

## Interests, passions, and politics: Business associations and the sovereignty dispute in Turkey

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### Abstract

This paper examines business associations in a context where the state is being contested from below, focusing on Diyarbakır, a major Kurdish city in Turkey. Against the backdrop of armed conflict, reform processes triggered by the country's EU candidacy and socio-economic change, Diyarbakır has become a contested zone over which the Turkish government and the Kurdish movement have been competing for control. Local business associations have been influenced from this contestation as well. Considering the situation of dual power and moral economy at the local level, the paper examines how the associations deal with an adverse situation that is characterized with political instability and uncertainty. The analysis shows that business leaders were able to make the best of the situation.

**Key words:** business associations; civil war; moral norms; social movements; state; strategic interactions.

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The study of business associations mostly relies on the nation-state as a unit of analysis and on more or less stable institutional settings (Martin & Swank, 2012; Schmitter & Streeck, 1999; Schneider, 2004; Spillman, 2012). Little attention has been paid to the situation with regard to subnational challenges to the state and institutional instability. There are works which elaborate on the roles business actors may play in local peacebuilding and in the consolidation of democracy (Ben-Porat, 2005; Charney, 1999; Rettberg, 2007; Schmitter, 1992, 1995; Streeck & Crouch, 2006; Varshney, 2003) and works which focus on economic factors as one cause of civil wars, usually driven by the dichotomy of 'greed and grievance' (Cederman *et al.*, 2010; Collier & Hoeffler, 1998; Horowitz, 1985; Østby *et al.*, 2009). Yet the impact of political contestation on business associations and interest representation as well as the responses of the associations is underanalysed.

How do associational leaders duly cope with a context where the state is being contested from below and where associations turn into one of the sites of such contestation? Do subnational challenges to the state's sovereignty mean a weakening of associational capacity and autonomy? How do leaders articulate and pursue common interests (both economic and non-economic) vis-à-vis their political interlocutors? Local business associations in Diyarbakır, a major city in predominantly Kurdish-populated south-eastern Turkey, provide a case in point for observing these questions, as they are located in a 'contested zone' (Kalyvas, 2006) over which two political actors exercise limited sovereignty and compete for control.

The sovereignty dispute is between the Turkish government and the Kurdish movement against the backdrop of armed conflict between the Turkish army and the guerrilla organisation the PKK (*Partiya Karkerên Kürdistan – Kurdistan Workers Party*), which lasted three decades,

and cost the lives of more than 30,000 people and the internal displacement of more than a million others. Since 1999, however, the conflict has been temporarily defused, thanks to processes such as the capture of the PKK's leader Abdullah Öcalan, Turkey's candidacy for European Union (EU) membership, and various initiatives by the AKP (*Adalet ve Kalkınma Partisi* – Justice and Development Party), which has been in power for four successive terms since 2002.

Local business associations have emerged in Diyarbakır as politically salient actors in this transitional process. They have been addressed by international delegates as the representatives of the Kurds at the local level, influenced by the political rivalry over their environment, and engaged in diverse activities forging alliances and calling for peace. This study focuses on interactions between Diyarbakır's business associations and the political actors, investigating how business leaders behave in a contested context. While there are significant constraints in such a contested environment such as political insecurity, institutional instability, and uncertainty, the paper argues that business leaders have been successful in making the best of this difficult situation, enjoying some bargaining power and protecting their relative autonomy. This is because the leaders are usually mindful of the balance of power in their manoeuvres, taking part in dual engagements and adjusting common interests in their diverse activities.

The paper proceeds as follows. Section 2 elaborates on the frame of analysis and provides background information on the case study. Section 3 focuses on the local business associations, while section 4 discusses the findings and the recent developments. The analysis focuses on the period between 2005 and 2012, during which organised business activism reached its peak before the peace talks between the government and the PKK became public in 2013 and came to a halt in 2015 leading to intense clashes once again. It draws on a larger project on interest associations, including archival research and a three-month field work visit in 2011 to Diyarbakır and one-month to Ankara, the national capital, where the author carried out about 80 semi-structured interviews with past and present leaders and members of interest associations as well as politicians, among others.

## **Setting the stage**

The literature on business associations mostly relate to relatively stable and institutionalised political systems, while the case at hand is one of instability and contestation. Yet historical works on the contested processes of state formation as well as capitalist development provide useful tools for examining the environment of associational politics in such a situation. In this section, firstly, I elaborate on the nature of the environment in question, which can be described as one of 'dual power' and 'dual economy'. Secondly, I focus on the Turkish government's efforts to counteract the situation of duality by 'calling upon the interests'. Thirdly, I discuss the place of business associations in this scenario before proceeding to the case analysis.

### *The situation of dual power and dual economy*

The situation of dual power is mostly seen in contexts of civil wars, pre-revolutionary situations, anti-colonial movements, and other challenges to state sovereignty (Kalyvas, 2006; Scott, 2009; Tilly, 1978; Wood, 2003). It is characterised by the existence of two (or more) rival claims to authority, drawing on competing institutions and sources of legitimacy, which produce a situation of 'divided sovereignty'. The fact that a significant part of the population honours the claim is vital for the definition; this can be in the form of paying taxes, providing personnel for armies, honouring symbols, and sharing resources despite the objections of a still-existing government (Tilly, 1978, p. 192). Such a situation is supposed to end when only one authority

controls the state apparatus and the population within its territory. An alternative approach, on the other hand, sees it as a means of gradual transformative change thanks to the creation of new institutions and/or the redefinition of existing ones (Rockefeller, 2007; cf. Streeck & Thelen, 2005). It is worthy to note that the revolutionary notion of dual power is usually attributed to V. I. Lenin, and the non-revolutionary notion to Murray Bookchin, proponents that were read and referred to by the PKK's leader, Abdullah Öcalan, at different phases of the conflict. The situation of dual power also leads to shifts in the political configuration of space: each actor usually has spatial segments under its control, and there are zones in which control is contested and limited sovereignty is exercised, namely 'contested zones' (Kalyvas, 2006).

As for the Kurdish case, the PKK launched the armed struggle in the mid-1980s with a Marxist-Leninist rhetoric and with the goal of national liberation for the Kurds, who are the largest ethnic minority group, comprising some 15 to 20 per cent of the population and predominantly located in the south-eastern region of the country, giving the conflict both ethnic and territorial dimensions. The group has been deprived of cultural-linguistic rights, has lived in a relatively underdeveloped region and has been subjected to periodic state oppression as a result of an authoritarian process of nation-building throughout the twentieth century (Marcus, 2007; McDowall, 1997; van Bruinessen, 1992).

As early as 1986, however, the PKK declared that 'liberated zones' were in the making (van Bruinessen, 2005, p. 371). The expression meant that the PKK was taking control of the locations and asserting itself as the sole authority. As it increased its power in the decade that followed (Bozarslan, 1996; Ölmez, 1995; van Bruinessen, 2005), a situation of dual power emerged in the Kurdish region, with rival claims to authority by the Turkish government and the PKK-led growing Kurdish movement.<sup>1</sup> Contemporary Diyarbakır as a city and its associational environment can be described as a 'contested zone' in this context.

The Kurdish movement's claim to power led to the creation of alternative institutions and sources of legitimacy. A former PKK commander explained the process as follows: 'The idea was that whatever the state does, we do, that we should sort of share authority, they operate during the day, and we operate at night . . . So if the state taxes, then we have to tax too' (quoted in Marcus, 2007, p. 182). The movement undertook state-like activities such as justice (e.g. 'popular courts' allegedly run by PKK cadres and the roles played in the resolution of socio-economic disputes by the pro-Kurdish party at the local level), fiscal policy ('taxes' allegedly collected by PKK cadres from the wealthy and local companies), welfare provision (charity activities organised by the pro-Kurdish party at the local level for war survivors), military recruitment and security (Aktan, 2010; Bozarslan, 2003; Geerse, 2011; Marcus, 2007; van Bruinessen, 2005). The PKK was to officially abandon the goal of an independent Kurdish state by 1999 and to advocate a 'stateless solution' while the conflict became intermittent in the following period. Yet the dual-power situation has persisted.

One important development concerning this situation has been the pro-Kurdish political party's rise to municipal governments in Diyarbakır and in the region since 1999, as well as the party members' entry to the national parliament in the 2000s (Watts, 2010). It is worthy to note that the pro-Kurdish party, unlike the PKK, has to operate within a given legal and administrative structure, however. This might make the situation seem similar to the tension-ridden examples of more regular multiplicities of power, such as a situation of municipal government by a major opposition party compared to a local governorship appointed by a national ruling party. However, the dual-power situation is not about rivalry among different levels of the state or among subnational political actors in a context of political and institutional stability. It is about extraordinary states, where the rivalry is for sovereign state power and the rivals may take the form of an internationally-recognized state and quasi-states. Hence, as a theme it links to state formation. As to the behaviour of business actors in such diverse contexts of multiplicities of power, I think the most significant variable is the severity of the risks

involved, which are potentially higher in the contexts of contested sovereignty, characterized with political violence and problems with the rule of law. Whether business actors would be worse or better off in such a contested context is contingent on political interactions, however.

The situation of dual power is accompanied by a dual economy. By the notion of dual economy, similarly, I mean a multiplication of economic systems within a country. For instance, E. P. Thompson employs the notion to refer to the co-existence of a marketised economy and an economy that is still subject to customary law in African colonial contexts (Thompson, 1991, pp. 174-75). For the case at hand, on the one hand, there is a market economy at the national level, which the Turkish government has aimed to further rationalise in the neoliberal period. On the other hand, we observe a moral economy at the local level in the Kurdish region. The notion of a moral economy also originates in E. P. Thompson's work (1971), roughly referring to the idea of social norms and obligations taking precedence over the outcomes of market processes in the context of the eighteenth-century food riots in England. I use the notion loosely here to refer to a set of institutions that underline social obligations, limiting or regulating the rational pursuit of self-interest, and that provide bonds for intra-group solidarity.

Yet the dual economy in question is not about the expansion of markets and social resistance to it; it is linked to the political situation. Ariel Salzmann (2010) regards the peculiar notion of a moral economy as a 'by-product of state formation' in her study on whether a normative order determined the inclusion and exclusion of religious minorities in the pre-Modern period. According to this perspective, the notion may also refer to the terms of conduct between rulers and the ruled, defining power, participation and inclusion; hence, serving political integration.

Similarly, the moral economy in the Kurdish region can also be seen as a by-product of the dual-power situation, that is, the growing power of the Kurdish movement, providing bonds for intra-group solidarity as well as defining the terms of conduct between the movement and the local population. We see an emphasis on 'patriotism' (*yurtseverlik*) and 'sacrifice' (*bedel*) as sources of legitimacy. This emphasis works in such a way that political-moral commitments may influence economic action and outweigh material interests. There are various manifestations of the moral economy in local life. Major examples relate to the respect and gratitude for those who sacrifice their lives for the cause, particularly 'martyrs.' For instance, guerrilla survivors are recognised as 'the families of worth' (*değer ailesi*) and may be given special privileges in accessing resources, such as an informal safety net organised by the movement (and even powerful positions in the movement; for this latter claim, see Ozsoy, 2010). This is reminiscent of the survivors' insurance at the state level as a part of the national military service system.

Another example is shop closure as a form of protest. Shop-closure protests were frequently employed in the 1990s, particularly during public funerals for guerrillas originating from the city, and illustrate how social commitments may prevail over the rational pursuit of self-interest. The accounts related by locals to the author during her fieldwork tended to emphasise the voluntary nature of these protests and the fact that they could be spontaneous or coordinated by the movement's activists. This form of protest was less common in the 2000s, and also became more contested, as discussed below.

### *Calling upon interests to counteract passions*

In *The Passions and the Interests*, Albert O. Hirschman (1997) shows how seventeenth- and eighteenth-century thinkers came to advocate the pursuit of interests – formerly condemned as avarice – to counterbalance the destructive and dangerous passions of human beings. We see that these conceptions had multiple meanings throughout history. For instance, an old notion of

passions included lust for both money and power. The medieval and early modern uses celebrated glory, heroism, and honour as passions. With Machiavelli in particular, on the other hand, we see an increasing focus on interests as a question of statecraft, duly evolving into concern about the problems of individual conduct and the question of a viable social order. A broad Machiavellian notion of interest meant advancing one's power, influence, and wealth. As time passed, the meaning was narrowed down to the pursuit of material and economic advantage and implied predictability. According to Hirschman, the triumph of capitalism took place against this backdrop of intellectual transformation. The *doux commerce* thesis from the late seventeenth century onwards is especially revealing; that is, the idea of commerce as a civilising agent, creating not only wealth but also a type of human being who was more honest, reliable, and orderly (Hirschman, 1982).

The ways in which the Turkish government tried to cope with the Kurdish issue are surprisingly very similar to the story Hirschman tells.<sup>2</sup> Historically, the Kurdish conflict had often been depicted by state officials as a problem of remnants of feudal values and institutions as well as regional underdevelopment, while it was claimed that economic improvement would bring a solution (see Yeğen, 1999). The AKP governments' approach has been double edged in this regard. First, thanks to the EU process, the government acknowledged the rights-dimension of the issue (or 'passions') to some extent: it initiated a few pro-Kurdish reforms, such as the introduction of cultural-linguistic rights, which allow radio-TV broadcasting and private courses in the Kurdish language, and laid claim to the democratisation of the political system via constitutional reforms. Second, it made use of the old rhetoric of unruly values and underdevelopment, challenging the power of the Kurdish movement with regard to its political actors and moral economy. The Kurdish movement was faced with increasing pressures especially from 2009 onwards, largely via political trials resulting in the mass incarceration of its members on the grounds of allegedly founding a 'parallel state' in the words of the then Prime Minister, Tayyip Erdoğan.

Against the moral economy at the local level, the AKP leaders attempted two strategies of political engineering, which are seen in Hirschman's story as ideational trends: i) 'differentiating among passions as a countervailing strategy' and ii) 'opposing interests to passions'. Each approach comes with a definition of 'legitimate benevolent motives' and 'illegitimate harmful motives'. In the case at hand, passions may refer to anything non-economic such as loyalty to the Kurdish movement and its leaders, gratitude towards guerrilla martyrs, rights claims, grievances held by Kurds against the state or, alternatively, common religious bonds. Hence, the first strategy – differentiating among passions – was embodied in Islamic references used by the government to integrate the Kurds to its social base along religious lines (see Candaş & Buğra, 2010) and its accusations levelled at the Kurdish movement of religious perversion such as allegedly considering guerrilla leader Öcalan a prophet and believing in Zoroastrianism (*Milliyet*, April 30, 2011). The nastiest of the government's efforts to delegitimise the passions embraced by the movement was probably the accusation of 'necrophilia' with regard to the movement's repeated demands for clarification of the allegedly accidental killing of Kurdish smugglers by Turkish jets in Roboski near the Turkish-Iraqi border (*Milliyet*, May 28, 2012).

The second strategy – opposing interests to passions – was first seen in the attention paid to interest associations as a potential alternative to the Kurdish movement. It was also openly expressed on many occasions: for instance, during his campaign for the 2009 local elections, the then Prime Minister Erdoğan accused the pro-Kurdish party of engaging in 'identity politics' and ignoring the 'social needs' in the municipalities the party ruled, and accused the PKK of being opposed to the economic improvement of the region. Instead, Erdoğan promised to provide '(public) services' (*hizmet*), which would satisfy the needs of the local population and ensure regional development (*Milliyet*, October 25, 2008). One member

of his cabinet even ‘warned’ electorates that uncooperative municipal rulers would have a problem in getting funds from the centre for their projects (*Milliyet*, February 23, 2009). While the local elections did not change the pro-Kurdish party's hold of Diyarbakır in this period, the results of the national elections greatly oscillated between the two rivals (see Table 1; also see the Conclusion on the recent events).

(insert Table 1 here)

The strategy of ‘calling upon interests to counteract passions’ has been employed more often and has been more influential. This happened against the backdrop of the successful macro-economic performance in the period with sustained growth levels (Öniş, 2012). Furthermore, the government engaged in various targeting policies with the slogan of ‘positive discrimination’. For instance, special subsidies were introduced for small and medium-sized enterprises in the Kurdish region. Diyarbakır was promoted within this programme in the 2009 and 2010 electoral periods (KOSGEB, 2010), while local business leaders played a role in the allocation of these resources, as detailed below.

The local economy has improved significantly, compared to the war economy of the 1990s, thanks to political normalisation, increasing public investment,<sup>3</sup> social transfers, as well as new opportunities for capital accumulation within<sup>4</sup> and outside the country. As the Turkish government improved its political and economic relations with Iraq and the Kurdistan Regional Government in the north of Iraq in the aftermath of the 2003 US-led war, Diyarbakır's improving economy found an outlet in exports (see Figure 1), as well as limited direct investments in Iraqi Kurdistan, some of which are based on franchising contracts with Turkish companies.<sup>5</sup>

(insert Figure 1 here)

### *Enter business associations*

As described above, the strategy of calling upon interests to counteract the passions advocated by the Kurdish movement had two forms: i) the promise of material and economic advantages for the local population, and ii) a focus on local interest associations. The local interest associations started drawing attention by 2005. That year then PM Tayyip Erdoğan made his first visit to Diyarbakır, where he promised a solution to the Kurdish issue through democratization marking the start of a period of negotiations that reached a peak in 2013 with a call by Öcalan to end the armed struggle. Following Erdoğan's promise in Diyarbakır, a major local business leader, Şahismail Bedirhanoglu, read a press statement on behalf of over sixty local associations, including the business-oriented ones, to express their support for Erdoğan and underline their potential role in finding a solution (*Radikal*, August 20, 2005). From then on, the leaders of local business associations often appeared in the media making collective press statements, appearing on TV discussion programs, and being interviewed for national dailies. Business leaders also had occasional meetings with leading statesmen, such as the President, the Prime Minister, the Chief of the General Staff, and ministers of the time, either in Diyarbakır when the latter visited the city or in Ankara when the former was accepted for special visits.<sup>6</sup> The topics of these activities varied depending on the daily events: a most common topic was to call the PKK and the Army to end the clashes. There were also calls to the government to have negotiations with the pro-Kurdish party and to include Öcalan in the negotiations.<sup>7</sup>

Through these media appearances, associations seemed as an alternative actor, as ‘less radical’ and ‘more interest-driven’ than the ‘passion-driven’ Kurdish movement, a depiction which was criticized by some columnists for relying on a binary of ‘good Kurds’ *versus* ‘bad

Kurds'.<sup>8</sup> In 2006, for instance, Kutbettin Arzu, the then president of the Diyarbakır Chamber of Commerce and Industry, differentiated his pro-government approach from that of other local actors: 'there are not only those who support a solution to this issue, but also those who support a solution through violence. They (some recent clashes in the city) are the activities of those who support violence'.<sup>9</sup> Class distinction also entered into the discourse. Şahismail Bedirhanoğlu, the then president of a local voluntary business association, contended that a bourgeoisie was emerging in the region and added the following: 'there are issues that the businesspeople of the region both agree and disagree with the political parties. We are against violence. Violence cannot be a means of rights struggle. Democratic channels should be used. Otherwise, we cannot ensure regional economic development'.<sup>10</sup>

Against the backdrop of a more or less institutionalised local moral economy, the government's strategy was to mobilise corporatist organizations, in addition to advocating a pro-market ethos. The AKP's efforts to interfere in corporatist organisations are not limited to Diyarbakır; they have also been in evidence in other localities and at the peak level, including the introduction of legislative measures (Buğra & Savaşkan, 2014; Kılıç, 2013). The reasons for this interest may vary between the local and peak levels; however, a general reason might be the susceptibility of corporatist organisations to political manipulation and the roles they may play in attaining social order, providing a link between the state and individuals, as seen in the historical example of state corporatism (Schmitter, 1974).

In the case of Diyarbakır, the corporatist association for the local business community – the Chamber of Commerce and Industry – not only attracted the attention of political actors, but also played a leading role for local voluntary associations. Its corporatist properties such as compulsory membership, monopoly of representation, internal electoral processes and public status provide the Chamber with a larger constituency, greater capacity and social legitimacy, as well as better access to political channels. It also has a history of cooperative relations with the national governments. These advantages gain significance against the backdrop of a newly developed and fragmented environment of voluntary business associations at the local level.

Business associations – be they compulsory or voluntary – organised at the national level also play important roles in political life. However, their political outlooks and alliances are more explicit, and better established and defined in competition with one another, along the axes such as secularism and religious conservatism as well as established and newly rising economic actors (Buğra & Savaşkan, 2014). Such inter-organisational rivalry takes place against the backdrop of sovereignty being *historically unitary* and *unambiguous* at the national level. However, a location on the margins of the state, where sovereignty is *contested*, *multiple* and *ambiguous*, complicates the issue (cf. Scott, 2009). Hence, we find inter-organisational cooperation instead.

### **Local business associations in Diyarbakır**

Local business associations in Diyarbakır have come to the forefront as politically salient actors vis-à-vis the sovereignty dispute. The mainstream media depicted business leaders as an alternative to the Kurdish movement and its moral economy, namely as an alternative actor that was presumed to be rational and seeking narrow interests rather than driven by 'unruly' passions. This led to the associations, particularly the Chamber of Commerce and Industry, turning into one of the sites of contestation, drawing the AKP and the Kurdish movement into the site.<sup>11</sup> Business leaders, on the other hand, developed strategies to avoid the potentially adverse effects of the contestation, to protect their organisational autonomy and to pursue common interests and passions as they defined them.

In the following section, drawing on the field work and archival research, I will firstly focus on associational leadership from a historical perspective to make it easier for us to observe

continuity and change in the associations' interaction with political actors vis-à-vis the Kurdish issue. Secondly, I will highlight the incentives and disincentives used by the dual-power actors to influence the local business associations. Thirdly, I will provide examples of a major strategy which the associational leaders use to handle the political situation. Fourthly, I will elaborate on how associational leaders adjust and negotiate common interests and passions.

### *Associational leadership: Past and present*

Founded in 1907, the Chamber of Commerce and Industry is the oldest and largest business association in Diyarbakır. It has also received most of the attention in the recent process. Below I focus on the Chamber's leadership; however, I also mention rhetoric and activities by leaders of major voluntary associations, as they acted in cooperation with the Chamber as its members while the Chamber appeared as the leader for the whole local business community (for a list of major business associations, see Table 2).<sup>12</sup>

(insert Table 2 here)

Local business associations were not particularly politically active before the AKP period. In their interaction with state officials, leaders mostly focused on economic problems and demands, while defining the Kurdish issue mainly in relation to the regional underdevelopment, similar to the state's approach at the time. The Kurdish movement, on the other hand, was not interested in the Chamber (author's interview with Kutbettin Arzu, Ankara, September 27, 2011). According to the then leader of a voluntary business association in the 1990s, 'The economy is the antibiotic for bringing back those who go to the mountain and preventing others from going up there . . . If (a person) had a home, job, and food, and could look after (his/her) family, who would go to the mountain?' (Vasfi Akyıl, *Milliyet*, March 2, 1999).

However, as described above, business associations have become more politically active since 2005, enjoying hitherto unprecedented public visibility. Business leaders began to participate in political and social activities, playing the role of a third actor vis-à-vis the dual-power rivalry. They called for an end to the armed conflict, made rights claims, and pressed for political reforms, as well as tried to avoid becoming objects of contestation themselves.

Given the substantial changes in the political environment, business leaders have voiced a discourse that was quite different from that of the previous decade. Following the then PM Erdoğan's visit to Diyarbakır in 2005, Kutbettin Arzu, the then Chamber's leader and later an AKP member of parliament, expressed support for the government's promise for a solution to the Kurdish issue and urged the PKK 'to lay down arms unconditionally'. Supporting the government's 'slow but important' initiatives concerning linguistic rights, he also demanded that 'positive discrimination' be applied to the region in the form of economic incentives (*Milliyet*, August 18 and 21, 2005). He later argued that 'the region has economic, political, social and cultural problems . . . I do not want to reduce it to a single dimension such as the Kurdish issue or the Turkish issue. The issue belongs to Turkey' (Kutbettin Arzu, *Evrensel*, April 7, 2006).

Another interesting aspect of the new discourse of business leaders is the emerging categorisation of Kurds similar to the aforementioned government efforts. In response to a question that contrasted his optimistic approach with the clashes that recently took place in Diyarbakır between local protesters and the police following the public funeral of PKK guerrillas, Arzu argued that 'there are not only those who support a solution to this issue through peace and democracy, but also those who support a solution through violence' (*Evrensel*, April 7, 2006). As mentioned before, some also introduced the class distinction into the discourse,



referring to an ‘emerging bourgeoisie’ in the Kurdish region who advocated the use of ‘democratic channels’ over ‘violence as a means of political struggle’ (*Milliyet*, August 25, 2010). Since business leaders also publicly supported a highly contested constitutional referendum in 2010, designed by the AKP government, for its democratisation claims, the aforementioned discourses added to the associations’ legitimacy with a liberal view of civil society juxtaposed with the Kurdish movement, which is partly engaged in an armed struggle.

Considering the public discourse of the business leaders and the later incorporation of two of them into the AKP front in the national parliament, it looked like the AKP had been successful in co-opting the business community in its fight against the Kurdish movement. However, an examination of the strategic interactions of the associational leaders shows that they have taken a more or less balanced position vis-à-vis the dual-power actors and adjusted common interests and passions accordingly. Before proceeding to the associational strategies, it is worth taking a look at the major incentives and disincentives business leaders were faced with.

### *The rivalry over the associations: Incentives and disincentives*

From 2005 onwards, the AKP started paying more attention to local business associations, particularly the Chamber of Commerce and Industry. As the associations became more vocal and visible, the Kurdish movement also had to take them into account in competition with the government. Both actors attempted to influence the Chamber’s internal elections, via support for specific candidates, and its overall political positioning. For this purpose, they made use of a number of incentives and disincentives: access to new resources, political career opportunities and intimidation. The first two were used mainly by the AKP government, whereas both political actors made use of the third, that is, intimidation.

New resources have emerged due in large part to project funding. Funds are provided either by international organisations such as the European Union and the United Nations Development Programme, or by the Turkish state. The EU seems to be the most important funder, thanks to the candidacy process. These funds are mostly allocated through a public body in Ankara (the Central Finance and Contracts Unit), and the Chamber had no difficulty in accessing the funds.<sup>13</sup> Funds are also provided by local public organisations, such as the regional Karacadağ Development Agency<sup>14</sup> and, to a lesser extent, by the ministerial SODES programme. Several local associations that have usually been on good terms with the government, including the Chamber and some of the major voluntary business associations, are among the beneficiaries of SODES, while almost no association visibly aligned with the Kurdish movement appears among the beneficiaries.<sup>15</sup> The actual amounts are irrelevant here; what matters is that the funding indicates the Chamber’s access to new resources.

The Chamber also appears to be an important channel for its members to access funds for projects and investment. The Chamber carried out some of the large projects in cooperation with the local voluntary business associations. Furthermore, the ministerial agency KOSGEB’s credit incentives for small and medium-sized enterprises, including a special incentive programme for Diyarbakır alone, were mostly informally channelled by the Chamber, especially in 2009 and 2010 (author’s interview with Expert 3, *KOSGEB*, Diyarbakır, May 10, 2011). This was the period of the 2009 local elections, when the AKP defined its major goal as winning Diyarbakır over, and which also coincided with the leadership of Galip Ensarioğlu, who was later elected as an AKP member of parliament in 2011. It is worth noting that two past leaders of the Chamber successively became MPs on the AKP ticket. Diyarbakır received the second largest number of loan-interest supports across the entire country.<sup>16</sup> Ensarioğlu (2009) noted that it was the first time that Diyarbakır’s enterprises had been able to benefit from credits in such an intense volume. This is important considering the fact that businesspeople often

mention how difficult it was in the past to acquire credits from private-sector banks because of the high-risk environment.

As for the Kurdish movement, it did not offer access to rich monetary resources, while rumours circulated that some businesspeople might be favoured in procurement processes and for zoning permits handled by the municipality. Considering the moral economy mentioned earlier, the PKK might also still be collecting ‘tax’ from companies and the wealthy. As this is an illegal issue, and as it was highly controversial at the time due to mass incarceration across the region, I did not delve into it for ethical reasons; however, the practice is claimed to be continuing by a couple of businesspeople interviewed by the author. Another important issue in material terms relates to the fact that the local municipalities were run by the pro-Kurdish party. A past leader of the Chamber argued that it would be difficult for local businesspeople to be on bad terms with the Kurdish movement since, for instance, they are dependent on the municipality even for basic services such as the provision of tap water (author’s interview with Mehmet Kaya, Diyarbakır, March 26, 2011).

When it comes to intimidation, this seems to have been part of the story since the 1990s. A number of businesspeople were murdered by counter-guerrilla forces under the auspices of the state in the 1990s for allegedly supporting terrorism. In the 2000s, under the AKP rule, the Anti-Terror Law might have been regarded as a source of fear, while it targeted mainly the activists of the Kurdish movement. There are also reputational concerns, namely the possibility of being labelled as a ‘traitor’, as mentioned by a formerly publicly visible businessperson to the author. He argued that the government could label someone if they merely appeared to be aligned with the pro-Kurdish party. He also referred to the same possibility of being labelled by the Kurdish movement, in addition to potential pressure from one’s family circles. Such sources of insecurity depict Kurdish businesspeople as occupying a middle ground between the Turkish government and the Kurdish movement, a view which was expressed by some of the interviewees as well. All of these opportunities and constraints affect the associational behaviour and make it too complicated to be reduced to the pursuit of either economic interests or some pre-defined passions.

### *Manoeuvring within a situation of dual power*

Living in a contested zone shaped by a structure of dual power, business leaders need to respect the balance of power to avoid potential risks. The fact that the contestation takes place in various sites, including the social and the cultural as well as the political, has increased the room for manoeuvre, however. Business leaders have taken part in dual engagements, engaging in areas beyond the typical domains: they cooperated with each political actor in separate projects, while taking steps against the wishes of the actors at other times, all of which creates an environment of ambiguous fluid alliances based on strategic positioning and contingent events.

As the Chamber has a public status, its leader occupies positions in other public bodies such as the regional development agency and the peak association TOBB (*Türkiye Odalar ve Borsalar Birliği* – the Turkish Union of Chambers and Stock Exchanges). For instance, the improving political and economic relations with Iraq after the 2003 war highlighted an advantage for local business leaders in the eyes of TOBB: knowledge of the Kurdish language and the ethnic bonds shared with Iraqi Kurds. The leaders aimed to play an intermediary role, joining TOBB’s visits to Iraqi Kurdistan and underlining their socio-linguistic capital in the hope of gaining a bigger share of the trade between the two countries (author’s interviews with Galip Ensarioğlu and Kutbettin Arzu, Ankara, September 23 and 27, 2011; for export activities, see Figure 1).

As mentioned above, the leaders also participated in occasional meetings with the Prime Minister and other cabinet members in relation to the Kurdish issue, with two of these leaders

successively joining the AKP front as members of parliament in the 2007 and 2011 national elections. A more interesting relationship is indicated by the participation of the Chamber's then leader, along with a couple of leaders from voluntary associations such as GÜNSİAD and DİSİAD, on the board of trustees for the Diyarbakır Foundation for Culture and Arts. Founded in 2008, the Foundation is known to be close to an Islamic network, the Gülenists, who were aligned with the government at the time, influential within state institutions such as the police force and the judiciary system, and played a significant role in judicial and other efforts to contain the Kurdish movement.<sup>17</sup> The involvement of business leaders in the Foundation's board has symbolic significance within the context of local politics.

At the same time, the business leaders also participated in platforms associated with the Kurdish movement. For instance, they attended the meetings of the Democratic Society Congress, an initiative of the movement founded in 2007 to bring together civil society actors under its leadership. A previous leader of the Chamber argued that business leaders would not take part in a platform organised by the movement at times of intense conflict back in the 1990s. Similarly surprising, a couple of business leaders were once involved in the organisational committee for a peace demonstration backed by the movement in Diyarbakır in 2009, an event which resulted in the committee members being put on trial in accordance with the Anti-Terror Law for propagandising for the PKK through the slogans voiced at the demonstration (*Taraf*, December 22, 2010). Such propaganda was undoubtedly not the objective of the participating business leaders.

A more revealing example is the involvement in the Sarmaşık Philanthropy Association. The association was (re)established on the basis of a heterogeneous founding board, which consists of a large number of local associational leaders and prominent figures of different class positions and political alignments, to all intents and purposes a case of ethno-national redistribution based on the moral economy. Yet it seems more like a tactic to avoid potential obstacles and accusations levelled by the AKP government, who had been vigorously carrying out poverty-alleviation activities and had closed down a previous charity association founded by the Diyarbakır Metropolitan Municipality alone. Business leaders of the Chamber and voluntary associations (e.g. GÜNSİAD, DİSİAD, MÜSİAD, and DİYAD) have also been on the board. However, the fact that, unlike other members, some of the business leaders did not donate and were also, in conversation with the author, critical of social aid in general, supports this paper's argument that the leaders usually pursue strategic objectives in their dual engagements, given the opportunities and constraints of the dual-power situation.

Multiple engagements are seen among the associational constituency too. Some of the Chamber's leading members, for instance, are also members of different voluntary associations at the same time, such as DİSİAD and DİĞİAD, while voluntary associations come together under the leadership of the Chamber for most of its political activities as mentioned above.<sup>18</sup> What is interesting here is that these two voluntary associations are affiliates of politically-opposed peak associations (secularist and Islamist). Similarly, stories of economic cooperation among local businesspeople of rival political alignments are also told. Hence, political polarisation is not intense within the local business community, unlike the peak level (see Buğra & Savaşkan, 2014). The need to cope with the dual-power situation, as well as the presence of the Kurdish issue as a long-lasting existential problem, provides common ground for businesspeople. The variation in the lines of cleavage at the peak and local levels also contributes to the emergence of such a portrayal: one of the established lines of cleavage at the peak level draws on the issues of secularism and Islamism. This is also why the government attempted to differentiate among passions with a categorisation of the 'pious' *versus* the 'perverse' in its efforts to integrate Kurds under its leadership. Local politics, on the other hand, are defined by the ethnic issue more than anything else. This is why we see a united front within the local business community.

### *Negotiating interests and passions*

Dealing with the pressures of interests and passions was another important task for the business leaders. As stated earlier, the Chamber's leaders and other business leaders usually supported the then PM Erdoğan's initiatives concerning a solution to the Kurdish issue through institutional reforms and the promise of democratisation, portraying an image of alignment with the government. However, when the pro-Kurdish parties and activists came under intense pressure due to a party-closure case at the Constitutional Court and mass incarceration of the movement's activists starting from 2009, business leaders voiced their opposition. They also called on the government to commence negotiations with the pro-Kurdish party and to include imprisoned leader Öcalan in these negotiations. This is because the AKP government had refused to talk to the pro-Kurdish party unless it too defined the PKK as a 'terrorist organisation'. In addition to a moderating role, such approaches might be related to the business leaders' passions in the form of concern for democratisation as well as a commitment to some of the pro-Kurdish rights claims. Yet it is worth noting that the business leaders were able to act in such a way thanks to the new political environment.

More specifically, the business leaders embraced the minimum common demands – that is, passions – co-formulated by the Kurdish movement and the city's other associational leaders. The demands included the right to education in the mother tongue, the introduction of constitutional safeguards concerning the recognition of the Kurdish identity, and the strengthening of local governments. My observation is that at least some of the business leaders and associational constituency genuinely embrace these demands as well. Still, the pro-Kurdish party has been influential in its articulation of business leaders being in support of common demands, by framing some of them as 'downplaying differences' in ideas and interests in order to bring together a variety of local actors (cf. McAdam *et al.*, 2008). This has been the case particularly when it comes to the goal of strengthening local governments.

Concerning this goal, the movement's leaders had elaborated on a proposal for 'democratic autonomy', drawing on Öcalan's ideas. There is possible support for the proposal to be applied to the whole country, but demands are mainly for it to be implemented in the Kurdish region. It advocates a form of decentralisation in areas such as education, culture, and the economy. Yet its economic dimension, as discussed in a meeting of the Democratic Society Congress in 2010, triggered harsh reactions from the participating business leaders since it focuses on an alternative model of economic development reminiscent of the Marxist-Leninist rhetoric of the movement: an 'egalitarian solidaristic economy, driven not by profit maximisation but by use value' (DTK, 2010). More specific ideas included the coordinating role of consumer and producer cooperatives.

The Chamber's then leader, Galip Ensarioğlu, as well as prominent business leaders from voluntary associations, strongly opposed these ideas. Instead, they advocated a liberal model for strengthening local governments, referring to the ongoing process of 'state rescaling' under the AKP rule, which includes the devolution of power from the national centre to local public agencies in a manner that increases the opportunities for capital accumulation (author's interviews with Galip Ensarioğlu, Ankara, September 23, 2011 and Şahismail Bedirhanoğlu, Diyarbakır, March 24, 2011; for state rescaling, see Bayırbağ, 2010). Given these conflicting views, the pro-Kurdish party kept the proposal in its programme, maintaining some ambiguity regarding its economic content to enable a cross-class coalition delaying the intra-group rivalry that the AKP government was effectively trying to provoke. I think that it also shows the increasing bargaining power of business leaders.

Tensions between the business leaders and the Kurdish movement concerning interests have become increasingly significant in the changing political and economic landscape of the

2000s, which has been characterised by a re-negotiation of the moral economy. Shop-closure protests, an important element of the moral economy that developed in previous decades as mentioned above, have become a more contested issue. As repeated clashes took place resulting in casualties, this form of protest was practised again, including occasions when the then PM Erdoğan was visiting Kurdish cities. While the PM often criticised these protests, accusing the PKK of forcing shop keepers to participate, business leaders also publicly opposed shop-closures as a form of protest on the grounds of their negative economic impact. While some shop owners continued to engage in the practice, this might also have been for reasons of safety due to the possibility of clashes between funeral attendants and the riot police. My observation is that some of the local shop owners who identify themselves as ‘patriots’ are no longer supportive of the practice.

These two examples can be reflected upon in conjunction with the question of whether capital can be ‘patriotic’ or not. This question relates to the local practice of categorising people as patriots or non-patriots. Patriots are supposed to be supportive of the struggle and acting in accordance with the moral economy. For those who are not considered patriotic, one can consider the example of one past leader of the Chamber being accused by the movement’s supporters of being a government ‘collaborator’ upon declaring his support for the 2010 Constitutional Referendum and his opposition to the proposal for local autonomy mentioned above. Yet it appears to be more difficult to impose political-moral commitments on business actors under the new conditions, considering both the balance of dual power and the economic improvement in the city, which is attributed to the AKP rule by some. Accordingly, there have been intra-group debates on the subject. For instance, concerning the municipal procurement activities contracted to businesspeople with diverse political alignments, the then mayor of the Diyarbakır Metropolitan Municipality stated to the author during an interview that capital has no religion, nationality, or political ideology, and it has no patriotism (author’s interview with Osman Baydemir, Diyarbakır, June 16, 2011). While public procurement laws, which also regulate the Metropolitan Municipality, suggest neutrality in theory, it is not always the case across the country in practice, and the statement here is more about intra-group negotiations.

The pressures of the logic of capitalist development assisted by the AKP government and the moral economy of the Kurdish movement underlined the dilemma between interests and passions. However, it looks like the business leaders redefined interests and passions and reached a temporary equilibrium between them in their observance of the dual-power rivalry and changing political-economic conditions. While this equilibrium depicts a new cooperation on passions in the form of common demands (such as the right to education in the mother tongue), it also indicates a weakening of the moral economy to the advantage of the business community. Business associations were able to maintain their relative autonomy, expand the scope of their power, and advocate a pro-market ethos, namely interests as defined by the associations.

## **Conclusion**

The case of local business associations in Diyarbakır as a contested zone provides an interesting example of how interest associations are influenced by, and respond to, the situation of subnational challenges to the nation-state and institutional instability. What follows is an overview of the findings, coupled with some notes on the recent events.

Local business associations have been faced with a situation of dual power and dual economy, where the Kurdish movement and the local moral economy appeared as an alternative authority with a peculiar ethos. Against this backdrop, the AKP government first tried to transfer the national cleavage structure to the local level by differentiating among passions: secularism *versus* religious conservatism. This line of cleavage is significant for the level of

peak associations, where inter-organisational rivalry prevails. However, it would not be influential enough at the local level of a contested zone, especially with regard to business associations, which appear more or less united under the leadership of the Chamber of Commerce and Industry vis-à-vis the sovereignty dispute rooted in the ethnic issue. The government actors then put emphasis on the strategy of pitting interests against passions. Local business associations attracted a lot of media attention in this regard, as the government approached them as an alternative to the Kurdish movement and tried to influence their political behaviour by employing a number of incentives and disincentives. The Kurdish movement entered the fray, engaging in counter-activities. While interest associations may indeed be an important link between the state and individual citizens, the government rested on a problematic assumption in its efforts to integrate Kurdish business actors into its social base: that is, the *doux commerce* thesis, or the belief in the ‘civilizing effects of trade’ through the rational pursuit of interests counteracting unruly passions.

Local business associations acting under the leadership of the Chamber, however, adjusted their strategies to cope with the situation of dual power. On the one hand, business leaders manoeuvred between the two power blocs by participating in their diverse projects, depicting an environment of ambiguous, multiple and fluid coalitions. This enabled them to observe the balance of power and avoid co-optation. On the other hand, the leaders negotiated interests and passions in their diverse activities. Against the government, they supported passions in the form of common demands – such as the right to education in the mother tongue – in agreement with the Kurdish movement. Yet they also backed their group interests – not merely economic advantages but also power and status – negotiating the local moral economy, which shapes the relationships with the Kurdish movement, limits the rational pursuit of interests, and emphasises other passions such as social obligations. This negotiation appears to have led to a weakening of the moral economy, thanks to the government’s competing pressures and the local economic improvement. Business leaders could navigate the local debates about the economic dimension of decentralization proposals as well as the political-moral commitments expected from the local business community to its advantage. They also enjoyed access to new resources and political career opportunities. Overall, business leaders have been successful in making the best of the situation, enjoying some bargaining power, protecting their relative autonomy, and achieving a temporary equilibrium with regard to the dualities in authority and the economy.

Concerning the competing paradigms of interests and passions, the responses of business leaders show the relative salience of each for the local level. We see that business leaders were able to avoid polarisation along with such pre-defined motivational pressures, probably thanks to the need to observe the balance of power. In other words, the local context of sovereignty being contested, multiple and ambiguous as it is contributed to inter-organisational cooperation within the local business community, compared to the inter-organisational rivalry at the national level, where sovereignty is historically unitary and unambiguous.

#### *Some notes on the post-2013 situation*

This paper focuses on the transitional period of defused clashes and conflict resolution efforts before the peace talks reached a peak in early 2013, symbolised with the historic call of Öcalan to end the armed struggle. Since then the business leaders have become less visible in the media, while the political environment has changed tremendously. In Fall 2014, the tensions started increasing between the AKP government and the Kurdish movement because of the government’s reluctance to aid the Kurds of Syrian Kobanê besieged by the ISIS. This led to protests erupting across the country and, I believe, contributed to the decrease in the

votes the AKP received in the Kurdish region in the June 2015 national elections (see Table 1).

The June 2015 elections proved to be historic as the pro-Kurdish party entered into the parliament for the first time in history by exceeding the 10 per cent electoral threshold. This made it practically difficult for Erdoğan to achieve his goal to transform the parliamentary system to a presidential one. After the June elections, the clashes escalated between the Turkish army and the PKK once again and the era of negotiations has been replaced with increased violence, most symbolic of which is the assassination of the Diyarbakır Bar Association's President, Tahir Elçi, who had attempted to play a moderating role. The national elections were repeated in November 2015, affecting the distribution of local votes to some extent (see Table 1). The failed *coup* attempt in July 2016, which had nothing to do with the Kurds, marked the launch of an extensive offensive on the Kurdish movement, in addition to the purges of suspected *coup* plotters and dissidents across the country: the leading members of the parliament from the pro-Kurdish party have been jailed, the elected pro-Kurdish mayors of the Diyarbakır Metropolitan Municipality, as well as those of other pro-Kurdish municipalities in the region, were replaced by the state appointees, and many of the pro-Kurdish news outlets and non-governmental organizations, including the Sarmaşık Philanthropy Association mentioned in the analysis above, were shut down. As to the local business associations, only one of them (DİĞİAD) was shut down, due its being an affiliate of the peak association linked to the Gülenists, the suspect *coup* plotters. Yet this does not seem to be simply the end of the dual power situation and the consolidation of sovereignty, as the country has entered into an era of increasing political violence and uncertainty, coupled with authoritarianism.

The post-2013 situation has several implications in relation to the purpose of this paper: the Kurdish population's reactions concerning the government's approach to the siege of Kobanê and the pro-Kurdish party's historic success to the dismay of the AKP in the following elections underline the salience of passions over economic interests. The post-*coup* offensive on the Kurdish movement, on the other hand, signals the replacement of the AKP's efforts to end the dual-power situation and to build hegemony by calling upon the interests, that is, by consent, with an increasing reliance on coercive measures.

As to the local business associations, I think that they notably contributed to the period of negotiations by moderating political tensions. Yet the associations did not play a role in the onset of the transitional period of defused clashes. As mentioned in the introduction, it was more about the capture of the guerrilla leader and the country's EU candidacy process. The associations did not play a role in the escalation of the conflict since 2015 either; it was the pro-Kurdish party's historic electoral success as well as the Middle East *realpolitik* in which the Turkish government and the PKK have conflicting interests. And it is very unlikely that they will bring an end to the conflict. As the new environment poses life risks and the government does not appear welcoming to a moderating actor, the business associations have become passivized in the recent period. Yet they might have an influence on the nature of a post-conflict settlement (cf. Schmitter, 1992). The privileged inclusion and empowerment of business associations, but not, say, organized labour, in the transitional period may unfold as a strengthening of a pro-market ethos in a post-conflict society. Whether there will ever be peace within a democratic framework, however, is the greatest mystery for the moment.

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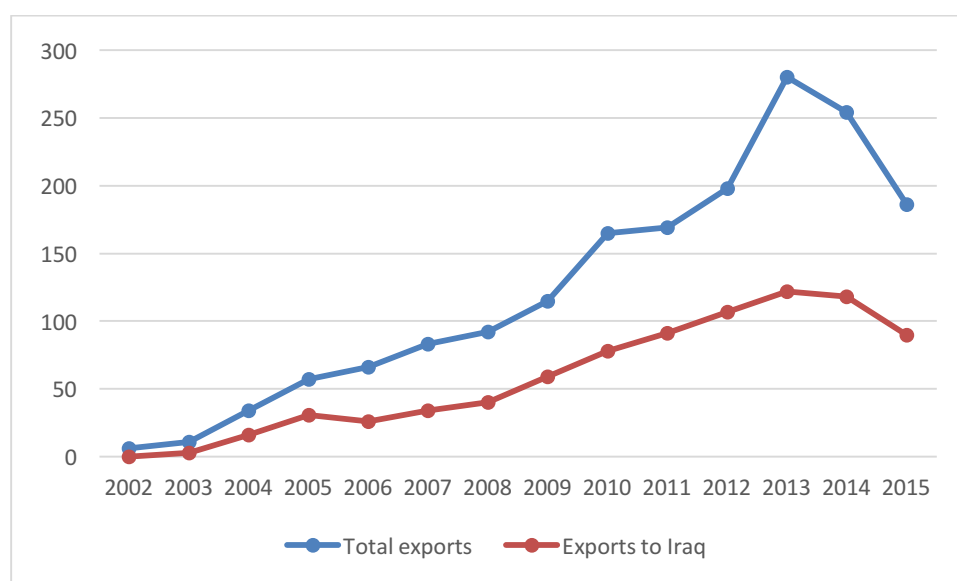
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**Figure 1** Diyarbakır's export activities (millions \$).



*Source:* Turkish Statistical Institute (2016).

**Table 1** Diyarbakır in the national elections (% of votes).

	2002	2007	2011	06/2015	11/2015
Pro-Kurdish Party	56.1	42.7	58.2	77.7	71.4
AKP	16	40.9	32.2	14.8	22.3

*Source:* Turkish Statistical Institute and Yeğen (2011).

**Table 2** Major business associations in Diyarbakır, 2011.

Status	Association	Foundation date	Approximate membership
Compulsory	Diyarbakır Chamber of Commerce and Industry	1907	19,660 (firms)
Voluntary	GÜNSİAD	1992	634 (businesspersons)
	DİSİAD	1996	100

DİĞİAD	1993	315
MÜSİAD	1997	41
DİYAD	2008	35

*Source:* Author's classification based on field work.

## Notes

<sup>1</sup> The Kurdish movement as defined here is represented by the PKK as its armed actor and the pro-Kurdish party as its legal civilian actor. In addition, one could think of a large number of non-governmental organizations and millions of supporters as elements of the movement. The PKK is usually perceived to be the leading actor of the movement, while the pro-Kurdish party, as well as the municipalities run by it in the region, appears to be subjected to constraints posed by both the PKK and the Turkish legal and administrative settings. The nature and types of constraints posed by the PKK are highly speculative, while the constraints posed by the Turkish state included most importantly the 10 per cent electoral threshold for parliamentary elections and cases of party closure at the Constitutional Court, which resulted in the establishment of one pro-Kurdish party after another in the last two decades.

<sup>2</sup> Within the literature on interest associations, we see references to Hirschman's notions of interests and passions mostly in the works of Philippe Schmitter (2006), a leading theorist of neo-corporatism. The concern with social order and political governance in the classical literature on organized interests (Durkheim, 1933; Streeck & Schmitter, 1985) also relates to the intellectual history narrated by Hirschman and underlying the triumph of capitalism and the nation-state system. I therefore find Hirschman's framework very helpful especially for a context of political contestation defined with problems of capitalist underdevelopment, nation building, and anti-systemic movements, rather than the more regular theoretical frameworks of business interests. It is worthy to note that there is also another work, which makes use of this framework, in a way supportive of the *doux commerce* thesis, for a study of political Islam claimed to be moderated by Islamic business interests in Turkey (see Jang, 2005). Similarly, we see the use of *doux commerce* thesis in studies on ethnic tolerance as well (see Jua, 2013). Thereby, Hirschman's framework seems fruitful for discussing a topic at the intersection of economic interests and ethnic conflicts.

<sup>3</sup> The share of the south-eastern regional development program, GAP, in total public investments increased from 5.9 per cent in 2002 to 14.2 per cent in 2010, especially speeding up by 2008 (GAP-BKİB, 2010, 5). Public investments in Diyarbakır in particular notably increased in the second term of the AKP rule: the investments in Diyarbakır increased more than seven times from 2007 to 2012, while the total investments across the country only doubled for the same period (Kalkınma Bakanlığı, 2012, v-vi).

<sup>4</sup> The AKP period witnessed the growth of the construction sector across the country, partly thanks to the new opportunities for public procurement for urban transformation projects. The number of construction firms in Diyarbakır nearly tripled in this period (Yüksel, 2011, 450).

<sup>5</sup> Based on field work.

<sup>6</sup> See, for instance, 'Diyarbakır anlattı, Ankara dinledi, Erdoğan yine duymak istemedi' (*Bianet*, 09/04/2008); 'Başbuğ Diyarbakır'da konuştu; seçtiği STK'lerden destek istedi' (*Bianet*, 05/09/2008); and 'Gül'den Diyarbakır'a: Sivri dilli olunmamalı' (*NTV*, 19/06/2009).

<sup>7</sup> See, for instance, Kutbettin Arzu's (the then president of the Chamber) call to the PKK to lay down arms: 'Örgüt koşulsuz silah bırakmalı' (*Milliyet*, 21/08/2005). See also Mehmet Kaya's (the then president of the Chamber) statements concerning the government policies,

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'Güneydoğu: Paket bizi uçuracak' (*Taraf*, 29/05/2008) and see Galip Ensarioğlu's (the then president of the Chamber) call to the AKP to include Öcalan in the negotiations: 'Öcalan gayriresmi yollardan muhatap alınabilir' (*Bianet*, 24/07/2009).

<sup>8</sup> See Oral Çalışlar, 'İyi Kürt, kötü Kürt' (*Radikal*, 24/09/2010), and Cengiz Çandar, 'İyi Kürtlerin Nevruz'u, kötü Kürtlerin Newroz'u' (*Radikal*, 20/03/2012).

<sup>9</sup> My translation, see 'Hiçbir şart altında OHAL istemiyoruz' (*Evrensel*, 07/04/2006).

<sup>10</sup> My translation, see 'Bölgede yeni burjuva sınıfı oluşuyor' (*Milliyet*, 25/08/2010).

<sup>11</sup> The rivalry over the Chamber became most evident as a result of the local business community's press statement supporting the AKP in the 2010 Constitutional Referendum, an activity that drew strong criticisms from the pro-Kurdish party and the PKK. See "Evet' diyen Diyarbakırlı işadamlarından, Demirtaş'a yanıt' (*Milliyet*, 23/08/2010).

<sup>12</sup> Apart from the Chamber, the most active and visible business leaders have been the leaders of GÜNSİAD (*Güneydoğu Sanayici İş Adamları Derneği* – South-eastern Association for Industrialists and Businessmen) and DİSİAD (*Diyarbakır Sanayici ve İş İnsanları Derneği* – Association for Industrialists and Businessmen of Diyarbakır), see Table 1. The former is an umbrella association for the south-eastern region, with its headquarters in Diyarbakır, while the latter is a local Diyarbakır association and a member of the former. They are affiliates of the peak association TÜRKONFED (*Türk Girişim ve İş Dünyası Konfederasyonu* – Turkish Confederation of Entrepreneurship and Business World), which is led by the big business enterprises with a secular outlook. DİĞİAD (*Diyarbakır Girişimci İşadamları Derneği* – Association for Entrepreneurial Businessmen of Diyarbakır) is an affiliate of TUSKON (*Türkiye İşadamları ve Sanayicileri Konfederasyonu* – Confederation of Businessmen and Industrialists of Turkey) and MÜSİAD (*Müstakil Sanayici ve İşadamları Derneği* – Association for Independent Industrialists and Businessmen) is the local affiliate of the peak association with the same name; both peak associations are connected to Islamic movements. As for DİYAD (*Diyarbakır İşadamları Yapı Derneği* – Construction Association of Diyarbakır Businessmen), it is a relatively new association, without links to peak associations and known to be close to the Kurdish movement.

<sup>13</sup> Based on the data obtained from the Diyarbakır Chamber of Commerce and Industry (for the period 2006–2010), author's email communication, June 7, 2011, and author's interview with Expert 1, *Diyarbakır Chamber of Commerce and Industry*, Diyarbakır, April 4, 2011.

<sup>14</sup> Based on the author's interview and later email communication with Expert 2 (for the period 2009–2011), *Karacadağ Development Agency*, Diyarbakır June 7, 2011.

<sup>15</sup> Based on the data obtained from the Chamber of Commerce and Industry (for the period 2006-2010), author's email communication, June 7, 2011; author's interview with Expert 1, *Chamber of Commerce and Industry*, Diyarbakır, April 4, 2011; and the online data of SODES (*Sosyal Destek Programı* – Programme for Social Support) for the period 2008–2011. Retrieved from <http://www.sodes.gov.tr>

<sup>16</sup> In the years of 2009 and 2010, over two thousand local firms benefited from these supports. Diyarbakır had a share of 7.9 per cent of the total supports, while Istanbul's share, the largest share, was 12.8 per cent (KOSGEB, 2010, 35-46).

<sup>17</sup> The Gülenists are believed to be the plotters of the Summer 2016 *coup* attempt. Their relations with the AKP government have become increasingly tense especially since 2013. In the past, the AKP and the Gülenists (not mutually exclusive networks) appeared to be cooperating in the power struggle against the secularist Kemalists. It seems that they started fighting against each other when they overwhelmingly took over the state apparatus from the Kemalists. The details of this recent history are yet to be revealed though.

<sup>18</sup> The Chamber's members and voluntary associations did not usually voice any opposition to the leaders' political activities except in the case of the 2010 Constitutional Referendum when Galip Ensarioğlu, the then chair of the Chamber, held a press conference, together with other

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leaders, to express support for the referendum on behalf of the local business community. However, the chair of a new and smaller voluntary business association (DIYAD), who was previously involved in the Kurdish movement, criticised the declaration of support on behalf of the community.