and necessity are directly connected with their despair in turning to modern financial instruments in order to provide for the needs of family members.

In order to build this argument, I first try to show how the shift of discourse of DRA on interest, as exemplified in the statement, 'necessity makes illicit deeds permissible', seems not to function effectively at the subjective level; most of the people at the web forum were not convinced that credit and debt mechanism would be morally

justified by relying on the conceptualization of necessity within Islamic rule. Contrary to the religious discourse that declared the conditional lawfulness of taking credits with interest, they voice both the enslaving nature of debt and the religiously unlawful nature of engaging with interest in any case. Yet, they still appropriated the notions of needs and necessity, which are also the main bases of the new religious discourse on credit mechanism; however, different from the meaning of necessity that DRA uses, the necessity here indicates tangible situations; it refers to the constitution, sustenance and well-being of the family and to fulfilling the basic needs of family members. These tangible necessities, the members of web forum raise mostly, can be summarized as the expenses of marriage, the needs of newborns, school expenses, and so on. These situations of necessity are often followed by narrations on the impossibility of taking interest-free debts from relatives and the shaming nature of this old form of informal debt relations. Accordingly, despite continue acknowledging the enslaving and religiously illicit nature of the current credit mechanism, people are still inclined to affirm modern banking as being supportive and offering them easy credits with low interest rates. To sum up, I argue that reasons given to accommodate the tangible needs of families, which can easily be differentiated from luxury consumption, are the main motor behind financialization and the overgrowing indebtedness in Turkey.

4.2 Online comments on credit as ethnographic data

My intention for choosing web forums to collect ethnographic data depends on a couple of fundamental reasons. First, there is no statistical data that covers the main customer umbrella of consumer credits and it is not feasible in the scale of a master thesis to conduct interviews with (potential and actual) debtors of such a large number and

dispersion -more than 16 million individuals have engaged with credit for need since 2006. Second, in the web forums in Turkey, especially in those ones that are active, there are fervent discussions on the changing economic policies that bring together a number of distinct topics, religious, moral and economic, under a unified theme. In line with the main aim of this thesis, i.e., to show the articulation of morality and financialization, these online discussion forums, in which moral and economic discussion were conjoined, offer a fruitful research material.

It is a requirement to mention on the possible deficiencies of the utilization of such a material as the data for analysis; at first, it is possible to argue that using these online narrations prevents one to encounter with deeper levels of despair as a result of being indebted or driven into credit mechanism, in other words I only have access to certain public declarations that are not intimate. It also paves the way for certain obstacles in terms of observing and analyzing the material conditions through which the members of web forum attempt such narrations because of not engaging with the environment as a result of lack of any physical encounter. Lastly, using online web forums results to a specific kind of problem, specific to web and online narrations; that is the unreliability of the words spoken as a result of the lack of any future encounter with the others whom you respond to. In other words, everyone is free to argue, discuss and claim whatever she wants because of the absence of a social encounter in those web forums; the sole limit is being banned temporarily. Therefore, in those web forums members can easily take radical position in relation to each other and sometimes express their ideas in dramatic ways through this freedom from social and physical realms.

However, despite of those possible negative characteristics of the using web forum discussions as a subjective data for analysis; there are certain importance contributions of these online discussions to my research agenda. The web forums help

one to observe the dilemmas of the commentators as they deal with the contradictory demands of family, religion and economy and the ways in which they provide justifications to resolve this 'internal' conflict. In a sense, they function as materials through which the distinctive and conflicting concerns can be tracked concurrently, as well as the domination of some of these concerns over others. Therefore, they are suitable for my research that aim to track and explain the shifts within certain moral discourses in a parallel fashion to penetration of the financialization.

For my analysis here, I will make use of one of the most active discussion forums in Turkey, '*memurlar.net'*. '*memurlar.net'*[41] is one of the most extensive and active discussion forums; there are a number of discussion titles on consumer credits in this web platform, "the most advantageous consumer credits", "taking credit for buying a house or a car, taking credit for need", "which is the most advantageous bank to take the credit for need", "is it religiously lawful to take credit for need ?", "taking mortgage credit or waiting for accumulation of money", "Can we label taking a credit for marriage as engaging with interest?", "is the good that is bought by interest-based credit totally illicit or is the illicit part proportional to interest?", "is it illicit to take credit for someone else?", "is it lawful to take credit from participation banks", "credit cards, consumer, mortgage and vehicle credits and Islamist banking", "if the credit for need is illicit, how can we procure the need of cash?" (memurlar.net, 2016), and so on.

These discussion titles are divided into certain groups of "civil servants", "shared topics for civil servants", "KPSS"[42], "examinations" and "agenda" (memurlar.net, 2016). Agenda part is also divided into a number of titles that include "culture, art and literature", "politics", "economy", "vacation", "sports", "religious matters" (memurlar.net, 2016) and so on. The discussions on bank credits belong to two subtitles;

[41]Memurlar are translated as civil servants in English.
[42] KPSS is the name of the examination that should be taken in order to become a civil servant.

‘economy’ and ‘religion’. The ones that belong to the subtitle of economy are mostly practical discussions that search for guidance in terms of which bank’s credits are more advantageous; on the other hand, the ones that belong to the subtitle of religion are about the lawfulness of using of bank credits. However, even in the discussions in the economy section, one encounters religious discussions that question the lawfulness of using the credit mechanism, attesting to the fact that practical-economic discussions and religious and moral ones goes hand in hand, and supporting my broader thesis that economization of the social always involves a moral question.

In the following section, I present certain parts of the web discussions in their own flow so that I do not disturb the coincidence and consecution of the distinct realms, like religion, morality and economy, as they mutually act upon the subjective decision process in the original comments.[43] Whether the discussion title belongs to the subtitle of economy, or to religious matters, the convergence among the distinct realms is a shared characteristic. In the narration of the members of web forum, the economic necessities help to justify their engagement with the credit mechanism and the guilt of disregarding the religious ban on interest. There is a constant play between the moral anxieties and the presumed economic necessities that the syntax of the narrations reveals.

4.3 The reflections on DRA’s justification of interest-based credit mechanism

Let me start with an example where the moral reformulations and the revitalization of the Islamic statement, ‘necessities make illicit deeds permissible’ by DRA fail to function efficiently and in a convincing manner at the subjective level. Rather we

[43] In some of the discussions, I had to exclude a certain part of the discussion because of the repetition or the lenght of the discussion.

encounter with a specific form of subordination with regard to the realization of current domination of financial instruments over the ways of economic substitution mechanisms:

Example 1:

Updated on 26 January 2012, included in the subtitle of Economy

Title: ‘On Taking Credits’ (Kredi Almak Hususunda)

23.01.2012 23:32
ulashserdar: I know exactly that it is illicit to receive interest. I do not have any doubts that not only taking millions of dollars, but even taking one cent is illicit. But what I do not know is this, I want to buy an apartment or a vehicle with credit. Without the intention of any commercial profit, I want to have regular payments. But I make it be completely appropriate to Islam because who steers away from the path of God should stay away from us.

23.01.2012 23:38
ameloss: Every form of interest is illicit. Unfortunately, four years ago I took small amounts of loans from two different banks… I am regretful I wish I would have saved the money and met my need in this way… The apartment can be counted as an obligation, but it is not worth to buy a car. (if you engage with credit, you are always in trouble)

23.01.2012 23:43
Osmanlı Tuğrası: Credit is also illicit because it functions through interest but it is impossible to do something in today’s world without applying to a bank. May god make it easy for you.

In this flow of narration, the most striking aspect is people’s ready-made declaration of the unlawfulness of interest-based credits according to the Islamic law. Different from the discourse promoted by the DRA in the consultancy meetings, people do not immediately affirm the cancelation of the unlawfulness of interest in situations of necessity. The strategy followed is rather to point to the religious guilt and the despair in terms of the hardship of continuing to respect the ban in the contemporary world, which is dominated by financialization and the modern banking system. This is to say that the users of the credit for need do not passively appropriate the new moral discourse DRA;

rather they formulate their own reasoning on necessity by admitting the domineering nature of financialization.

Example 2:

Updated on 10 December 2012 from memurlar.net, included in the subtitle of Religion

Title: ‘How can we fulfill our need for cash, if credit for need is illicit?’

08.10.2012 09:40
Geofrey: I urgently need 10 thousand TL but wherever I looked at it is declared that the interest is illicit. But where can I find the money I need? There is another matter I am curious about, why should the bank give the money without interest? Because there is a system the bank is depended on. Can I hear your opinions….

08.10.2012 09:42
Bilge Hilal: Before, people feared God, there was cooperation and solidarity, everyone lent money to each other… Now, people are selfish, estranged and wander. In such a situation, would you run out of money or would you will apply for a credit. It is hard to live our religion, when our people are enjoying their European life styles.

08.10.2012 14:56
Ekaya: [copied the title] ‘How can we fulfill our need for cash, if the credit for need is illicit?’
The state also asks the same question but what does it do? It borrows money from the banks, can you realize the stupidity in this situation? It takes loan from someone else. It enters in a vicious cycle of debt, it privatizes all of the things it had before, it sells the homeland, it raises the prices and it racketeers and takes away from the nation and gives it to moneylenders. But its debt never ends, why? :) It is very easy for an informed person. It does all of these things but it does not print the money on its own. The state should print the money with regard to strict rules and with the provision of the increase of inflation. It should protect the backbone of commerce.

18.11.2012 20:58
gerçeğinpeşinde: There was not any bank, when Islam was born. There was not interest, either. Everywhere was full of sand storms.
If I need, I go to a bank and take a loan. I take this credit in company with the permission and the information of the state. No one can step in this. I am the one who will pay back the interest. And, it is not illicit!...
The banks are constantly full. Millions of people are using these credits.
Master Architect Miss Ece will take out a vehicle credit and mortgage and her husband is a specialist doctor.
That is the situation. I do not accredit Arabian traditions and habits in terms of banking.

18.11.2012 21:20
alexgitti: If a person who would buy a house has accumulated money, he does not apply to somewhere or someone. The bank is generally the most proper place to apply.

Tomorrow, all banks will be completely full again. If there is someone to prevent this from happening, he can try but I woul not recommend doing this. They have both the permission and consent of the state.

19.11.2012 09:02
snms_4242: First, who does define the limits of what is a need? Not owning an apartment and a car, marriage, having debts, etc., it is an open-ended situation. Everyone can define a situation as necessity. Second, need does not turn something wrong to something right. Then, we could apply this rule to every single illicit deed, is there any obstacle for this?
And, who is responsible for this situation?
Muslims,
Muslims do not carry out their duties in an appropriate way. Is there any institution to meet these kinds of needs of the Muslim people? No. Does every Muslim give alms? No. If they would give, if the necessary aids would be provided and if people carried out the requirements to be a believer, no one would encounter such troubles. Such a structure I have mentioned has been successfully applied in another Muslim country. We are responsible for the situation that hurts us…

19.11.2012 09:56
sum41: I am also going through this same dilemma. I need financial support for getting married, as any one, and the banks seem like the sole option. But I have a guilty conscience. It is inappropriate for me to engage with an illicit deed for a good thing. Yet, I do not know how to deal with this situation. God may help all of us and show a good way out.

10.12.2012 06:23
yorumyap: Millions of people use ATMs and take (cash) credit, then pay it back. The one subjected to God utilizes his capacity to decide, and no one can intervene into that… Even if they try to intervene, it is useless.

In the web forum many people begin their talk with a suspicion about taking credit, and then the narratives continue with their personal explanation of why they nonetheless find it necessary to take it. As this flow of narration exemplifies, the most fundamental reference point of their internal conflict is the shared despair in terms of the impossibility to find another resource for financing needs in contemporary world. The metaphorical utilization of the clause, ‘today’s world’, is a crucial point to investigate because the domination of financialization and capitalist market relations are embodied in this metaphor. By constantly referring to ‘today’s world’, people actually declare their acknowledgment of the changing economic relations and that is the replacement of the

solidarity-based community relations with the new logic of financialization, which dictates the logic of self-responsibility.

'It is very impossible to attempt to do something without a bank', 'it is the mistake of the Muslim people who do not fulfill their religious requirements' (2012), and these personal declarations can be taken as crucial clues of the subjective resonances of the penetration of the logic of financialization over the whole society. In a parallel fashion to DRA's re-interpretation of Islamic law under the light of the notion of 'current', the reference to 'today's world' can be taken as a subjective excuse that nonetheless does not quite function to cancel out the sinful nature of taking out interest-based bank credits but justifies this engagement with interest by representing the penetration of global finance as the main obstacle.

According to this subjective narration strategy on indebtedness, I argue that the religious fatwas, or the declaration of the lawfulness of using bank credits in contemporary world announced in the consultancy meetings, failed to eliminate the moral and religious anxieties people are buried in. These attempts to morally redefine financialization and the use of credit failed to create a popular moral relief; people are still concerned about the sinful and enslaving nature of credit mechanism. However, there is a new logic of justification, which, though laden with guilt, is grounded on a tangible conceptualization of necessity and the inevitability of engaging with modern finance.

4.3.1 The guilt of engaging with finance

As I have mentioned in the second chapter, Maurizio Lazzarato tries to understand the functioning of current debt economy and ongoing financialization in his impressive book

on *The Making of the Indebted Man* by arguing that today people are absorbed into a debt economy (2012). In addition to his analysis that concerns the macro shifts in state policy and the dismantling of welfare state policies, which is a refinement of Foucault's analysis on neoliberal governmentality, he also discusses the constitutive function of guilt by revitalizing Nietzsche's analysis on debt. He argues that the current regime of indebtedness heavily relies on a certain kind of affect and that is guilt.

Through institutionalizing a promise to a future payment, the current credit mechanism demands an ethical "work on the self" (Lazzarato, 2012). Accordingly, one should be responsible enough to make regular payments, at the same time one should work on the self to pursue the fulfilling of the promise s/he gives before hand. Guilt, in other words, functions by helping to institutionalize a promise and keeps the debt regime going. Lazzarato makes use of Nietzsche's discussion on "mnemo-techniques" (Nietzsche, 2006) in order to base his argument on the functioning of promise. According to Nietzsche the construction of a self-memory commences with the making of a promise, making oneself an accountable person for others, and showing one's capability to make a promise (Nietzsche, 2006). Lazzarato takes the functioning of the guilt as a form of the construction of the self and the submission to the social and the undeclared power hierarchies, a promise to fulfill the necessary self-labor to sustain social order. By basing his arguments on indebtedness on this functioning of a future promise, Lazzarato tries to show that the current credit mechanism and debt economy rely on guilt as an affect that helps to the sustain capitalistic relations at the subjective level.

The credit mechanism requires an ethical work on the self by constantly re-instituting this everlasting and perpetual affect of guilt. In other words, guilt in this debt economy enjoys an effect of individualization; you should constantly re-conduct

yourself to be a subject who is responsible enough to pay back, you should continuously exert a certain disciplinary power over yourself to become an appropriate candidate for taking out credit. In the web forum, most of the contributors encircle this same affect of guilt and the accompanying despair and guilt of engaging with the credit mechanism. However, in the discussions on the web forum, there is a clear and tangible reference to the source of guilt: the Islamic ban on interest, which is declared as one of the most vital sins according to Islamic law as I have discussed in the second chapter.

Almost any forum-user that comments on the use of credit first declares that s/he acknowledges the sinful nature of the credit mechanism, s/he agrees with Islamic law that argues interest is illicit. However, in the second moment, s/he continues to narrate her/his reasons to engage with credit, despite the admission of how much guilt s/he feels because of this engagement. Yet, the guilt they mention sharply differs from the functioning of the subjective guilt in the debt economy, which Maurizio Lazzarato points it out. It takes the form of religious guilt and gets re-configured and made bearable under the self-responsibility ideology, which is projected onto the responsibility for the family and which takes the form of despair because of the urgency of the familial needs.

To explain this complex functioning of guilt and entanglement of the affects in the personal narrations of forum users, I choose to use the word ‘bypass’ in order to specify the nature of affects we encounter in the current indebtedness regime in Turkey. As I have mentioned in the third chapter in this thesis, DRA has attempted at an epistemological redefinition of the ban on interest by underlining the current conditions in today’s world that force people to use loans with interest. However, different from this attempt of DRA to eliminate the guilt of engaging with modern finance and the interest, people still seem to be carrying the burden of this encounter and feeling guilty.

In other words, the religious and moral anxieties concerning the credit mechanism are still there; but there is another differential in this picture that is related to this guilt, but inclining to another affect, that is, despair. In other words, religious guilt and the moral burden of being indebted are still there but in a sense they are concealed under familial needs and their urgency, and translated into the despair of meeting those needs with credit in today's world. That is why I decide to use the word bypass to explain the partial "resolution" of the conflicts and the conversions among these affects that accompany the current encounter of pious subjects with the credit mechanism; instead of elimination, they continue to function in a covered and exchangeable manner.

4.3.2 'The corruption of solidarity': Guilt in exchange of shame

To question how guilt functions in the current credit mechanism in Turkey gives way to another set of questions; first, what does guilt take the place of? And second, in relation to first question, how is guilt dealt with; how does it get transformed into a sufferable and bearable affect –or, what is the process of adjustment that re-position 'religious' guilt as a bearable and sustainable sin? For answering the first question, I turn to a point raised in the narrations, which emphasizes the corruption of community and the loss of the bonds of in Islam as well as the dissolution of informal debt relations. As one of the contributors explained, if Islamic solidarity bonds had already failed and you were all alone to meet your needs, then you might have to engage with credit mechanism, even though this could mean moral corruption and committing a serious sin.

The corruption and loss of solidarity-based, interest-free informal debt relations are also an emphasized in the advertisement of the current credit mechanism. In one such ad, there is a guy expecting a baby who needs money, he first goes to his aunt to

ask for a loan, then he goes to his boss, and lastly he goes to a friend but all of them utilize a certain strategy of aversion; they hesitate and pretend to take it as a joke. Then, the motto of the ad comes into screen with a familiar Turkish song; “Don’t worry, I’m here” (Alpman, 1974).[44] The young man in the ad is portrayed in shame, having being refused by his relatives the loan he asked from them. However, when he hears the offer of credit for need and the following introduction of the song his face becomes full of joy and this relief enjoyed by the young man is the backbone motto of this ad.

The promotion of the current credit mechanism as freeing one from the shameful nature of informal debt relations helps guilt to function as a bearable affect. To find someone to lend you money is already impossible and even if you find someone, this relation can cause you shame yet the credit mechanism is different with its anonymity, formality and 7/24 availability; you only bear the guilt from the flouting the ban on interest. Accordingly, taking formal credit is promoted through the emphasis of the elimination of shame towards relatives. You do not have to explain your state of necessity or ‘you don't have to be shamed’ because you asked for money. You can simply go and take your credit from a bank in the most relaxed way; such a formulation applauds the formal debt relations, instead of the shameful nature of intimate ones.

Through the degradation of the solidarity based, interest-free informal debt relations, the new modern credit regime flashes like the sole opportunity for fulfilling financial needs, and guilt becomes bearable in such a constellation, which is exchanged with the shame of demanding a loan from the relatives. As in the advertisement I have exemplified above, shame is presented as an affect that should be eliminated and self-

[44]This is Ayten Alpman’s song of “Ben Varım”. The lyrics of the part that is heard in the ad is the following:
“I won’t leave your side, if you wish.
I will come from far away, if you call
I was afraid of loneliness before
Now I am not because I have you”

responsibility, with its accompanying relief, were offered in its position. This also provides an answer for the second question I have raised above, how does guilt become a bearable affect while committing a serious sin? The assumption of the corruption of solidarity-based community relations and of having no alternative to resort to but finance and modern banking by underestimating the guilt as a bearable and sustainable affect.

This point is crucial for the aims of this thesis that aims to study the moral bases of the penetration of financialization in Turkish society; the excessive utilization of credit mechanism does not necessarily mean public's approval for and relief through the discourses produced and circulated by the state agency and certain state institutions like DRA. Rather, this encounter with financialization and the extensive use of credits still results in guilt at the subjective level concerning the economy of interest. However, it becomes a bearable affect through a new conception of need and necessity, which, while does not cancel the religious authorization on the interest ban for people, still permit them to utilize modern financial instruments.

Furthermore, even though people do not passively appropriate the affirmative narration of DRA in terms of the use of credits, they still justify their engagement with modern finance through a reference to familial needs and the corruption of community solidarity. There is indifference to religious concerns when familial needs are at the stake. Accordingly, in the following part of this chapter, I will try to argue how the family structure and the reference to familial needs are the main moral functionaries of the ongoing financialization of Turkish economy and the excessive household indebtedness.

4.4 The materiality of need and necessity: Family and the credit

As I have mentioned in the second chapter, Resnick and Wolff (2010) consider current excessive indebtedness as a consequence of the decrease in real wages starting in late 1970s and cutting off of social welfare mechanisms inherited from the period of Fordism in their analysis of 2008 economic crisis in US. In relation to macro economic shifts concerning of the growth of US economy and lead to decrease of real wages, the consumption desires of working class families, which were prompted up for decades with help of Fordist policies and Keynesian concerns to keep up the demand, and also which was promoted by the particular ideology of consumerism (Wolff, 2007) now have to be fulfilled with the credit mechanism.

This approach of Resnick and Wolff that explains the current indebtedness as a result of the decrease of real wages and the already instituted ideology of consumerism is uncommon in terms of targeting to the family with regard to financialization. Family is often included in the picture of the indebtedness by pointing out the constitutive role it enjoys or the question of why the current dominated debt form is known as 'household debt' doesn't achieve to become a crucial discussion in the financialization literature.

On the one hand, the critical approaches of Marxists on financialization and indebtedness focus on the structural and historical changes in capitalist structure as the main result of indebtedness (Harvey, 2006; Palley, 2007; Resnick & Wolff, 2010). And on the other, governmentality approach focuses on the functioning of the financialization in the subjective level by referring to the absorbing and disciplinary nature of credit mechanism (Lazzarato, 2012). However, the role of the family is underemphasized and ignored in terms of the functioning of the current debt regime; the 'household' part of the clause of 'household indebtedness' often remains as insignificant in the literature of financialization.

However, there emerges a fundamental question, how will we make sense of this novel ‘household’ indebtedness in Turkey? Household indebtedness cannot be taken just as an economic term to define a certain form of economic unit to assess its scale and volume within the total amount of circulating debt. Rather, household, family, and need are correlative concepts that decipher the reality of financialization of Turkish economy. This correlativeness among household indebtedness, family and the exploitation of the concept of the need in the financialization process enjoys nothing sacred, secret or metaphorical. Rather it demonstrates the foremost functioning of financialization means leaving everyone to her/his own as a consequence of the neoliberal privatized social policy making, the cut back of state subsidies and benefits, the institution of a logic of self-responsibility, and the re-formulation of all remaining social expenses under the title of familial needs.

Accordingly, I claim that family is a crucial interface for instituting the financial logic into the social by both resulting in the reformulation of the question of economic needs and by delimiting the responsibility to meet these needs within the boundaries of nuclear family. In other words, it both paves the way for a new moral base to justify a possible engagement with credit mechanism through the gravity of familial needs and it helps to translate the political question of economic inequality to a question of economic self-sustainability of the families.

4.4.1 ‘Credit for happy families’

First, I have to give some visual examples in order to state how family becomes a crucial component of the advertisements on the credit for need by utilizing two images, Figure 1 and Figure 2, which offer a ready-made connection between credit and the family.

Figure 1. The image of the advertisement of a credit that is named as “her ihtiyaca özel kredi” in 2012 (Retrieved from: http://www.kredibulteni.com/ihtiyac-kredisi/her-ihtiyaca-ozel-is-bankasi-kredi)

Figure 2. The image of the advertisement of a credit that is named as “yeni yılda tüm ihtiyaçlarınız için” in 2016 (Retrieved from: http://www.banka-kredileri.com/yapi-krediden-gunde-10-tlye-9000-tl-yeni-yil-kredisi/)

As these advertisements indicate, families, especially happy families that utilize credit mechanism, are the main contents of consumer credit advertisements. These visual credit advertisements are just a few examples of the common market strategy to promote credit for need by emphasizing the familial needs and family structure. Indeed, between the years of 2010-2013, which was the most intensive period in terms of the utilization of the credit for need according to the statistics of BDDK, the number of credit advertisements was nearly one third of all advertisements available in any kind of media and press and every ad on this theme included a reference to family values and needs.

The advertisements on credit for need gain a sudden intensity before the religious festivity, Ramadan, in the summer period 'for enjoying a nice holiday', and so on.

However, the imaginary of a family remained as a constant content in these advertisements. The ads mainly addressed to a male figure occupying the position of the father, as the financial manager of family. Then, the need was narrated with a reference to the requirement to make family members satisfied and happy; the main motto can be summarized as ‘provide them with satisfaction, don’t worry you can use credit’. Most of the advertisements of credit for need remind the needs of family members around marriage, expectation of a baby, going to a vacation to make family members happy. All of these themes offer an ideological collaboration between current credit system and family forged through the excessive emphasis on the concept of ‘need’.

To exemplify, one of the TV advertisements goes with the motto of ‘perfect credit for a perfect woman’. This is a cartoon in which there is a couple discussing about their marriage, and they realize they will have many expenses after the birth of their child. The woman begins to count her wishes, and then the motto is introduced, you can take credit for a happy marriage with this woman. The next episode of this same advertisement was about a ‘happy’ couple that recently had a baby; they play with him, then he starts to talk. He first says father, and then mother, and the next word is money. Then, he starts to count a number of needs, explaining to his parents why it is necessary to take credit.

These exploitative references to family agency in order to promote the use of consumer credits are not unique to the Turkish case of financialization. In his analysis on the history of consumer credits in US, Lendol Calder explains how the moral legitimization of the installment credits perpetually relied on the needs of family with regard to a perpetual change in the denomination of personal credits from “consumptive credit” to “consumer credit” after the Great Depression (Calder, 1999). While “the consumptive credit smelled of disease” (Calder, 1999, p. 250), the consumer, the user of

new consumer credit, was recognized as a person worthy of trust and respect and who is borrowing because of necessities. The ideological alliance formed between the concept of necessity and the installment of credit aimed at the former by differentiating it from luxury spending, and re-positioning the installment of credits as an opportunity for responsible individuals in order to fulfill the needs of family members. In this way, the old moral imaginary about the user of personal credits as selfish, greedy and lacking self-responsibility was replaced by a new figure that borrows money for familial needs and makes repayments in a regular and responsible way.

In highlighting this articulation of the economies of family and credit mechanisms, Calder argues that the satisfaction of familial needs in order to create a happy social environment and enhancing the eagerness of family members for work through the satisfaction of reproductive needs were one of the most important reasons that legitimized consumer credits. “Taylorization” of workers was mainly supported through the sustainment of consumer credits in 1920s in US; the motto was basically give them more credit to satisfy their needs, then they will have to work more (Calder, 1999).

In addition, as Calder points out, this reference to family also functions as a fruitful shift of focus from consumption to the economic self-development of the family. The credit for need is one of the main technologies that helped to distance the Turkish model of financialization from discussions of consumption and consumerism, and instead offered a conservative model of financialization under the family structure. It is important to note that there is no sole example where the promotion of credit references an individual; even if you see only a male body in an advertisement, he constantly mentions the needs of his family. In other words, the agents are constantly portrayed as taking credit because of familial needs, rather than individualistic desires for

consumption. Even if the needs to buy certain consumer objects are used in the advertisements, these are presented as the wishes of wives and children, not of the male father figure, so they are included in the title of familial needs.

4.4.2 Restructuring the economy around families: Responsible fathers

The ongoing financialization and the promotion of the use of consumer credits through the requirement to meet the needs of family members pave the way for an inevitable exaltation of paternalistic relations in Turkish society by aggravating the responsibility of the 'father' for the supply of the economic 'autonomy' of the nuclear family. The advertisement strategy on the credit for need reveals this tendency as it targets the male father figure, by endowing him with the role of the sole –economically- responsible agent in the family. The empowerment of paternalistic relations within Turkish society in line with the neoliberal transformation project of AKP, has already been discussed with different emphases, like the changes in the welfare policy regime, reproductive patterns and the gender division of the labor (Öztan, 2014). According to Öztan familism has always been a constitutive part of Turkish politics, yet it is revitalized and strengthened throughout the AKP regime as an offered way of reorganizing the society under neoliberal-conservative hegemony (Öztan, 2014).

The family, then, is an important terminal to instate and implement new social policies and the expansive institution of neoliberal "self-help" (Öztan, 2014) discourse in society. In a financialization process that enjoys conservative references through the excessive utilization of the concept of need, such a revitalization of paternalist function in debt structure means more than the exacerbation of gender inequalities in society; it also harbors an important effect of re-locating the nuclear family as the main economic

unit within society along with positioning the father as the sole responsible agent in terms of the economic sustainment of family. The ads on credit constantly targets men, their honor and responsibilities, calling them to provide for their families, as well as to constantly keep satisfied the family members. That is a clear offer to re-organize society around nuclear families; the responsible fathers should take lead, in a manner that resembles the role of the state in organizing the economy and providing insurance and welfare for the needs of subjects. In a sense, family-based reorganization is offered as a solution in response to the disintegration of community bonds and the welfare state apparatuses.

The taking over of the economic responsibility by the male figures of the family also surfaces in the personal stories in discussion forums. While all forum writers use pseudonyms rather than their real names, from the way they describe their roles and their obligation to deal with familial needs it is possible to guess that they are almost all men. They never talk about their personal desires while mentioning their reasons for taking out credit; rather, they constantly refer their obligation to satisfy the basic needs, like housing or vehicle, or they refer to their responsibility as men to meet the expenses of a future marriage. Even in narrations, which directly reject Islamic limitations on economy and consider the ban on interest as ridiculous, one does not encounter any explanation other than taking out the credit for familial needs.

4.4.3 The needs of a Turkish family: Housing, vehicle and marriage

In the discussion forum, there is a cluster of examples that define the scale of the needs and these mostly indicate the needs related with the family like to meet the marriage expenses, the need to buy a house for the well being of family members and other forms

of familial needs like the school expenses of children. As I have mentioned above, in spite of the fact that people are declaring their recognition of the involvement with interest as an illicit deed at the first hand, they continue their narrations with the subjective reasons to engage with credit and I claim that the contingency between the declaration of a sin and the engagement with credit is resulted from the definition of the needs with a certain gravity with regard to categorizing them as the needs of family.

The need of housing, or more concretely, to have your own apartment is a culturally recognized need in Turkish society.[45] However, the cluster of the vital needs has been expanded in such a manner that also includes vehicle and marriage expenses within this same category, in the subjective narrations of the debtors. The marriage expenses, or to buy a vehicle for providing qualified life conditions for the family members are also declared as vital necessities that even 'bypass' the moral anxieties around the involvement in credit relations. In other words, they are positioned as 'unquestionable' needs that are culturally embraced and promoted, needs that everyone can recognize their gravity.

My decision to use the verb 'bypass' is resulted from the specificity of the justification mechanism in these subjective narrations, which is operated through the category of familial needs. Rather than assuring or believing in that if those kinds of familial needs at the stake it is religiously lawful to take credits, members of web forums is declare their desperate situation to justify themselves. It is to say that the question of the unlawfulness of credit mechanism is not resolved here, different from the discussion of DRA, rather it is temporarily suspended by the gravity of familial needs. These familial needs of housing, vehicle, marriage expenses or the expenditures of children

[45] See Nazan Üstündağ's work on Kurdish migrant women and their specific ways of belonging to urban space. Her work is a comprehsive research that mainly discusses the ways of beloning, as well as how these women make sense of the exile they experienced. According to Üstündağ, to own a house is one of the most imporant ways through which these migrant women constitutes their belonging to the urban space.

bypass the religious guilt but without denying or rejecting its accuracy in contemporary situation.

Example 3:

Updated on 18 January 2012, from memurlar.net, included in the subtitle of Religious Matters

Title: Is the credit taken for marriage counted as interest?

16.01.2012 10:30
Taruh: even when you have been advised by a fatwa for thousand times, you should ask your heart.

16.01.2012 10:35
işimdeyim gücümdeyim: " [copied the text above]
"even when you have been advised by a fatwa for thousand times, you should ask your heart. Taruh"
What is the source of this clause? Is there any verse of Koran or hadith that resembles this? Indeed, is not living through your own truths instead of following Koran, hadiths and fatwas the most important reason for the failure of the Muslim people? There is a precept that declares that “it is forbidden to engage with any form of interest” but you dare to say you can take credit, if your conscience is clear.

18.01.2012 15:01
gonca_gul_bolat: I also took credit while I was getting married but there is not any alternative in today’s world. No one helps to no one or no one basically can :(. My conscience is not in the slightest clear. I hope that God continues to offer his divine gift for our home :(
I think that there should be a contemporary interpretation on the matter of interest because people have changed, as well as government:S.

18.01.2012 15:16
FIRAT1945: In today’s world, even the fathers cannot help their children... The expenditures of wedding and marriage hurt people, destroy their budgets… And it is really hard to get married. No one would take credit for pleasure; it stems from need. His father, his uncles and his aunt cannot help Mister Ismet, who is an officer of a bank. What should this poor person do? He applied to a bank, which is a foul-weather friend.

In this flow of comments, the main point is the use of credit in order to fund the expenses for marriage; at this moment, there reveals a crucial coincidence between the promotion strategy of the financial market and the personal narrations of the credit mechanism. Despite the fact that narratives still demonstrate resistance against engaging

in a credit relation, the general opinion on the use of credit (for paying the expenses of such an event) seems positive. As it is remarked in one comment, the credit taken for marriage is not credit taken by the greedy desire for consumption, 'no body voluntarily takes the credit'. Rather, this involvement stems from 'the need', as the case of marriage.

Example 4:

Updated on 16 January 2012, included in the subtitle of 'Religious Matters'

Title: To Friends who Buy House-Vehicle and etc. by Credit

10.12.2010 22:48
fusul-i erbaa: we are engaging with interest in today's world, even if we hesitate to.:(

10.12.2010 23:23
niyaz_42: I have never taken out credit but what disturbs me is our wages are coming from the institutions that engage with interest.
11.12.2010 18:09
iren17: As you have already said we cannot save the money for buying a house but if you take out credit, you can be a house-owner. I hope I did not commit a sin, I also bought an apartment with credit. Also, I want to ask something but I did not want to open a new entry for this. I hope there will be someone who would read and answer this question. Is it religiously lawful to spend the money the bank gives as a promotion in addition to my wage? I heard that it is not lawful. Now, in December, we will be given this promotion and I have fears to spend this money, although I dreadfully need this money. I think about giving this money to some one needy.
It is declared by Hodja Mustafa Karataş, he said it is illicit and I am sad to hear that.:(I wish I did not hear:) It is not appropriate to spend it anyway because I heard it already.

11.12.2010 18:44
Reis_Bey_: Teacher, if you comply with the sin for owning an apartment, for bearing no hardships, I have no words to say. Yes, it is true that the time and conditions are mere but sometimes it is not appropriate to adapt to the time and conditions.

11.12.2010 19:01
nihal gün: The credit is not for only buying an apartment, a vehicle. While studying in the university, you take contribution loan and student loan. The first and the sole credit I have taken is the student and contribution loan. I paid back the loan with regard to the household appliances index but thanks to State I could go to school through these loans…

As I have mentioned in the second chapter, the former head of DRA proclaimed a fatwa that declared it as religiously lawful to take credits, if the familial needs of housing and vehicle are at the stake. In this fatwa, there is an emphasis on the definition of need: one should not behave greedily and credit should not be used for luxury. For instance, credit can be used for buying an apartment, if one does not have one; but it is forbidden to take credit for a second apartment, which is counted as luxury. This limitation also finds resonance in the comments of the discussion forum. However, different from the fatwa or the discourse of the consultancy meetings; narratives here re-position needs as immediate necessities for continuing life, which leads to a temporary bypassing of the concerns around the ban on interest and bearing of guilt.

4.4.4 'The absence of rich relatives': The concealment of economic inequalities by the family

In discussions, the absence of financially powerful parents and relatives is constantly brought up to indicate the situation of desperateness. Most of the forum users argue that they would never engage with such an illicit deed as credit if they had parents to support them. These commentators, who lament, or resent their lack of parental support, then, should be considering the financial support of parents and relatives as the only alternative of current credit mechanism. However, as I have mentioned above this kind of informal debt relation narrated as a lost cause through the emphasis on the corruption of solidarity based community relations in 'that era'; no one gives a loan to each other and if you ask someone to lend you money, all you experience will be the shame. In addition to the loss of community ties, and the fear of being shamed, the poverty of

relatives –which can also be regarded as a hidden recognition of economic inequalities—

is another reason given to explain what forces desperate people to take credit:

Example 5:

Updated on 23 June 2011, from memurlar.net, included in the subtitle of Economy

Title: 'Offers for the most Advantageous credit for need?'

01.05.2011 00:44
gülben: Which banks give the credit, what are the maximum and minimum amounts? Can someone share the information? Thanks… h

03.06.2011 20:14
ölü_: Sister, it is illicit to take and pay interest… Today, imam repeated this in Friday prayer.

14.06.2011 02:00
salihh: Brother, tell this imam to give me money without interest and I can buy an apartment, then I will pay it back slowly. It is impossible to buy an apartment just with our wages. Lastly, ask him if it is lawful for people to constantly pay rent or not? Is it more appropriate?

14.06.2011 18:38
305kd: The interest is illicit and the decree is clear… "I live in a rented house, etc." cannot be regarded as excuses.
THOSE who gorge themselves on usury (262) behave but as he might behave whom Satan has confounded with his touch; for they say, " [B]uying and selling is but a kind of (263) usury" - the while God has made buying and selling lawful and usury unlawful. Hence, whoever becomes aware of his Sustainer's admonition, (264) and thereupon desists [from usury], may keep his past gains, and it will be for God to judge him; but as for those who return to it -they are destined for the fire, therein to abide!"[46]

As it is clear, there is no condition specified about the rent or etc., or there is not anything that resembles the words of certain light-Muslim hodjas like "one house is lawful but the second is illicit", the rule is that you just stay away.

14.06.2011 19:08
madrower: He does not receive interest from anyone or he does not gain interest from investing his money in a bank. He will just meet his obligatory needs so it is not illicit because he takes the credit obligatorily…

15.06.2011 08:57

[46] The user copied a part of Al-Baqarah from Koran, so I also decided to use a professional translation of the relevant part.

Serdar UZUN: I want to ask some of these friends. Let's suppose, you borrowed 10.000 TL from a relative. You paid it back three years later. Does that money have the same value after three years? You cannot just say interest is illicit and cut off the discussion. No one argues that interest is lawful anyways. If people could borrow the same amount of money that banks give from their fathers and mothers, they would not apply to the banks!! I had a couple of friends who had their own apartments and vehicles and they constantly said that the interest is illicit but when I ask for money from them they always fell silent. You should be empathetic if you argue for something.

15.06.2011 11:43
konserwatif: It is completely true Mister Serdar.
It is also not appropriate to my belief but the conditions are forcing me.
If God lets, I will be preparing for a marriage this year but I do not have any money.
How will I meet those expenditures, if my father does not have any money, either?
How many of us does have rich families, how many of us has mothers who also work for their families? All of us are the children of fathers who work for average wages and barely provide for the subsistence of their families.
Today, numerous young people have to take the responsibility for the subsistence of their families let alone being financially supported by their families.
We also do not want to hope for help from credit money, if our families were capable of financing us.
I'm very happy for the friends that are financially supported by their families.

15.06.2011 13:41
Gölge007: Hello everyone. There are a lot of people who give advise but no one to lend money. Everyone engages with credit in some way. I also engaged with credit in an obligatory way. My brothers and sisters were studying and I took a loan at that time. It is already declared by verses of the Koran that the interest is illicit, it is well-known by everyone. But I need money, who can give me a loan? Let's suppose that someone lends you 10 thousand TL, but who would wait for three or five years? It is very easy, commenting and giving useless advice, everyone has something to say.

17.01 2011 00:28
diyi101: I am not a professional religious adviser but if I know something it is that INTEREST IS ILLICIT and unfortunately I will be taking out credit to buy an apartment.
This is why it hurts me so much, that I must do this even though I'm conscious [of its sinful nature].

22.01.2011 02:26
eomer: Khalifa Ömer repealed the 'had cezaları'[47] (robbery crimes) in the period of the Famine.
I think we can apply the same adjustment relatively to the people who are obliged to take out credit.
I think that the governors of the state are guilty of the credits with interest, more than the citizens. They should offer alternatives to their citizens in such situations. Please, do not argue that it is impossible. The state should immediately research the ways for giving

[47] Had cezaları were the crimes against public good like robbery, adultery or fraud.

credits without interest and protect its citizens from this cloaca. Indeed, it should be the raison d'étre of the state.

There is a repetitive cycle in this flow of narration; at the first hand, almost every user declares that it is sinful to engage with credit. Secondly, they constantly refer to their desperateness in terms of engaging with modern credit mechanism to fund their life needs. You decide to marry and you will have a lot expenses, you do not have any one to support you financially and you do not have a wealthy family, then you are desperate and forced to engage with credit, even though it is a serious sin. The story is the same for housing; you need an apartment and you do not want to continue to pay rent and you have to buy one, the mortgage credit is the sole option to realize such a wish, despite the guilt-bearing nature of mortgage credits.

The desperateness, then, is narrated as resulting from the absence of any other financial resource to sustain such life needs; but the crucial point is that the discussion on despair constantly eludes another discussion on economic inequalities, or the class structure of society. Instead of pointing to the economic inequalities as the main reason that forces one to take credit and as the main reason that drags people to the desperation of having to deal with credit, people in the discussion forum refer to the poorness of their own families as the main drawback. In a way, the economy is conceived as comprised and divided among families who are lucky and richer and therefore who do not need to use credit for meeting their needs and do not engage into such a sinful deed, and others who are poorer and unfortunate and desperately forced to take credit. In other words, the whole discussion on the class structure of society, the economic inequalities and the inadequacy of real wages are concealed under such a naïve formulation of the financial deficiency of the relatives to support each other.

As I have tried to explain in the second chapter of this thesis, I have regarded neoliberal social policy, which indicates a privatized form of social policy that aims to

institute the logic of self-development and self-sustainment, as one of the main reasons that driven people to an engagement with finance and the use of credits. From such a point of view, the situation of desperateness that pushes people to get involved in the credit mechanism is a consequence of the neoliberal refusal to provide for basic insurance and support for citizens, as well as its market-oriented policies on labor. As a result of this re-positioning of state agency and the extension of market logic into the social, the former demands for basic social rights and insurance mechanism have lost their political legitimacy and this loss is already being grappled in the subjective narrations of the members of web forum by the exaltation of the family to the position of the main economic unit within society. From now on, you cannot demand from state to support you financially, or to offer remedies for economic inequalities. As in the case of offering credit-based policies to injured groups in order to provide them an access for self-economic development and self-sustainment, the role of the state is limited to the extension and institution of the market logic in the social realm.

At this point, it requires mentioning a specificity of the Turkish case in terms of the relationship between the overgrowth of indebtedness and recent social policies. The theories I have mentioned in the second chapter often approach the overgrowth of indebtedness as a result of the dismantling of the welfare state policies as a result of neoliberal transformation. However, it is not appropriate to blindly argue for the same causality in Turkish case. On the one hand, there has happened an encompassing project of neoliberal transformation through the privatization of certain important state enterprises (which can be regarded as signs of the dismantling of welfare state apparatuses), the restructuring of certain state social services (like the social security and health service) and the following increase of the individual expenditures of social services as a result of these privatized ways of social policy making, however, on the

other hand, some of the welfare apparatuses of the state have experienced a process of empowerment and increase of budget (which can be regarded as a way of empowering or extending the welfare state apparatuses of the state). In other words, it is hard to exactly state what is happening in terms of the welfare policies of the state and what welfare benefits are being substituted by the recent credit mechanism in Turkey.

The question on the welfare policies of the Turkish state is a monumental and historical question that should be analyzed from various aspects and supported by quantitative data, which exceeds the limits of this thesis. However, if we underline the political confinement aspect that is intrinsic to the functioning of the welfare state, it becomes a little easier to understand and explain this double faceted configuration of the recent social policy regime of Turkish state, which inclines to both a welfare one and a privatized (neoliberal) one at the same time. Erdem Yörük, who studies the current welfare policies of the Turkish state especially within the period of the AKP government, clearly states that the Turkish welfare regime has mainly focused on the inclusion of marginal groups within the public realm (Yörük, 2012). This concept of marginal includes not only the extreme poor but also the politically marginal ones like the Kurdish population. By tracking the dole payments and green card users, which can be considered as the most important recent welfare policies of AKP government, Yörük states that Turkish welfare regime mostly targets the marginal groups, instead of ordinary citizens, and this policy is highly related with political intensions of inclusion (Yörük, 2013).

In other words, the complex and confusing structure of welfare policies in Turkey can be regarded to result from political dilemmas and intentions. By shifting our gaze to the political aims in the current utilization of welfare state apparatuses, this confusing picture of social policy of the Turkish state gains some meaning. In addition

to the differing and confusing strategies, there has emerged a new agency in Turkish society, which is the family, and which has recently become the main target of welfare policies, as well as the privatized form of social policy making.

Berna Yazıcı also engages with this diffused and contradictory welfare regime in Turkey by emphasizing the fundamental role of the family in this complex structure (Yazıcı, 2012). According to her, throughout the period of AKP governance, Turkish social policy regime insistently has focused on the family and utilizes this social unit "as the best agent to alleviate social burdens on the state" (Yazıcı, 2012, p. 110). The case study Yazıcı examines is on the shift within the social care regime after 2005, which transforms the responsibility of care labor from state institutions to family, family is declared as "the best site in which to meet the needs of elderly, the disabled, and children and for solving the problem of social care" (Yazıcı, 2012, p. 114). In other words, such a privatized and neoliberal model of social policy making has been articulated with the conservative injunction to strengthen and protect families.

Yet, the social care and protection regime is not the sole realm that has been redefined by the AKP governance by way of shifting social responsibilities to the family. The current credit regime, which is promoted as a way of economic substitution, also directly targets families. Moreover, it functions in the same way by helping to extract political support and confinement but with a privatized form of social policy, which is compatible with neoliberal political rationality. Similar to the same way that welfare policies extract social consent from marginalized masses, and that the welfare state apparatuses are re-structured around families, the credit regime also functions through offering economic support to relatively ordinary masses in Turkish society, but re-conceptualizing them under the title of families and restructuring their economic needs

as needs that should be met by the family unit. In a sense, in the current conservative-neoliberal picture of AKP, family functions as a mini-welfare state.

This neoliberal remedy based on family finds its mirror image in the narrations of the commentators, in their foremost reliance on the family and in their internalization of the premise of the self-development of the family. Except of one person, which is the last comment in the flow I have quoted above, no one mentions state's role in the creation of such a desperate situation that push people to utilize credit; no one blames or complains about the ongoing economic inequalities, which is reproduced day by day and aggravated by the credit mechanism. Rather, here we deal with a conservative-neoliberal picture, which is composed of families and their needs, and the tangible economic picture and differing economic conditions and the shifts within state policies have been underestimated by this family-based conception, in the narrations of web forum members.

The re-imagination of the economy as composed of families, which are divided between the rich and poor ones can be considered as the supportive ground for the institutionalization of self-responsibility logic and people's driven into to meet their financial needs through the credit; the matters of changing state policies on economy and society, or of the class structure are buried under because of the dominance of the so-called financial capacity of the families in the discussion. Family, which is endowed with the responsibility of self-sustenance, embodied in the figure of father, then, seems to exhibit the logic of the entrepreneur as argued by Foucault, and emerges as the most important economic unit. Accordingly, credit mechanism takes stage in order to meet the privatized needs of families with regard to this novel self-developmental function of the family.

In his analysis on the role of family in the constitution of the social and the methods of state intervention into this realm, Jacques Donzelot argues that family functions as an important nexus between the social and the private; indeed it is a new technology of governing, "government through families" (Donzelot, 1979). In other words, socio-familial apparatus functioned as "an administrative nexus" (Donzelot, 1979, p.53) throughout the shifting roles and policies of the state and the main problem has been the transformation of the role family, rather than how it is preserved. Donzelot's analysis is a comprehensive one that deals with the long-history of the shifts of the policies concerning family structure in France, since the beginning of 1700s, and its main focus is the relation between family and legal structure. However, his insistence on the organizational and administrative capacity of the family can be taken as a base for making sense of such an excessive reference to Turkey's journey of financialization.

One of the most important points Donzelot raises is the importance of the invention of the philanthropy as a method to deal with the poor after French Revolution and the appropriation of state mechanism by the French bourgeoisie (Donzelot, 1979). The means of philanthropy, then, was adopted "as a problem-solver apparatus" in order to deal with the problem of poverty and continued to act upon to the family structure through "the ought to save" (Donzelot, 1979, p. 57). Donzelot highlights the introduction of saving because it is "the linchpin of a new mechanism of assistance" (Deleuze, 1979, p. xiii); saving is the rupture between "the old form of charity and the new philantrophy, where aid must be conceived of as an investment" (Deleuze, 1979, p. xiii).

This ought to save, which was one of the main objects of new intervention of the method of philanthropy, was promoted through the contribution of "savings for achieving a greater family autonomy in relations to the blocks of dependence or networks of the solidarity" (Donzelot, 1979, p.57). In other words, what is promoted

under the economic autonomy of the family is actually a restructuring of state's role in providing the means for economic sustenance; it meant "turning a political right into a question of economic morality" (Donzelot, 1979, p. 55) of the family. The appeal of saving is actually an appeal to be self-responsible in terms of the question of economic sustainability; it is the end of direct charity policies yet the ought and the intention to make working class families responsible through teaching them how to save replace the target of the question of economic inequality by delimiting this target with the economic morality of families (Donzelot, 1979).

The story resembles the ongoing process of financialization of the Turkish economy in its reliance on the family structure, however the "ought" in our case is the credit and the involvement in the debt economy, instead of saving. I argue that the family is utilized as a social unit for instituting the self-responsibility ideology of neoliberalism and the households have been driven into the credit mechanism to carry out this ideology of that ought for economic self-sustainment. As it is deciphered from the narrations of the commentators in the web forum, they feel responsible and desperate to provide the economic sustainment of their family and the sole possible way to achieve this requirement is their involvement in the credit mechanism.

It is important to mention that the responsibility for familial needs did not start with the implementation of neoliberal logic; the family has always enjoyed a crucial position for Turkish society and it has always functioned as a constitutional social unit for the Turkish political arena and economic relations (Özden, 2015). However, what we have here as a shift is the situation of despair families encountered as a consequence of the neoliberal policies that push ought to self-sustainability, and the following articulation and enhancing of the nuclear family as an economic unit that requires to care for its own needs and necessities. By such an exaltation of the family as an autonomous

and self-sustainable economic unit, it is possible to elude the political problem of economic inequalities and the excessive private indebtedness. Indeed, the serious problem of overgrowing household indebtedness since 2006 has never been tackled as a problem by AKP government; it has been constantly neglected as a political matter.

Turkish journey of financialization and indebtedness depends on this re-positioning of the family as the foremost economic unit and the following heightening of the responsibility of paternal figure for sustaining the needs of family members as substitute of the state welfare apparatuses. In such a conservative construction of the financial structure, need enjoys a crucial position to relate economy and family both metaphorically and in tangible ways. However, it is not only a discursive strategy to ease the moral and religious anxieties about the involvement with interest but it also replaces the negative image of modern banking with a positive and supportive one through banks' offer of low-interest credit and easy procedures.

4.5 Conclusion: Financialization and family vs. financialization and subjectivity

Most theoreticians, who try to draw a picture of the ongoing financialization and the increase of private indebtedness, focus on the effects of financialization in terms of the individual subjectivity. As I have repetitively mentioned, Maurizio Lazzarato examines the functioning of the guilt in debt regime; the guilt is constantly triggered in the debt regime through the future promise to pay off the credit (Lazzarato, 2012). Through the guilt, you become an economically reliable individual, who guarantees his future labor power for paying the debt back, and it is the production of a certain type of individual subjectivity. The functioning of guilt is a specific form of "self-torture",which causes individualization, buried in the credit mechanism (Lazzarato, 2012); it is a constant

injunction to become an economic subject, to become an entrepreneur that is embodied in the calculating figure of the debtor.

Thus, the debt relation is a mode of control over production, consumption and the reproduction of labor force due to the determination of future debt relation implicates (Lazzarato, 2012). Second, debt results in distinct forms of bondage within society and for the individual subjectivity; it creates new moral premises based on the asymmetry internal to the credit relation (Lazzarato, 2012). Therefore, debt relation is more than an attempt at the financialization of the economy and society, at the same time, in a sense, it is a political project that aims at "stating, delimiting and circumscribing what is possible for a society at a particular time" (Lazzarato, 2012, p. 173).

Lazzarato argues that this control function of debt is a result of its effect on subjectivity, its capacity to fabricate an indebted man through a future promise to fulfill. This insistence of Lazzarato to picture current debt regime through Nietzsche's formulation of the guilt (the individuating guilt) is resulted from his intension to show how "debt economy is characterized by a two-fold expansion of the exploitation of the subjectivity" (Lazzarato, 2012, p.52). According to Lazzarato, guilt functions as the main intermediary mechanism to institute the subject with the logic of entrepreneurship and the self-responsibility, in a compatible fashion to neoliberal governmentality, by demanding an extra ethical "work on the self" (Lazzarato, 2012). In a concrete way, the functioning of the guilt is related with the exploitation through a double fold appropriation of the surplus value by credit mechanism and the reproduction of debt relations through the institutionalization of the logic of self-responsibility.

However, relying on my analysis in this chapter, I go so far as to suggest that the re-thinking of the role of family in the reproduction of the current credit mechanism can make a great contribution for deciphering the function of control and normalization

concealed within the credit mechanism and which, in turn, make debt relations to constantly perpetuate. Throughout this thesis, I have kept away from analyses that relate family to private indebtedness in a rudimentary manner by pointing to the new forms of consumption, or the consumer culture. In other words, the possible contribution I suggest here is not related with a wish to introduce the financialization and subjectivity literature to the cultural analyses on consumerism. Rather, I argue that the family and familial needs function as the most important reproductive mechanisms of financialization, at least in Turkish case, even enabling individuals to bypass subjective guilt through the responsibility the meet the needs of their families.

Different from Lazzarato's claim on the individualization effect of debt through guilt, which paves the way for the formation of subjectivity as the reproductive mechanism behind a debt relation, the data I have made use of throughout this thesis has constantly driven me to reconsider the reproductive role of family as a multilayered interface in the financialization process of Turkish economy both by strengthening the self-responsibility logic and by the reformulation of the questions of economic inequalities and political rights under the morality of familial needs.

In other words, the institutionalization of the logic of self-responsibility, which is the main mechanism of the reproduction of debt relations, utilizes the family as a fundamental interface, rather than the guilt in Turkish case. The guilt is also an important affect circulating in relation to the credit mechanism in Turkey; but with regard to the utilization of the family as a terminal between financialization and morality, it is transformed to an affect that can be verbalized by (potential) debtors and even evaded. The vitality of the familial needs and the self-responsibility logic of the family help people to evade the guilt. In other words, guilt functions in a different way in the Turkish case; first, it's directly related to religious guilt in breaking the ban on

interest, rather than the individuating guilt that results from debt, and secondly, through the immediate and life-sustaining conceptualization of the familial needs it becomes an affect that is bearable 'for meeting the needs of family members'.

In addition, the family-based debt structure functions as the main interface of the capitalistic control under neoliberal rule through two complementary mechanisms; first, family-based reorganization of the economy through credit mechanism means the internalization of self-responsibility logic of neoliberalism by the families. The responsibilities for self-sustainment and the provision of insurance mechanisms to deal with economic failures shift to the nuclear family's shoulders. It is re-constructed as an autonomous, self-sustaining and productive economic unit in compliance with the neoliberal logic of privatized social policy and entrepreneurship. Second, family mechanism intensifies one's responsibility to pay off the debt, even more than the individual guilt, because of the everlasting necessity to sustain the well being of the family. If you fail or refuse to pay off the credit, you and your family will driven into a despair and embarrassing situation; you won't be able to take another bank credit to meet your needs and you have to deal with the ongoing legal process of distraint, which is also a dishonor for the head of the family.

The articulation between family and the financialization translates indebtedness to a matter of choice, a contractual relationship for the good of both parts. In such a construction that takes the providing of familial needs as its main object and underestimates the negative consequences of neoliberal social policies, credit appears as a quasi-gift, more than a moral burden. This is related with the following: The institutionalization of the logic of financialization in a situation in which other social bonds of informal loans are weakened has paved the way for a new evaluation of modern banking in Turkish society. As a result of the development of finance sector and

the increase of the number and variety of financial instruments in line with financial development attempt of AKP governance, the interest rates have fallen to unseen levels; between the period of 2006- 2012 people have taken the credit for need with 5% annual interest rates, which was very low and the lowest among other types of consumer credits.

Moreover, state's active collaboration with the finance sector through sharing information about citizens with the new institution of MERNIS[48], the credit agreements and the necessary procedures have been simplified; the banks constantly promoted the motto of you can take credit with just sending your ID number with a SMS. That there has emerged an efficient environment that facilitates taking out credits, and with extremely low interest rates, is experienced as a kind of gift by the (potential) debtors, who are already driven to the credit mechanism. As in the narrations I have quoted, most of the debtors define banks as the savior in terms of making them meet their economic needs, and the easiness of the borrowing procedures also makes them appreciate the banks.

The excessive reference to the need gains materiality in such a construction that is organized around familial needs and the desperate drift to credit mechanism as the sole alternative to borrow money in the contemporary world. Different from the religious attempts to re-interpret the ban on interest by projecting a survival dilemma from the gaze of borrower, in the subjective narrations of the debtors, need refers directly to the tangible needs of the family like housing, marriage expenses, vehicle, school expenses and so on. In a sense, need does not function to justify the use of credit in the eyes of the religious law, rather it organizes an environment that the religious

[48] MERNİS is a digital data-gathering project that is presented one of the most important phases of AKP's policy of digital transformation, which is called E-State. The project is summarized as the modernization of the services concerning of population data. Its main aim is explained as 'fastening state operations and providing accurate information to institutions'. However, under these general claims, there began an organic cooperation with new-coming extended financialization.
See http://www.nvi.gov.tr/Hakkimizda/Projeler,Mernis_Genel.html?pageindex=1

anxieties becomes neutralized and the family with its self-responsibility logic becomes the main object of morality. It is possible to argue then that the ongoing financialization acts upon subjectivity and functions as a mechanism of controlling (the future) in terms of the preservation of social order but with the aid of the necessary interface of the family between credit and morality.

CHAPTER 5

CONCLUSION

Throughout this thesis, I have tried to reveal the multi-faceted relation between the ongoing financialization and morality. To this end, I have discussed both the institutionalization of a new form of conservatism by AKP as a way to leave behind the old Islamic anxieties about financial development. I tried to argue for the moral consultancy function of the Directorate of Religious Affairs that has provided a general context for the religious reformulation of the ban on interest. Lastly, I have claimed the concurrent institutionalization of the neoliberal logic of self-responsibility and pointed out the production of a new-moral ideology at the point of convergence between neoliberalism and financialization by utilizing the family and familial needs as an interface.

The ongoing financialization of Turkey and the overgrowth of household indebtedness are studied from different perspectives before. For instance, Elif Karaçimen (2014) explains the recent overgrowth of household indebtedness by examining both the supply and demand processes, and she argues that this overgrowth of indebtedness is related to both the restructuring of banking sector and the decrease in popular incomes; she defines her approach on indebtedness as inspired from political economy. On the other hand, Pınar Bedirhanoğlu offers a different elaboration by regarding the increasing indebtedness of the working class in Turkey as a practice of excessive violence and connects this phenomenon to Etienne Balibar's definition of "excessive violence" (Balibar, 2009) as a way of breaking down the possibility of resistance, moral, and physical destruction of the individual (Bedirhanoğlu, 2014). My

work can be considered as adding a different layer to these discussions by examining the moral bases that have accompanied and even promoted the ongoing increase of personal indebtedness in Turkey.

As I have tried to clarify since the beginning of this thesis, my intention to engage in an analysis of the relations among financialization, indebtedness and morality stems from the specificity of the Turkish political context and cultural realm in terms of involving certain direct rejections of financial development and modern finance as a result of the Islamic ban on interest. The conservative-religious movement of Milli Görüş has always promoted an economic development project that depends on the development of productive sectors through the support of the state. Contrary to MGH, AKP has pursued a neoliberal transformation project and reframed it with a new model of conservatism, which helped AKP formulate a positive attitude towards financialization, as a way of bypassing Islamic concerns towards economy.

The role of state is crucial in the Turkish model of financialization in terms of both providing a necessary legal architecture for the financial market and also providing moral support and consultancy for the process. Interest (actually, the Islamic ban on interest) indicates a convergence between morality and economy in itself. It represents a point of interference where the non-economic acts upon the economy by constantly reminding the religious guilt and cultural anxieties around finance, as well as projecting it as a problem of community solidarity. In this respect, DRA's attempts at differentiating (modern) interest from (ancient) usury seems compatible with AKP's project of redefining Islam and religion under the title of conservatism.

It is important to formulate another question concerning the role of morality, and specifically the role of DRA since the beginning of republic as an institution that aims to shape and configure identities compatible with the shifting policies of the state

(Gözaydın, 2008). Despite the fact that the consultancy function of DRA is revitalized and that DRA has gained enormous power during AKP governance, the general attitude of the Turkish state to utilize DRA for the production of moral identities compatible with the shifting desires of the state agency in terms of 'the good citizen' has remained the same. As a formal state institution on religion, DRA has produced a re-interpretation of the ban on interest by re-vitalizing Islamic notions of need and necessity but also compatible with the neoliberal concern of economic well-being of subjects. The reliance of this re-interpretation on the discourse of need can open a new question of studying the contribution that neoliberal logic makes to a new alliance between morality and economy.

By placing the responsibility of economic sustenance on the shoulders of individuals and by promoting new private insurance mechanisms, like consumer credits, neoliberalism redefines morality through reframing it with the ideal of economic self-sufficiency and self-responsibility. In the specific case of the Turkish model of financialization, this collaboration between the neoliberal ideal of self-responsibility and the redefinition of financialization in a way that assuages moral anxieties has functioned with a great efficiency by the involvement of the family in the picture. In this sense, this dissertation can open up the possibility to re-discuss the new role and transformation of the family in the institution of neoliberalism and financialization, a question which is often ignored. What does actually happen to the family as its is pulled and pushed by this new discourse that articulates morality with the credit mechanism? Does this constellation strengthen the conventional gender roles in the Turkish family? This set of questions addresses especially Turkish society, but this reimbursement of the role of the family in the new credit regime can also result in the emergence of important questions concerning the global regime of financialization and indebtedness. Different from

focusing on the aspect of individualization in the current global indebtedness regime, the role of family and its articulation with individualization is a crucial question to re-think the effects of financialization.

More broadly, my thesis can also make contributions to re-thinking the relations between economy and morality in Turkey in realms other than financialization. For instance, the moral discourses that encircle the current labor regime of subcontracting can be considered as one of these possible fields. How is this new, flexible and insecure labor form promoted, through the narrations on the expansion of labor market and the relative increase in the number of available jobs? Is it projected as a democratization of the labor market, as including everyone (in exchange for low wages and the increased risk of death)? Or, should not we discuss the recent transformations concerning care labor policies of state, which are promoted through the ideal of the caring family, and which render women as the functionary of care labor by offering them really low wages through this underestimated relationship between morality and economy, especially within the neoliberal-conservative governmental project of AKP?

To discuss all these ways in which morality and the moral concerns are utilized by neoliberal-conservative political projects is beyond the focus of this thesis but as a concluding remark I want to emphasize this tensional relationship between conservatism (especially, as it is articulated with neoliberalism) and its requirement to acquire popular support to install economic projects in society. Therefore, the current political and economic environment in Turkey that is mostly shaped by the neoliberal-conservative AKP government provides a fruitful research area to re-think the relationship between economy and morality, as in the case of financialization.

APPENDIX A

ORIGINAL QUOTES IN TURKISH FROM THE DISCUSSIONS ON

CONTEMPORARY RELIGIOUS MATTERS II, 2009

Page 82: Ahkamın değişmesi, inanan ve uygulayan Müslümanların ihtiyaçlarını karşılama amacına bağlı olmalıdır. Bu ihtiyaç söz konusu olduğunda ya da zarurete bağlı olarak geçici veya hükmün kaynak ve niteliğine gore uzun süreli değişmeler olabilir. Bu değişmeler de içtihatla gerçekleşir.

Page 85: Birisine gidip bana şu kadar borç ver diye minnet etmek yerine bankadan yüzde 3 faizle kredi alınabilir.Benim kanaatime göre bu uygulama, Kur'an-ı Kerim'in yasaklamış olduğu riba değildir. Zaten günümüzde bankasız bir ekonomik sistem de mümkün değil. Çünkü çağ çok değişmiş.

Page 89: Bir müslüman olarak, "içki haramdır" dendiği zaman bunu anlayabiliyorum. Hani, votka, rakı, şarap,cin diye bir ayrıma gitmiyorum. Yani, sarhoşluk veren bir şey içkidir diyorum. Ya da diğer haramları anlayabiliyorum. Ama riba, faiz midir değil midir ya da İslâm'ın yasakladığı riba ile bugünkü bankaların verdiği faiz birebir örtüşüyor mu, iktisadi anlamdaki faiz aynı şey midir?

Page 92: Sözümün başında söylediğim gibi, işletmelerin, tüketicilerin, bireylerin finansmana ihtiyacı var; yatırımcıların finansmana ihtiyacı var. Bu finansman ihtiyacını nasıl karşılayacaksınız? Finansman ihtiyacının karşılanmasında kredi mekanizmasını devreden çıkarırsanız geriye anladığım kadarıyla bir tek kâr-zarar ortaklığı kalıyor.

Page 94: Burada önemli olan nokta ihtiyaç ve zaruret halidir. Yine bilindiği üzere "zaruretler haramları mubah kılar". Onun için bazı hallerde faiz vermek caizdir, diyoruz. Yani zaruret halinde böyledir, zaruret halinde diğer haram olan birtakım şeylerin zaruret miktarınca işlenmesinin caiz olduğu gibi, zaruret halinde o zarureti aşacak kadar faizli borç/kredi alınabileceğinde ittifak vardır. Ancak ihtiyaç halinde de faizli kredi alınabilir mi? Dikkatlerinizi çekmek isterim, burada sorumuz; kesinlikle " ihtiyaç halinde faiz alınabilir mi?" şeklinde değildir. Çünkü, faiz almakta zaruret olmaz, kanaatindeyiz. .ünkü zengin insan başka meşru yollardan parasını çalıştırabilir, çalıştırmalıdır. İhtiyaç halinde, faizli ihtiyaç kredisi alınabilir mi? İşte burada yine tartışılan bir husus olmakla beraber, Mecelle'deki bir ilke imdadımıza yetişiyor. "İhtiyaç umumi olsun hususi olsun zaruret menzilesine tenzil olunur." Yani, özel ve genel ihtiyaç zaruret gibi görünür. Dolayısıyla zaruretler haramları mubah kıldığına göre, ihtiyaç yani karşı konduğunda .lüm söz konusu olmadığı halde sıkıntı meşakkat,
işimizden aşımızdan olma veya birtakım zarar görme gibi kişiyi sıkıntıya sokan şeyler esnasında alınacak faizli kredilere ihtiyaç kredisi diyebiliriz ve bunların alınabileceğini söylüyoruz. Ancak, burada da ihtiyacın sınırını belirlemek önemlidir.

Page 95: Yani barınma zaruri ihtiyaçlardandır. Bir kimse bu zaruretten dolayı dışarıda kalırsa elbette haram buna helâl olur, ama helâl olan alternatif olarak

kiralama imkânı varsa bu helâl bir alternatiftir. Mülkiyet şart değildir. Bir insan yeni evlenirken hanımını barındırmak zorundadır; ama mülkiyet şart değildir. Hayır efendim bu bir ihtiyaçtır. Peki, biz ihtiyacı zarurete mukayese ederek helâl olduğunu ifade ediyoruz…

Page 96: Kanaatimize göre, ben paramı faizde çalıştırmak istediğim için ve faizle elde edilecek kazancı naslar yasakladığı için, her iki halde de ben ihtiyaç kredisi de, ticari kredi de, işletme kredisi de veremem. Ama digger taraftan bakarsak konuya, ben bir fakir ve yoksul insanım, yaşamımı sürdürebilmek için temel ihtiyaç maddelerini satın almak istiyorum, bu amaçla borç paraya ihtiyacım var, müslümanlar borç para vermiyor; faizli kredi, yani ihtiyaç kredisi alarak bu ihtiyacımı giderebilir miyim?

Page 97: Eski İslam alimlerinin tarihteki bakış açısına göre biri yazlık biri kışlık ev sahibi olmak temel ihtiyaçlar arasında. Biz de ihtiyaçla sınırlı olmak üzere bu ikisinin kredi ile alınmasında sakınca görmüyoruz. Yine alimlere göre, binek at veya deve de önemli bir ihtiyaç. Binek hayvanın bugünkü karşılığı ise otomobil. Bu nedenle otomobil alırken kredi kullanımında sakınca görmüyoruz ancak yine ihtiyaçla sınırlı olmalı. Modeli de önemli. Ne Hummer gibi lüks araç ne de 1974 model Murat olmalı.

APPENDIX B

ORIGINAL DISCUSSIONS IN TURKISH FROM MEMURLAR.NET

Example 1, page 107:

Kredi Almak Hususunda:
23.01.2012 23:32
ulashserdar: faiz yemenin kesinlikle haram olduğunu biliyorum. sadece milyon dolarlar değil 1 kuruşunun dahi haram olduğu konusunda hiç şüphem yok. ama bilmediğim konu şu ki: kredi çekip ev almak veya araba almak istiyorum. ticari karlılık gütmeksizin sadece düzenli ödemelerim olması için düşünüyorum. ama bunu kesinlikle İslam'a uygun olmasını istiyorum. zira Hak yolundan uzak olan bizden de uzak olsun.

23.01.2012 23:38
ameloss: Faizin her türlüsü haram, malesef 4 yıl önce 2 bankadan ufak çaplı kredi çektim... Pişmanım keşke paramı biriktirip ihtiyacımı öyle tamamlasaydım... Ev belki zorunlu ihtiyaç ama araba için değmez.
(krediyi ödeyeceğin zaman iki yakan bir araya gelmiyor)

23.01.2012 23:43
Osmanlı Tuğrası: krediyede faiz uygulandığı için haram fakat bu devirde bankaların kapısını çalmadanda bir şey yapılmıyo Allah herkese kolaylık versin

Example 2, page 108:

İhtiyaç Kredisi Haramsa Nakit İhtiyacımızı Nasıl Temin Edebiliriz:
08.10.2012 09:40

Geofrey: acil 10 bin Tl ye ihtiyacım var ama ihtiyaç kredisi nereye baktıysam haram. peki ihtiyacım olan parayı kimden borç alabilirim.. Birde merak ettiğim şu banka faiz koymadan neden yüklü miktarda kredi versin. sonuçta işlettiği bir çark var. fikirlerinizi alabilir miyim…

08.10.2012 09:42
Bilge Hilal: eskiden insanlarda Allah korkusu vardı ,yardımlaşma-dayanışma vardı , herkes birbirne borç para verirdi... şimdi insanlar bencilleşti ,yabancılaştı ,uzaklaştı , bu durumda ya parasız kalacaksınz ya da krediye başvurcaksınız.
avrupai hayat sürdükçe toplum , dini yaşamak çoooook zor.

08.10.2012 14:56
Ekaya: İhtiyaç Kredisi haram ise nasıl nakit temin edebileceğiz?
aynı soruyu devlet de soruyor ama ne yapıyor biliyor musunuz? bankalardan borçlanıyor. ahmaklığa bakar mısınız? parayı başkasından borçlanıyor!! bitmeyecek bir borç içine giriyor, elinde avucunda ne varsa özelleştiriyor, vatan toprağı satıyor,

zam yapıyor ve milletin tepesine binip haraç alıyor, faizcilere veriyor. ama borcu bir türlü bitmiyor? neden acaba? :) bilen için cevap çok basit.
bütün bunları yapıyor ama asıl yapması gerekeni yapmıyor, parayı kendi basmıyor. parayı enflasyona neden olmayacak şekilde, katı kurallar çerçevesinde faizsiz olarak devlet basmalı. ticaretin bel kemiğini korumalı.

18.11.2012 20:58
gerçeğinpeşinde: İslamiyet çıktığında banka manka yoktu. Kredi de yoktu. Ne gezer? Her taraf kum fırtınası altında idi.
İhtiyaç duyarsam bir bankaya gider ve krediyi alırım. Devletin izni ve bilgisi sayesinde o krediyi alırım. Kimse de karışamaz. Faizini de ben ödeyeceğim. Haram maram da olmaz!..
Bankalar her gün dolup taşıyor. Milyonlarca insan krediler alıp kullanıyor.
Yüksek Mimar Ece Hanım hem araba, hem de ev kredisi alacak.. Eşi de Uzman Doktor..
Durum budur. Banka konusunda Arap adet ve alışkanlıklarına itibar etmem.

18.11.2012 21:20
alexgitti: Ev alacak kişinin derleyip-topladığı parası olsa, zaten hiç bir şeye ve yere müracaat etmez.. En dosdoğru gidilecek yer banka oluyor. Yarın yine tüm bankalar hıncahınç dolacaktır. Önlemek isteyen varsa, buyursun ama hiç tavsiye etmem.. Devletin izni de var, onayı da var.

19.11.2012 09:02
snms_4242: öncelikle ihtiyacın çerçevesini kim belirliyor,evsizlik arabasızlık,evlenecek olmak,borcun olmaması vs.ucu açık bir durum herkes her durumunu zaruret olarak niteleyebilir,ikincisi ihtiyacın hasıl olması yanlışa meşruiyet kazandırmaz,o halde aynı durumu her harama uygulayabiliriz bir engel var mı buna,yok,
peki bu durumun sorumlusu kim?
müslümanlar,
zira müslümanlar üzerine düşen görevleri yerine layıkıyla getirmemektedir,inananların bu tür itiyaçlarını gidermek için kuruluşlar var mı,yok,her müslüman zekatını veriyor mu,yok,verilmiş olsa gereken infaklar yapılmış olsa, mümin olmanın gerekleri yerine getirilmiş olsa ,müslümanlar da bu sıkıntılara düşmezdi,örneğin bahsettiğim anlamda bir yapı müslüman bir ülkede başarıyla uygulanmıştır,ceremesini çektiğimiz konunun müsebbibi de biziz...

19.11.2012 09:56
sum41: Aynı sıkıntıyı kendim de yaşıyorum.Evlenmek için maddi desteğe ihtiyaç duyuyorum herkes gibi ve şu an tek yol bankalar gözüküyor. Ama vicdanım hiç rahat değil.Hayırlı bir iş için haram girmek çok ters geliyor.Ama işin içinden nasıl çıkacağımı da bilmiyorum.Allah cümlemize yardım etsin.Hayırlı bir çıkar yol göstersin inşAllahü Teala.

10.12.2012 06:23

yorumyap: Milyonlarca insan bankamatik kullanıyor ve nakit kredisi alıyor, akabinde de ödüyor.. Kul, takdir hakkını kullanıyor, karışılmaz.. Karışılsa da işe yaramaz.

Example 3, page 124:

Evlilik için alınan kredi faize girer mi?
16.01.2012 10:30
Taruh: "bin defa fetva alsan da sen yine kâlbine sor" demişler.

16.01.2012 10:35
işimdeyim gücümdeyim: " 16 Ocak 2012 10:30
"bin defa fetva alsan da sen yine kâlbine sor" demişler.
Taruh"
kaynağı ne peki bunun..böyle bir ayet ya da hadis var mı ? zaten müslümanların yanlış yapmalarının en büyük sebebi kurana, hadise, fetvaya bağlı değil de kafalarına göre yaşamaları değil mi dini..."faizin her türlüsü haramdır" diye bir dini kaide var kalkıp utanmasanız ya kalbin elveriyse al diyeceksiniz.

18.01.2012 15:01
gonca_gul_bolat: ben de evlenirken kredi çektim malesef ama şu zamanda başka alternatif yok kimse kimseye yardımcı olmuyor ya da olamıyor:(vicdanım pek rahat değil, Allah evimizden bereketi eksik etmez inşallah:(

bu faiz olayına güncel bi yorum getirilmesi gerektiğini düşünüyorum aslında çünkü insanlar eski insanlar değil yönetim eskisi gibi değil :S

18.01.2012 15:16
FIRAT1945: Şimdiki devirde babası oğluna yardım edemiyor.. Düğün ve evlilik giderleri can yakıyor, ocak yakıyor.. Kolay kolay da evlenilemiyor.
Kimse, durduk yere keyfinden banka kredisi almaz. İhtiyaçtan doğar.
Bankada memur olan İsmet Bey'e babası da yardım edemedi, dayısı ile amcası ve teysesi de yardım edemedi. Ne yapsın gariban? kara gün dosto olan bankaya müracaat etti.

Example 4, page 125:

Krediyle ev-araba vesaire alacak arkadaşlara
10.12.2010 22:48
fusul-i erbaa: günümüzde istemesek de faize bulaşıyoruz malesef. :(

10.12.2010 23:23
niyaz_42: kredi çekmedim hayatım da sadece beni rahatsız eden maaşlarımızın faizli yerde olması...
11.12.2010 18:09
iren17: söylemiş olduğunuz sürede asla ev alacak parayı biriktiremiyoruz. ama kredi çektiğinde ev sahibi oluyorsun umarım günaha girmemişimdir bende kredi çekerek ev aldım. bu arada ben bişye daha soracağım. Bunun için başlık açmak istemedim. Umarım aranızda sorumu okuyan ve cevabı olan vardır. Bankanın Maaşlarıma vermiş olduğu promosyon parayı harcamak caizmidir? ben caiz olmadığını duydum. Şimdi aralık ayında alacağız ama o parayı çok ihtiyacım olduğu halde harcamaktan korkuyorum. ihtiyacı olan birisine vermeyi düşünüyorum.

Mustafa karataş hocadan duymuştum haram dedi üzüldüm :(keşke duymasaydım dedim :) Şimdi duyupda harcamak olmaz.

11.12.2010 18:44
Reis_Bey_: hocam, bir ev sahibi olmak için sıkıntı yasamamak için eğer günaha razıysanız sözüm olmaz evet devir ve şartlar belli ama devre ve şartlara göre bazen uymamak lazım

11.12.2010 19:01
nihal gün: Sadece ev,araç için kredi çekilmiyor.Üniversite okurken de katkı ve öğrenim kredileri çekiliyor.İlk ve tek çektiğim kredi öğrenim ve katkı kredisidir.Aldığım parayı beyaz eşya indeksine göre ödesemde Devletten Allah razı olsun bu vesileyle okuyabildim...

Example 5, page 127:

En avantajlı ihtiyaç kredisi için önerileriniz?
01.05.2011 00:44
gülben: hangi bankalar veriyor max ve min ne kadar verilir bilgisi olan paylaşabilirmi tşk...

03.06.2011 20:14
ölü_: faiz yemekte yedirmekte haramdır kardeş..bugün cuma namazında imam efendide tekrarladı bunu..

14.06.2011 02:00
salihh: ölü kardeş imam efendiye sole bi bana borç versin faizsiz ev alıyım yaavas yavas geri ödeyim.yoksa maaşla ev alınmaz.bide sor bakem insanlar ömrünün sonuna kadar kiradamı kalsın.o daha mı makbulmuş...

14.06.2011 18:38
305kd: Faiz haramdır ve hüküm nettir.. Kirada oturuyorum vs bahane değildir.. Bakara Suresi 275. Faiz yiyenler (kabirlerinden), şeytan çarpmış kimselerin cinnet nöbetinden kalktığı gibi kalkarlar. Bu hal onların "Alım-satım tıpkı faiz gibidir" demeleri yüzündendir. Halbuki Allah, alım-satımı helâl, faizi haram kılmıştır. Bundan sonra kime Rabbinden bir öğüt gelir de faizden vazgeçerse, geçmişte olan kendisinindir ve artık onun işi Allah'a kalmıştır. Kim tekrar faize dönerse, işte onlar cehennemliktir, orada devamlı kalırlar.

Görüldüğü gibi kirada oturmak vs gibi bir durum yok sadece uzak durun deniliyor.. Veya bazı light İslamcı hocaların dediği gibi "1 ev helal 2ncisi haram gibi"

14.06.2011 19:08
madrower: kimseden faiz yemiyor bankayada parasını yatırıp faiz almıyor. zorunlu ihtiyacını karşılayacak olduğundan mecburen aldığı için öyle birşey olmaz...

15.06.2011 08:57

Serdar UZUN: Bazı arkadaşlara sormak isterim. Tanıdığınızdan diyelimki 10.000 TL borç aldınız. Adama 3 sene sonra verdiniz. 3 sene sonra verdiğin o 10.000 TL bakalım aynı 10.000 TL midir? Faiz haramdır deyip kesip atılamaz. Faize helaldir diyen de yoktur zaten. İnsanlar babalarından analarından bankadan alabileceği paraları alsalar bankalara başvurmazlar herhalde !!!Kirada oturmayan, altında arabası olan birkaç arkadaşım vardı, Faiz haram deyip dururdu, ondan borç istenildiğinde de sesi soluğu çıkmazdı. Birşeyler söylerken duyarlı olmak lazım...

15.06.2011 11:43
konserwatif: aynen öyle serdar bey.
benimde inancıma ters ama malesef şartlar zorluyor..
Allah nasip ederse bu sene içerisinde evlilik hazırlıkları yapıcam ama cepte 5 kuruş para yok ee bu hazırlıkları nasıl karsılayacam babada yoksa..
kaçımızın ailesi zengin kaçımızın anneside calısıyor hepimiz ortalama ücretlerle ailesini gecindiren babaların cocuklarıyız..
bugün bırakın aileden destek görmeyi binlerce genc ailesinin geçiminide üstleniyor..
biz istermiyiz faizle borc paradan medet ummayı ailemiz bizi finanse edecek durumda olsa..
negüzel anne babalarından maddi olarak destek gören arkadaşlara..

15.06.2011 13:41
Gölge007: Slm Herkese akıl veren çok ama para veren yok herkes bir şekilde bulaşıyor mecburiyetten bende bulaştım kardeşlerim okuyordu mecburen çektik yok faiz haram haram olduğunuz ayetler zaten yazıyor bilmeyen yok para lazım kimden alabilirsin 10 bin tl verse bile kim sana durur 3-5 yıl sölemesi hoş boş beleş nasihat vermekte hoş ağzı olan konuşuyor

17.01 2011 00:28
diyi101: Hacı,hoca alim değilim ama bildiğim bir şey varsa FAİZ HARAMDIR ve ben malesef ev almak için çekeceğim.
Zaten en çok bu yüzden zoruma gidiyor bile bile yapmak zorundayım.

22.01.2011 02:26
eomer: Hz. Ömer Kıtlık döneminde had cezalarını(hırsızlıkla ilgili) kaldırıyor.
Bu durumu şuan kredi almak zorunda kalan insanlarımıza nispi oranda uyarlayabiliriz.
Bence bu faizli kredilerin günahını vatandaştan çok devleti yönetenler üstleniyor. Zira bu konuda vatandaşlarına böyle bir alternatif yaratabilmeli. Kimse çıkıp imkansız demesin, bence oturup faizsiz nasıl kredi verebilirizi derhal araştırmalı ve ona göre vatandaşlarını günah çukurundan korumalıdır. Zaten devletin varlık sebebi de bu olmalıdır.

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