

**TOWARDS A SYNTHESIS OF ISLAM AND THE MARKET ECONOMY?  
THE JUSTICE AND DEVELOPMENT PARTY'S ECONOMIC REFORMS IN TURKEY**

**ABSTRACT**

Turkey is a country with many interesting characteristics: it is the only democratic Muslim country with a secular political structure; the only Muslim country seeking to join a predominantly Christian Club, the European Union; due to its strategic geographical location, it has been the chessboard for the global political hegemonic powers for centuries; it is a place where one can find the remains of many different, Muslim as well as non-Muslim civilizations emerged throughout the history. And last but not the least, Turkey is the only secular Muslim country where a democratically elected government with a strong Islamic background is ruling.

Referring to the last point, one can say that Turkey has been going through a rather new and challenging experience in recent years: implementing free-market economic policies under a "Conservative Democrat" government, the leadership of which comes from moderate Islamism. Based on the economic success of the ruling Justice and Development Party (JDP) in the aftermath of the worst economic crisis Turkey has ever experienced in 2001, many observers think that Turkish experience would be a good example to show that Islam and market economy are in fact quite compatible. Among the major components of free market-based economic reforms implemented by JDP are downsizing government supplemented by heavy privatization, promotion of competition and free trade as well as foreign direct investments, open borders, economic integration with the outside world, and pursuing accession negotiations with the EU. This article critically evaluates these reformist economic policies implemented since late 2002, their results, and highlights the major factors behind Turkey's success story.

Keywords: Turkey, economic reforms, free-markets, Islam and market economy, Justice and Development Party (JDP)