

# Imams and Businessmen: Islamist Service Provision in Turkey\*

Tuğba Bozçağa<sup>†</sup>      Fotini Christia<sup>‡</sup>

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## Abstract

Islamists have a reputation for winning over citizen support through service delivery. This reflects a worldwide trend in the use of service provision by non-state actors to gain political support. Existing works attribute the notable local-level variation in such provision to strategic choice or low state capacity. Focusing on the Gulen Movement, the largest Islamist group in contemporary Turkey, we find no evidence that state weakness increases Islamist service provision. Rather we show that service allocation is highly dependent on a group’s ability to marshal local resources, specifically through the associational mobilization of local business elites. For our inferences, we exploit spatial variation in Islamist service delivery across Turkey’s 970 districts and use data on the Erdoğan government’s purge of thousands of non-state education institutions and bureaucrats, along with original data on business associations, endowments, public service infrastructure, and early Republican associations.

## 1 Introduction

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<sup>†</sup>Corresponding Author. Ph.D., Department of Political Science, Massachusetts Institute of Technology, 77 Massachusetts Avenue, Cambridge, MA 02139; Research Fellow, Middle East Initiative, Harvard Kennedy School. Email: [bozcaga@mit.edu](mailto:bozcaga@mit.edu), URL: [tugbabozcaga.com](http://tugbabozcaga.com)

<sup>‡</sup>Professor, Department of Political Science, Massachusetts Institute of Technology, 77 Massachusetts Avenue E53-417, Cambridge, MA 02139. Email: [cfotini@mit.edu](mailto:cfotini@mit.edu), URL: [fotini.mit.edu](http://fotini.mit.edu)

Many non-state actors, particularly Islamist movements, have been known to offer services to gain citizen support, recruit and retain members, delegitimize the state or win elections (Brooke 2019; Thachil 2014). Islamist service provision is so established that it is now seen as a phenomenon worthy of its own line of inquiry. Recent accounts suggesting that non-state and Islamist welfare services are targeted to maximize political power (Cammett 2014) primarily focus on the motivations behind such allocation, or attribute the notable expansion of Islamist service provision to low state capacity, be that state weakness or failure (Acemoglu et al. 2020; Berman 2003; Jawad 2009; McGlinchey 2009).

While political motivations and state capacity can certainly play an important role in whether and how a movement offers services, we show that such provision is also a function of a movement's *capacity* to control local resources. Specifically, we find that Islamist service delivery is higher in places with associational mobilization by Islamist local business elites, i.e., places with business associations affiliated with Islamists. Extended Islamist business associations make it easier for Islamist political movements to benefit both from the financial resources and from the elite networks of local business people. To that effect, they act as a honey pot for prospective members that want to expand their business networks; provide local business elites with an institutionalized environment to regularly come together and coordinate service provision; and facilitate the tracking of member contributions, financial or other.

To test this argument, we examine the spatial variation in service delivery of Turkey's Gulen movement, the largest Islamist political movement in the country until the 2016 attempted coup. For our dependent variable, we focus on the education sector, a major area of Islamist service provision and arguably the key to winning hearts and minds (Bazzi et al. 2019; Burde 2014; Pohl 2006). We also provide additional evidence from the health and religious sectors showcasing how business mobilization also affected Islamist presence in the local bureaucracy.

Our inferences rely on original data that combine more than sixty government de-

crees on the closure of over 2000 Gulen-affiliated institutions, including schools, dorms, tutoring centers, and endowments, as well as data on the purge of thousands of public officials.

We also draw on what is to our knowledge the most comprehensive district-level dataset on Turkey. This includes archival and contemporary data on public service infrastructure, as well as data scraped from official government websites of Gulenist and non-Gulenist associations, along with official statistics on elections, population, literacy rates, private schools, private dorms, and private tutoring centers. To measure economic development, we use an original nighttime luminosity dataset. For our instrument, we use archival data on the state-created associations of the early Republican era, known as *halkevleri* (People's Houses) which, we argue, informed the current distribution of associational mobilization across the country by offering the local population a certain institutional context and an associated set of organizational skills.

We find strong evidence that Islamist service provision was highest in places with increased levels of associational mobilization among Islamist local business elites, as measured by the number of Gulen-affiliated business associations. We also establish that current levels of Islamist civil society activities are shaped by the distribution of state-formed historical institutions, and we find no evidence that state weakness in service delivery prompts Islamists to fill the vacuum. Our findings remain significant when a panel, instead of an instrumental variable, design is used, and is robust to dropping or adding the post-2002 period, throughout which Erdoğan's AKP (*Adalet ve Kalkınma Partisi* - Justice and Development Party) has been in power. We also show that 'placebo' treatments such as alternative Gulenist institutions other than business associations do not lead to a similar increase in service provision.

Several scholars have noted subnational variation in non-state and Islamist service provision and political reasons behind these uneven welfare distribution strategies. We in turn show that this is not just driven by Islamists' *motivations* but rather also depends

on the *availability* of local resources. As such, this study offers an alternative to arguments that attribute non-state service provision to political strategies or the scarcity of public services, i.e., to a government's constrained ability to reach the poor. Rather, we find that Islamist services are intricately tied to local financial resources and active business networks. This work thus offers insights for researchers working on governance and service provision by Islamist and religious movements as well as other non-state actors that prioritize service provision to win citizens' support and legitimacy.

The paper starts out with a discussion of Islamist movements in Turkey and the relevant literature on service provision by religious non-state actors. We then list our hypotheses, describe our data sources, and present our results. We close with a discussion of our findings and directions for future research.

## 2 Islamist Movements in Turkey

Religious groups have been a constituent element of Turkey's Ottoman legacy. Sufi religious orders, known as *tariqat*, were present in towns and villages across the Ottoman Empire and formed an integral part of civil society. Although religious orders persisted throughout the 19th-century rise of Salafi movements and the top-down modernization campaign of the Ottoman empire, known as the *Tanzimat*, they were attacked head-on by Kemal Ataturk in the early years of the Turkish Republic (Fabbe 2019; Taji-Farouki and Beshara 2007). Republican Decree No. 677 of 30 November 1925 formally dissolved religious orders, and the introduction of the Latin alphabet in 1927 further limited their influence. Some religious orders, such as the influential *Naqshbandiyah* order from which the Gulen Movement later sprang, adapted to these new realities by going underground.

Starting with the end of Turkey's single party era in 1950, Islamist groups' social and political activism increased. In the 1960s, Fethullah Gulen, an imam from the Anatolian town of Izmir, took advantage of this relatively unrestricted period of religious growth

in the Turkish social sphere to start his own movement, known as the Gulen Movement, which evolved into Turkey's largest Islamist political movement. He began by preaching in mosques and quickly built a large base of supporters through his sermons and writings. Members of the movement, Fethullah Gulen himself included, call their organization *Hizmet* (Service), choosing to highlight the group's focus on service provision (Ebaugh 2010, p. 43).

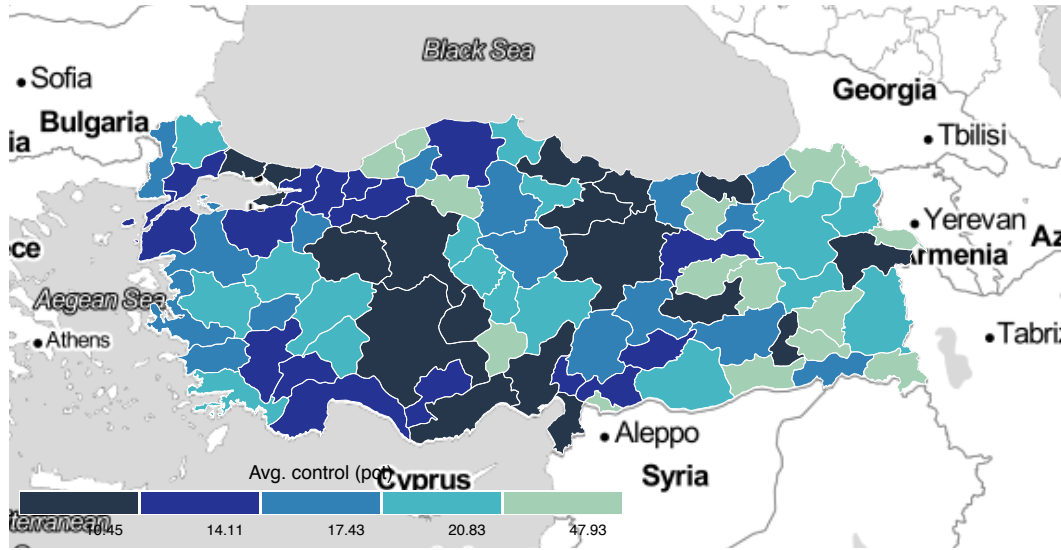
The Gulen Movement's primary emphasis was on educational services and the combination of religious and scientific training. Similarly to many Islamist movements that have viewed the school system as a way to wield control over the hearts and minds of students (Richards and Waterbury 1990, 130), Gulenists used educational institutions as a way to spread their ideas, win over youth, and strengthen their organization (Altinoğlu 1999, p.48). In Gulen's own words, "various institutions of education, from primary schools to universities, with the grace of Allah, will be an opportunity for many people to meet Islamic sentiment and thought. And this is a very important step for the improvement of nowadays' individual" (Gülen and Erdoğan 1995). While the movement's educational institutions were technically private and also popular among the middle class, the Gulen Movement targeted its community services to the poor. Every year, thousands of needy students from low-income Turkish families stayed in Gulenist student dormitories, studied in their university preparatory courses, and were recipients of local scholarship funds (Hendrick 2013; Pandya and Gallagher 2012).

Between the 1960s and the July 2016 coup attempt, Gulenist local circles and institutions expanded across Turkey (Figure 1), attaining significant economic and political power.<sup>1</sup> This expansion culminated when the movement started to operate its own financial institutions (e.g., Asya Bank) and media outlets (e.g., Zaman) and brought all its local business associations together under a business confederation known as TUSKON

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<sup>1</sup>While there are other minor Islamist groups in Turkey, due to their much smaller scale and informal nature, they did not become major non-state political actors, at least until the year 2016, the period on which this study focuses.

(*Türkiye İşadamları ve Sanayiciler Konfederasyonu* - Turkish Confederation of Businessmen and Industrialists). Beyond identifying Gulen-affiliated organizations, we need to note that given the Gulen Movement’s grassroots nature, it is hard to nail down the exact size of the Gulenist membership base.



Note: Map showing the proportion of Gulenist education institutions as part of all non-state education institutions, by province.

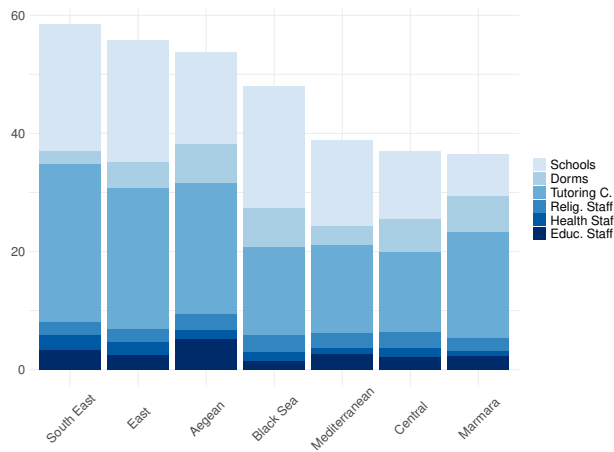
**Figure 1:** Gulen-Affiliated Educational Institutions across Turkey’s Regions

**Table 1:** % of Gulen-affiliated Institutions (among non-governmental institutions) and Officials (among all officials)

Dorms	17.6%
Schools	11.6%
Business Associations	10.2%
Tutoring Centers	5.3%
Endowments	2.1%
Police	11.3%
Judiciary	5.4 %
Education Officials	2.4%
Religious Affairs Officials	2.54%
Health Officials	1.4%

Note: All data about Gulen-affiliated institutions and officials—except for business associations—were compiled from government decrees. The list of business associations was compiled from the official website of the Gulen-affiliated TUSKON business confederation.

Educational institutions associated with the movement witnessed significant growth over time and gained a reputation for producing high performing students. Based on government decrees listing closed institutions or purged bureaucrats in the aftermath of the 2016 failed coup, the proportion of Gulenist educational institutions as compared to all private ones varied from about 5% for tutoring centers to 11% for schools, and 18% for dorms (Table 1). While it is notably harder to adjudicate individual membership, the proportion of Gulen-affiliated officials across different civil service sectors on these decrees ranged between about 1.5% in healthcare officials to roughly 5% in the judiciary and 11.3% in the police. The spatial distribution of Gulenist services illustrates that the movement’s services showed dramatic variation across the country (Figure 3). After the July 2016 coup attempt, the Turkish government declared the Gulen Movement a terrorist organization and banned all its operations.<sup>2</sup>



Note: The graph shows the proportion of affiliated institutions as part of all non-state education institutions and affiliated officials as part of all public officials in a given sector.

**Figure 3:** Proportion of Gulen-Affiliated Education Institutions and Public Officials by Type and Region

<sup>2</sup>For a discussion of Gulen critics see Tee (2016, 162-182), Şık (2017), Hendrick (2013), and Holton and Lopez (2015), among others.

### 3 Argument: A Resource-Based Approach to Islamist Service Provision

Movements, irrespective of their ideology, have consistently used service provision to mobilize support for their cause. Be they communists or Islamists, nationalists or insurgents (Arjona et al. 2015; Cammett et al. 2014; Clark 2004; Kertzer et al. 1980), groups turn to service delivery as a way to gain favor with their constituents. As such, welfare allocation has not been a prerogative of a particular ideology, even if that is often used to justify the service on offer. Though the tactic of leveraging service provision to gain political power is not confined to a single ethnic, political, or religious view, recent research highlights that religious non-state service providers are highly active particularly in the Islamic world (Berman 2003; Brooke 2019; Cammett 2014; Flanigan 2008; Hamayotsu 2011; Masoud 2014; Thachil 2014). Islamist political motivations can range from maintaining control over a particular territory (e.g., Taliban in Afghanistan) to establishing patronage networks (e.g., Gulenist movement in Turkey) or winning elections (e.g., Hezbollah in Lebanon).

With the surge of Islamist welfare allocation, recent studies have started to focus on the origins of its subnational variation. In her notable work on Lebanon, Cammett (2014) shows that religious and sectarian organizations allocate social welfare goods strategically in order to maximize their electoral and political power. Consistent with the providers' motivation, recipients' religious and sectarian identities affect how Islamist groups distribute social services (Corstange 2016). As is the case with ethnic parties (Chandra 2007; Chhibber 2010), allocation tends to be exclusionary and is directed to specific group members as determined by identity considerations. While this line of work offers strong explanations for the motivations behind the allocation of services, i.e., when and how religious groups *choose* to distribute welfare, the question of when religious groups *can* provide welfare remains unanswered. And though existing research



does an excellent job explaining local-level variation in heterogeneous settings (such as multi-sectarian ones), it does not explain variation in service provision in relatively homogenous contexts, where ethnic or religious boundaries are irrelevant.

Another strand in the literature on Islamist service provision, consistent with theories on rebel governance (Kasfir 2015), attributes non-state welfare provision to a scarcity of government-provided public services (Acemoglu et al. 2020; Eseed 2018; Jawad 2009; McGlinchey 2009). Though state weakness may be conducive to the rise of non-state service provision as there is both a vacuum to fill and no state capacity to curtail their activity (Berman 2003), it presumes that Islamist groups are able to find the resources necessary for service provision where the state cannot.

Our paper addresses these gaps in the literature by examining what increases Islamist ability to provide public goods and services. Specifically, it assesses their sources of strength as welfare providers at the local level. Moving beyond the view that low state capacity is a precondition for Islamist service provision, we argue that the ability of Islamist movements to provide services depends on whether they can mobilize local resources. Specifically, we propose that Islamist service provision is higher in places with higher associational mobilization by local business elites. Beyond making donations to parties and politicians (Boas et al. 2014), such associations provide an institutionalized environment that enables business elites to expand their networks and improve their social status in their community. These associations also facilitate the tracking of members and the collection of funds intended for welfare and service provision. Such involvement on the part of Islamist business elites is key to securing the financial resources required to make infrastructural investments or hire staff for service provision (Wickham 2002), while also helping Islamist movements increase their control over the bureaucracy that oversees service allocation (Clark 2004). Thus, while we highlight the importance and self-reinforcing interactions between religious and economic elites (Rubin 2017), we extend our analysis to religious actors that operate outside the formal realm of the state.

We proceed to test the hypothesis that there is more Islamist service provision in places with higher associational mobilization by Islamist business elites. To that effect, we are particularly interested in identifying whether and how Islamist service provision is reinforced and expanded by local businessmen and financiers that offer resources, and to what extent it is associated with the pre-existing public service infrastructure. In addition, we examine the implications of historical legacy on political and economic outcomes as per Kuran (2001, 2004), who makes the strong case that Islamic institutions (such as religious endowments, known as *waqfs*) played a role in the economic development of the Muslim world. We do so by identifying a different set of effects of historical social institutions using state-created community centers in early Republican Turkey, *halkevleri*, as an instrument to trace the impact of top-down institutions on the associational mobilization of Islamist business elites. We then test the dominant alternative explanation that Islamist service provision is higher in areas with lower levels of state-provided services.

## 4 Data

Our empirical analysis relies on a diverse set of data sources including government decrees, archival and contemporary statistics, web-scraped administrative data, and satellite imagery. Unless noted otherwise, data for our IV design come from the years 2015 or 2016, and for the panel data design, from the years indicated in the specification. When we use panel data or historical indicators in administrative units that have been redistricted, we refit the new data within the old boundaries. We present the summary statistics for our data in Appendix Table A1.

**Unit of Analysis.** Districts are the lowest administrative unit responsible for the operation of public services and thus serve as our unit of analysis. Each of Turkey's 970<sup>3</sup>

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<sup>3</sup>Based on the number of districts in 2016.

districts has a local directorate that oversees the distribution and regulation of education, healthcare, and religious services. Finally, business associations are also mostly organized at the district level.

**Dependent Variable.** We measure Gulenist service provision through data from over sixty government decrees, announced between July 2016 and January 2018, that detail institutional closings and purges. The subset of decrees we use to measure our dependent variable includes Gulenist schools, dorms, and tutoring centers—namely all Gulenist educational institutions.<sup>4</sup> We create a different measure for each of the three types of education institutions (schools, dorms, and tutoring centers). We also construct an alternative measure as a robustness check, that takes the proportion of Gulenist schools, dorms, or tutoring centers over all non-public schools, dorms, or tutoring centers in the district (in percent). The data for the latter group come from the official lists of the Ministry of Education. For the panel data analysis, we coded the period when a given school was founded through specialized web-searches (including information from the school’s official pages). In additional analyses, we also look at purged civil servants from the health, education, and religious sectors.

Institutions such as schools, dorms, and tuition centers that form our main dependent variable were largely known by the public and in fact preferred by many parents due to their high performance in nationwide standardized tests, raising our confidence in the validity of the data extracted from government decrees. In the case of bureaucrats, however, the post-coup process resulted in the purging of over 100,000 individuals, possibly involving people that were not conclusively affiliated with the movement. We answer this concern in two ways: First, since some of the purging categories such as university professors, municipal staff, and community associations included people and institutions affiliated with the leftist and Kurdish movements, we exclude those from our analysis altogether. Second, if purged individuals also include non-Gulenist gov-

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<sup>4</sup>see Section 2

ernment opponents, we expect this to bias our estimate downwards as purged numbers will be inflated in places where Kurdish and leftist movements are stronger and Gulenist business associations weaker.

**Independent Variable.** We use Gulen-affiliated business associations to measure associational mobilization by Islamist business elites in a given district. Because business associations usually organize at the district level, we use a binary variable that shows whether the district has a Gulen-affiliated business association.<sup>5</sup> We web-scraped the lists of Gulen-affiliated local business associations from the official website of the business confederation they founded.<sup>6</sup> We also coded the foundation years of business associations for our panel data analysis, by visiting the web page of each of the 196 local business associations operating under TUSKON.

**Control Variables.** Resources owned by local business elites can also be mobilized through other associations. We, therefore, include an associational measure in our model: the total numbers of associations per ten thousand persons in the district. We gathered this associational data by scraping the official website of the relevant Ministry. To test the effect of state capacity, we measure the supply of public services using data from the official building census conducted in 2000, which captures the records of public education and health buildings by district. In order to adjust the supply of public services by population, we scale the number of buildings used for public services by the population of the district. The measure is defined as the number of public education and health buildings per ten thousand residents. For the longitudinal analysis, we

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<sup>5</sup>With the exception of a few districts (eleven out of 970), districts have either zero or one Gulen-affiliated association. Most of these eleven districts with more than one association have only two associations.

<sup>6</sup>The name of this confederation was TUSKON. To access the information in defunct websites, we used web archives available for public access. While many local Gulen-affiliated business associations predate TUSKON, they united under it in 2005. Unlike TUSKON, which was a confederation constituted by *local* business associations, MÜSİAD (and TÜSİAD) is itself a *national*-level business association with only *representative offices* in provincial centers (Bugra 1998; Öniş and Türem 2002; Pamuk 2008).

additionally use archival data from the building census conducted in 1984.

We also control for Gulen-affiliated *waqf* endowments using a binary measure. Unlike business associations, which mobilize resources at a collective and local level, *waqfs* mostly rely on personal donations endowed for philanthropic purposes.<sup>7</sup> As an alternative type of institution, Gulen-affiliated endowments can be considered a ‘placebo’ independent variable, as the absence of a positive effect can validate that the effect of the main independent variable, business associations, does not derive from spurious correlations between Gulenist institutions. The data for Gulen-affiliated *waqf* endowments are coded based on post-coup government decrees. We also control for the total number of endowments per ten thousand residents in the district. Our other controls include the total number of all private schools, dorms, and tutoring centers per ten thousand residents in the district, except for the models whereby this information is already accounted for through the dependent variable measure (the proportion of Gulen-affiliated education institutions). We obtained the data on the number of endowments and non-state education institutions in a district from the relevant Ministry and Directorate.

To control for key political and socio-economic variables, we rely on official statistics on vote shares, literacy, and population. Specifically, we control for the vote share of the first Islamist party in Turkey, MSP (National Salvation Party - *Milli Selamet Partisi*), which ran for the first time in an election in 1972, because support for political Islam might be a confounding variable correlated with the presence of both Islamist business associations and Islamist service provision, as well as the locations of our instrument, *halkevleri* (discussed in detail in Section 5.1). For similar reasons, we also control for the ruling party AKP’s (*Adalet ve Kalkınma Partisi* - Justice and Development Party) vote share in the 2002 elections, the first election in which the party participated after it was founded in 2001. We use the 2002 elections instead of the following general elections to avoid any potential “post-treatment” bias, i.e., increases in AKP vote share that might

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<sup>7</sup>Another charity-oriented association of the movement was the Light House, but it was a national-level organization with only a few logistical distributional centers.

have occurred due to its alliance with Islamist movements such as the Gulen Movement (see [Cornell and Kaya \(2015\)](#)). The third political control we use is the vote share of the nationalist conservative MHP (*Milliyetçi Hareket Partisi* - Nationalist Movement Party).

We construct a social conservativeness measure, which is equal to the ratio of female illiteracy to male illiteracy, drawing on the fact that population conservativeness is largely correlated with female education ([Meyersson 2017](#)). We code the districts in the provincial centers—the location of provincial headquarters, as well as city centers covered by metropolitan areas as an additional control variable. We also control for the population (log) and literacy rate of the district. Finally, due to the lack of district-level data for GDP per capita, we control for economic development by measuring average nighttime luminosity ([Henderson et al. 2012](#)), which we calculate based on NOAA's nighttime satellite images.<sup>8</sup>

## 5 Results

### 5.1 Instrumental Variable Design

There may be several other variables through which associational mobilization by local business elites and notables correlate with service provision. For instance, long-term political leanings or religiosity at the local level might be a source of support for the Gulenist movement among elites, as well as a reason for why the movement wants to build schools or increase its control over public services in these places. To account for such potential endogeneity, we test the proposed hypotheses through a two-stage least squares (2SLS) estimator that we further validate through a panel design. Our instrumental variable (IV) strategy is based on the potential historical determinants of the geographic distribution of Islamist business mobilization. Specifically, it relies on

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<sup>8</sup>Specifically, we use the Average Visible, Stable Lights, and Cloud Free Coverages from the DMSP-OLS Nighttime Lights Time Series.

the empirical regularity that social organizations can leave institutional legacies behind for future organizations. Since the landscape of institutions in a country is not uniform but rather varies depending on historical circumstances (Acemoglu et al. 2001), social organizations in the past can be used as instruments for social organizations that have formed decades later.

*Halkevleri.* As an instrument for Gulenist business associations, we use *halkevleri* (People's Houses) founded by the Republican regime in the 1930s, controlling for the number of other associations in the district. *Halkevleri* were the principal grassroots project of the new secular Republic. They were local, state-created community centers that operated through a wide range of cultural, recreational, and educational activities. They were run by local party administrators during the single-party era of the secular Republican regime and primarily aimed at indoctrinating the society with nationalist and secular ideas of the Republican regime. By 1943, a total of 394 *halkevleri* were in operation (Karpat 1963). Our data on *halkevleri* come from an official publication from 1947 that list all *halkevleri* across Turkey.<sup>9</sup>

*Halkevleri*, we argue, informed the current distribution of associational mobilization across the country by providing the local population with an institutional focal point for gathering and inculcating various organizational skills. Each *halkevi* had an organizational structure composed of several sections, which were free to determine their own program. They had to elect a new executive board every two years. In addition, they were continuously accepting and registering new members (CHP 1934). Thus, in line with theories on state building and social movements (Tarrow 2011), these state-introduced organizations provided a vibrant associational infrastructure and organizational skills such as associational membership, electing managerial boards, and managing the membership base. Therefore, we expect a positive relationship between *halkevleri*

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<sup>9</sup>National Education Statistics, 1944-1945. Genel Kitaplıklar ve Müzeler ile Halkevleri, Odaları ve Okuma Odaları Kitaplıkları, 1932-1942 [General Libraries and Museums & People's Houses, Rooms and Reading Rooms Libraries 1932-1942]. Ankara: Başbakanlık Devlet İstatistik Enstitüsü, 1947.

and Gulenist business associations, and associational mobilization in general. The first stage results substantiate this relationship. As Appendix Table A2 shows, *halkevleri* indeed predict the overall number of associations in a district, as well as the likelihood of whether the district has a Gulen-affiliated association. Specifically, a one unit increase in the number of *halkevleri* leads to an increase of 1.4 (per 10k persons) in the number of associations.

Rich qualitative evidence demonstrates that this effect of *halkevleri* can be even more pronounced among pious local elites, suggesting that *halkevleri* might be a particularly strong instrument for Islamist associations. Based on archival evidence, Lamprou (2015) documents how *halkevleri* became places where local elites came face-to-face with and resisted Republican reforms: “[the] scarcity of legitimate opportunity spaces increased the propensity of the *halkevleri* to be a space and a means of and for politics; as such, it invariably operated as a stage for conflicts” (Lamprou 2015, p. 111). *Halkevleri* thus appear to have deepened the grievances among pious local elites in a predominantly Islamic society, facilitating the subsequent mobilization of Islamist groups.

Identification under an IV model requires the exclusion restriction to hold: *Halkevleri* (the exogenous variable in the first stage) cannot affect or be correlated with Gulenist education institutions (the outcome of the second stage) through any channel other than Gulenist business associations (controlling for other associations in the district, as well as a number of other covariates). Three factors strengthen our confidence in this assumption.

First, the locations of *halkevleri* did not have any direct association with the degree of religious leanings in the locality. Instead of locating them in places with more support for or more challenges to the secular regime, the party used largely the infrastructure and offices of a pan-Turkic movement that arose in the last decade of the Ottoman Empire, upon the claim that it lost its functionality (Üstel 2017).<sup>10</sup> Second, our instru-

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<sup>10</sup>That organization was called *Türk Ocakları* (Turkish Hearths). They were merged into the ruling party of Turkey in 1931, and their offices were transferred to *halkevleri* (Landau 1995).



ment is a historical social institution that provided some associational infrastructure between 1930-1950 but was completely eradicated after the ending of Turkey’s single party rule.<sup>11</sup> Third, we include a large number of control variables in our model. Since we expect *halkevleri* to lead to an overall development of associational culture in the district, and because non-Gulenist institutions might be negatively correlated with our dependent variable of Gulenist service provision, our model controls for the total amount of non-Gulenist associations. We add a battery of other controls to account for alternative political and socio-economic factors that may affect both the locations of *halkevleri* and Islamist service provision or form an alternative causal pathway from the former to the latter.

The first stage results where we look at the relationship between *halkevleri* and Islamic vote share further increase our confidence in the exclusion restriction assumption (see Appendix Table A2). Conditional on control variables, we do not find any statistically significant relationship between *halkevleri* and the Islamic vote share in 1972 or AKP vote share in 2002. Furthermore, the coefficient on *halkevleri* is negative in the model with Islamic vote share as the dependent variable.

**Specification.** We employ a two-stage least squares (2SLS) estimator using the number of *halkevleri* as an instrument. The first stage of the model can be expressed in the following equation:

$$Business_d = \alpha_0 + \alpha_1 Z_d + \alpha_2 X_d + \alpha_3 \gamma_p + \epsilon_d^1 \quad (1)$$

As business associations usually organize at the district level, *Business<sub>d</sub>* is defined as a binary variable<sup>12</sup> that shows whether there is a Gulen-affiliated business association in the district. *Z<sub>d</sub>* is the number of *halkevleri* in a given district, *X<sub>d</sub>* is a vector of controls,

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<sup>11</sup>The *halkevleri* that resumed operation in Turkey today have no direct association with this old institution from the early Republic.

<sup>12</sup>Results remain consistent when it is defined as a continuous variable. See Appendix Table A3.

$\gamma_p$  is a vector of province dummies, and  $\epsilon_d^1$  is the error term. If one accepts the exclusion restriction, then the 2SLS estimator recovers the effect of Gulenist business associations on Gulenist service provision, holding all else equal. For the second stage, we estimate:

$$Education_d = \beta_0 + \beta_1 \widehat{Business}_d + \beta_2 X_d + \beta_3 \gamma_p + \epsilon_d^2 \quad (2)$$

where  $Education_d$  is the number of Gulen-affiliated schools, dorms, or tutoring centers (per 10k persons) in the district  $d$ . In the alternative specification, it is defined as the proportion of Gulenist schools, dorms, or tutoring centers to all non-public schools, dorms, or tutoring centers in the district.  $\widehat{Business}_d$  is the fitted values from the first stage. Our coefficient of interest is  $\beta_1$ , which, assuming the exclusion restriction holds, is the effect of having a Gulen-affiliated business association in the district on the number or percentage of Gulen-affiliated educational institutions.

**Findings.** Table 2 reports results from 2SLS-IV tests with province fixed effects and the full set of control variables. Columns 1-3 show results from the specification where the dependent variable is measured by the proportion of Gulenist education institutions to all non-public education institutions, whereas in Columns 4-6, the dependent variable is measured by the number of education institutions (per 10k persons). Each of the columns in the table show the findings for a different service provision indicator. The full set of controls, including non-Gulenist associations, are included in all models to meet the exclusion restriction assumption. The standard errors are reported in the parentheses and account for both heteroskedasticity and intra-province clustering. The full table is presented in Appendix Table A4.

The F-statistics of the first stage regression for weak instruments are greater than the critical value, indicating that the instrument strongly predicts the endogenous variable. The 2SLS test therefore does not suffer from a weak instrument. The findings show that Gulenist business associations lead to a substantively and statistically significant increase

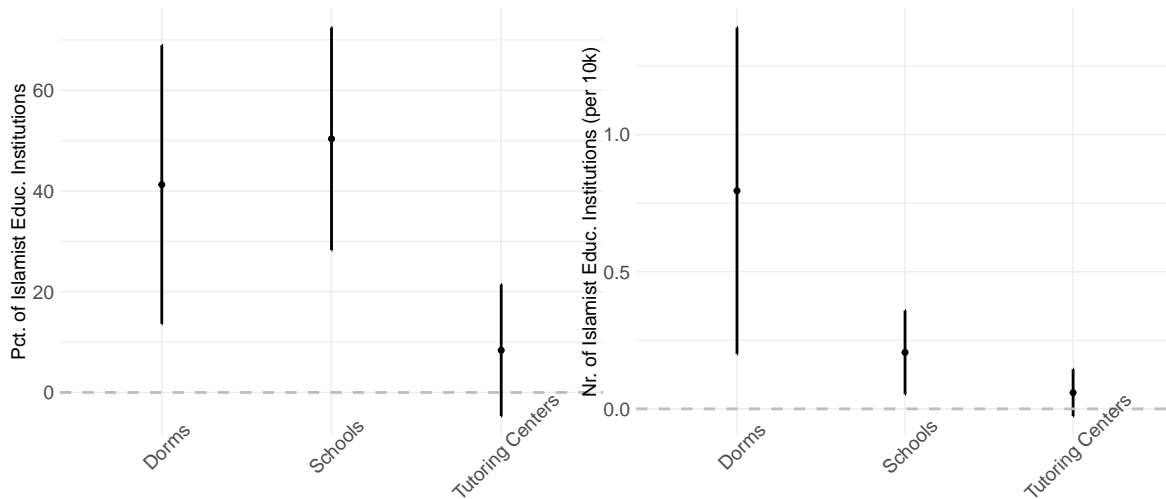
in Gulenist service provision. Holding all else equal, whether the district has a Gulen-affiliated business association or not increases the proportion of Gulen-affiliated schools by 50.4 percentage points, dorms by 41.3 percentage points,<sup>13</sup> and tutoring centers by 8.371 percentage points. In numbers (per 10k persons), the increase is around 0.21 in schools and 0.8 in dorms, corresponding to an increase of 0.61 for schools (where the sample mean is 1) and 2.35 for dorms (where the sample mean is 0.86) for a district with the median level of population (30,000). For all but one of the dependent variable indicators, the statistical significance holds at the 99% confidence level. For tutoring centers, the p-value is above 0.1, which is not surprising considering that a wide range of secular parents also chose to send their kids to Gulen-affiliated tutoring centers prior to them taking their standardized tests, because of their high placement records, which in turn became an important source of profit for the movement. In other words, not only were tutoring centers less dependent on local resources, but they also generated their own resources (Eroler 2019).

**Table 2:** Islamist Business Associations and Islamist Education Institutions, 2SLS Design

	Number (per 10k)			Percentage		
	Schools	Dorms	Tutoring c.	Schools	Dorms	Tutoring c.
Affiliated assoc. (binary)	50.366*** (11.268)	41.275*** (14.106)	8.371 (6.672)	0.206*** (0.078)	0.795*** (0.304)	0.059 (0.044)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Province FE	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F statistic	30.56	30.56	30.56	29.89	30.07	29.21
Observations	969	969	969	969	969	969

Note: Standard errors clustered by province. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

<sup>13</sup>Note that increases in the number of Gulenist education institutions lead to substantial changes in the proportion, as the average number of non-state schools and dorms is around 1 and 0.86 per district.



**Figure 5:** Business Associations and Islamist Service Provision in Percentage (Left) and in Numbers (Right)

These findings are not surprising as local business networks provide two essential resources to Islamist political movements that enhance their service provision *capacity*: financial resources and elite networks, particularly their networks within the bureaucracy. While the connection between business associations and financial capital is obvious, one would need to see evidence of whether business associations are in fact likely to lead to increased presence within the local bureaucracy. Therefore, in addition to the main evidence that business associations increase the amount of services delivered, we also demonstrate the effect of Islamist business associations on the Islamist network within the local bureaucracy.

Affiliated bureaucrats can substantially facilitate the foundation and expansion of non-state education institutions founded by Gulenists, because in Turkey, as in many other countries, non-state education institutions are under the strict control of the national Ministry of Education, which monitors non-state education institutions through its directorates at the province and district level. As stated by the relevant law,<sup>14</sup> non-state education institutions must get the Ministry's permission and approval at every stage

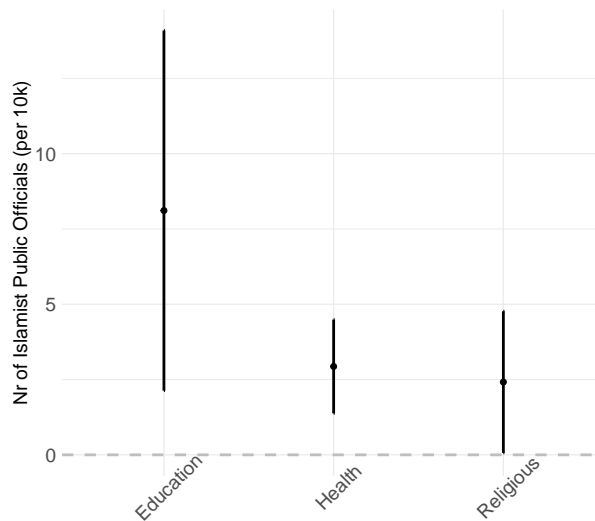
<sup>14</sup>The most recent law on non-state educational institutions, numbered 5580, was published in the Official Gazette No. 26434, on 14 February 2007.

of the service delivery process, including but not limited to the approval of the location and infrastructure of educational facilities, the number and qualifications of education staff recruited, and the educational curricula the school pursues. Therefore, bureaucrats affiliated with the movement provide it with great leverage in service delivery and immensely enhance its service provision capacity.

**Table 3:** Islamist Business Associations and Islamist Bureaucrats, 2SLS Design

	Number (per 10k)		
	(1)	(2)	(3)
Affiliated assoc. (binary)	8.111*** (3.050)	2.933*** (0.794)	2.416** (1.200)
Controls	Yes	Yes	Yes
Province FE	Yes	Yes	Yes
First Stage F statistic	18.67	18.67	18.67
Observations	969	969	969

Note: Standard errors clustered by province. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01.



**Figure 6:** Islamist Business Associations and Islamist Public Officials. Errorbars reflect estimated effects and 95% confidence intervals.

To see if Islamist business networks influence the bureaucratic dimension of Islamist

service provision capacity through their elite networks, we estimate the effect of business associations on the number of Gulen-affiliated public officials in the health, education, and religious sectors. We include the religious sector in our analysis as an additional robustness check since services provided in mosques—used by the local population on a daily basis—are also provided by public officials appointed by the Turkish state. For estimation, we replace the dependent variable measure in equation (2), *Education*, with the *Bureaucrat* measure, which is simply the number of Gulen affiliated bureaucrats in a given sector per ten thousand residents, as per the lists of purged bureaucrats. Figure 6 and Table 3 show that Gulenist business involvement leads to a substantively and statistically significant increase in the amount of Gulen-affiliated bureaucrats. In a district with the median level of population (30,000), whether the district has a Gulen-affiliated business association increases the number of affiliated bureaucrats in the education, health, and religious sectors by 23.97 units, 8.7 units, and 7.1 units, respectively. The full results are presented in Appendix Table A5. These findings suggest that, as expected, business elite networks help Islamist movements increase their control over key service sectors in the bureaucracy, thereby leading to higher capacity for service delivery.

## 5.2 Robustness

This section shows that our findings remain consistent when we use a panel data design and when we exclude the period after 2002, the year in which Erdogan’s ruling party, the AKP, came to power. Restricting our sample to the period prior to AKP would lead further credence to our findings as with AKP, Turkey started to be ruled for the first time by an Islamist single-party government<sup>15</sup> which may have facilitated Islamist service provision due to AKP’s links with Islamist political movements. In the panel data design, we also look at the effect of an alternative variable, Gulen-affiliated endowments,

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<sup>15</sup>Another Islamist party preceding AKP, the Welfare Party, also briefly ruled the country during the 90s, but only as part of a coalition government and only for a duration of one year.

on Gulenist educational institutions, to validate that our findings do not derive from spurious correlations between Gulenist institutions. We find no evidence that Gulen-affiliated endowments lead to an increase in the number of Gulen-affiliated schools, further strengthening our confidence in the findings. To further address concerns of endogeneity, we also estimate a placebo regression model where lead values (values in time  $t + 1$ ) are used to predict current outcomes (outcomes in time  $t$ ) (Appendix Table A8). We do not find a significant effect in either of the subsets of these placebo regressions.

The panel data design increases the causal leverage of our findings by adding year and district-level fixed effects to the model, allowing us to isolate any heterogeneity caused by unobserved district-level factors or any other time-invariant or slowly moving independent variables such as ethnic composition or religiosity. We use the following fixed effects specification:

$$Education_{dt} = \beta_1 Business_{dt} + \beta_2 Endowment_{dt} + X'_{dt} \gamma + \lambda_d + \tau_t + \epsilon_{dt} \quad (3)$$

where  $Education_{dt}$  denotes the number of Gulen-affiliated schools (per 10k persons) in district  $d$  and year  $t$ ,  $Business_{dt}$  is a binary variable that shows whether there is a Gulen-affiliated business association in the district,  $\lambda_d$  is the district dummy, and  $\epsilon_{dt}$  is the error term.  $X_{dt}$  is a vector of time-varying covariates: literacy rate; log population; the conservativeness measure, the ratio of female illiteracy to male illiteracy; the total number of endowments in district  $d$  (per 10k persons), and public service infrastructure. To test the effect of an additional ‘placebo’ variable, the model also includes a binary variable that shows whether there is any Gulen-affiliated endowments ( $Endowment_{dt}$ ) in the district. More details about these variables can be found in Section 4. We present the relevant summary statistics in Appendix Table A6.

Given the unavailability of over-time data for most dependent variable indicators, Islamist service provision is measured only by one indicator here, the one most char-

acteristically linked to the Gulen Movement: Gulen-affiliated schools. Our data for the panel data design consist of two periods (1984 and 2000) in the specification that excludes the AKP period and three periods (1984, 2000, and 2016) in the alternative specification. Thus, the model examines how much of the over-time difference of Gulenist service provision is explained by the change in Gulen-affiliated business associations or other covariates.

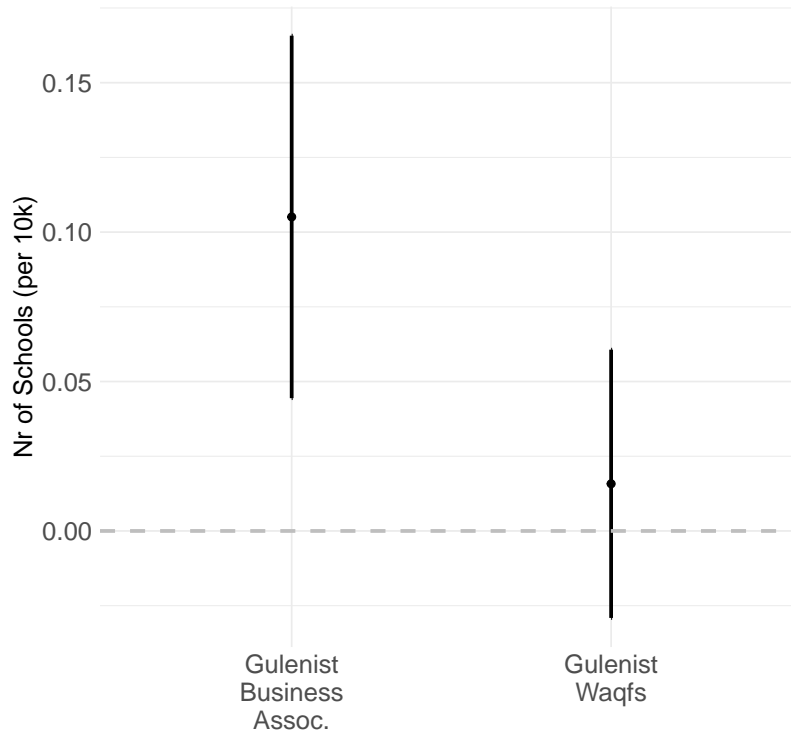
**Table 4:** Islamist Business Associations, Public Service Infrastructure, and Service Provision, Panel Design Results

	<i>Dependent variable:</i>							
	Affiliated schools (per 10k)							
	Excluding AKP Period				Including AKP Period			
	Full Sample		Matched		Full Sample		Matched	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Affiliated assoc. (binary)	0.105*** (0.031)	0.107*** (0.032)	0.072** (0.034)	0.074** (0.034)	0.095*** (0.018)	0.095*** (0.018)	0.062*** (0.022)	0.061*** (0.023)
Public service infrastructure		0.001 (0.001)		0.011*** (0.004)		0.002** (0.001)		0.008** (0.004)
Affiliated endowment (binary)	0.016 (0.023)	0.013 (0.023)	-0.005 (0.025)	-0.015 (0.026)	0.009 (0.023)	0.008 (0.023)	-0.008 (0.023)	-0.013 (0.024)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,288	1,268	446	439	1,932	1,912	669	662
R <sup>2</sup>	0.123	0.127	0.612	0.625	0.260	0.261	0.724	0.727

Note: Standard errors clustered by province. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Results from this panel data analysis appear in Table 4. The full results are presented in Appendix Table A7. Columns 1 and 5 show the estimates for two and three time periods, respectively. Conditioning on district fixed effects, as well as time-varying covariates, our estimates indicate an around 0.95–0.105 unit increase in the number of Gulen-affiliated schools (per 10k persons) in districts with a Gulen-affiliated business association. This corresponds to a 0.5 standard deviation increase in the number of schools. The estimates are statistically significant at the 99% confidence level, and the effect size is virtually the same across the two different samples, regardless of whether we include or exclude the Islamist AKP’s incumbency. Columns 3 and 7 show estimates from the same





Note: Errorbars reflect estimated effects and 95% confidence intervals.

**Figure 7:** Effect of Gulen-affiliated Business Associations and Alternative Variables on Gulen-affiliated Schools

analysis using a matched sample for which balance between districts with and without Gulen-affiliated business associations is more likely to hold (See Appendix Section C for details.). Using the matched sample we find a 0.33 standard deviation increase in the number of schools that remains consistent across the two different samples.

One might still wonder whether there is a time-varying omitted variable that is not being accounted for in the panel data design. Such an omitted variable may lead to a simultaneous increase in all the different types of Gulenist institutions. To address this concern, we present evidence in Figure 7 that the coefficient on an alternative alternative Gulen-affiliated institution, Gulen-affiliated *waqf* endowments, is not statistically significant. Overall, the panel design findings and additional robustness checks reinforce our argument that to understand the success of Islamist service provision in this context, one needs to look at associational mobilization among local business elites.

## 6 Alternative Hypothesis: Low State Capacity

While our findings confirm the importance of associational mobilization by local business elites in Islamist service provision, we also examine whether a second factor, low state capacity, is at play. Not only the literature on rebel groups (Jalali 2006; Koonings and Kruijt 2004), but also accounts on Islamist service provision (Berman 2003; Eseed 2018; Jawad 2009; McGlinchey 2009) attribute critical importance to the lack of state capacity in non-state service delivery. This alternative hypothesis suggests that a non-state actor's opportunity to provide services increases in places with low state capacity. While we want to highlight that business association and low state capacity explanations are a priori non-rival, we find no evidence in support of the state capacity explanation.

To test this alternative hypothesis, we look at the effect of public service-related state infrastructure on Islamist service provision. We adopt a panel data design and use the same model as in equation (3). We slightly modify the model by adding a new independent variable, that of public service infrastructure. We measure public service infrastructure by the number of public buildings serving educational purposes (per 10k persons), as per the official building census dataset. Following our approach in the main analysis, for robustness we also run the model excluding the AKP period. To facilitate comparability with our main hypothesis, we also include the full set of covariates in equation (3) in our model:  $Business_{dt}$ ,  $Endowment_{dt}$ ,  $OtherIslamist_{dt}$ , literacy rate, log population, and the conservativeness measure.

Table 4 reports the results. Columns 2 and 6 show the estimates for two and three time periods, respectively. Column 6 and 8 show estimates from the same analysis using a matched sample described in the previous section. As these results show, we find no evidence in support of the state capacity explanation. If it were the case that Islamist service provision rose in prominence in places where state services did not meet the requisite need, with Islamist services acting as a substitute for the state, the relationship between supply of public services and non-state service provision should have been

negative. We find no evidence of this. In the full sample with two time periods, the estimate is statistically insignificant (Column 2). In the other models, the estimate is statistically significant but the direction of the effect is positive, i.e., the opposite of what we would expect if the state capacity hypothesis were true. Overall, the findings are not consistent across different specifications and suggest that Gulenist service provision, if anything, increased in places with more educational infrastructure, pointing out that Gulenist services may be competing with rather than substituting for public services. More importantly, the effect of business associations remains statistically significant, and the effect size does not change, lending further credence to our main argument.

One potential explanation for this finding is that a minimum level of education infrastructure may be a prerequisite for non-state service provision. Schools administered by non-state actors have to cooperate with local state actors as these private educational institutions also have to comply with formal processes such as the official registration of the school, enrollments and transfers of students, permits for the location and infrastructure of educational facilities, approval of the number and qualifications of education staff recruited, and monitoring of the educational curricula, among others. In districts with low state capacity, it might be harder for non-state actors to fulfill and sustain these procedures. Overall, the evidence does not lend support to the hypothesis that Gulenist service provision is stronger in places with low state capacity.

Another explanation for why low state capacity does not increase Islamist service provision might be that districts with low public service supply may be those where citizens prefer to meet their needs through other private services. In addition, regions with low public service supply might also be places where Gulenists had difficulty in establishing themselves, such as the provinces where the Kurdish political movement and non-state actors (e.g., the Kurdish insurgency group PKK) are powerful. To investigate these alternative explanations, we look at the subnational heterogeneity in the effect of state capacity on Gulenist service provision, which enables us to focus on the differences

between developed and less-developed regions, and between provinces with strong Kurdish non-state actors and others. When the state capacity variable is interacted with the development and Kurdish region dummies, the interaction terms turns out to be statistically insignificant and does not alter the coefficient on the main effect, contrary to what the low state capacity hypothesis suggests (see Appendix Section D). Overall, the evidence does not lend support to the hypothesis that Gulenist service provision is stronger in places with low state capacity.

## 7 Discussion

Our analysis has examined the factors that enable Islamist service provision by taking a close look at original data on the Gulen Movement in Turkey. The information uncovered in the aftermath of the July 2016 failed coup attempt in Turkey shows that the Gulen Movement's control over social services, though notable, showed significant subnational variation. We find strong evidence that this variation is a function of the associational involvement of Islamist local business elites. We also find that historical social organizations such as *halkeverleri* have shaped the geographic distribution of contemporary business networks.

To see whether available qualitative evidence validates our empirical findings, we also draw on existing sources on the Gulen Movement that enable us to track the causal relationship between business associations and Gulenist service provision more closely. To this end, we examined the bulk of available qualitative writings on the movement that predated the July 2016 coup to see what references, if any, they made to the mechanisms and channels behind the movement's service provision. Irrespective of the writers' positive or negative predisposition towards the Gulen Movement, these qualitative works make clear and extensive references to the central role of business associations and business people on the movement's service-related activities (See Appendix Section E for a

review.).

Non-state groups providing social services to gain increased political power are seen as undermining democracy and impeding overall public welfare. Existing works in Muslim contexts have focused on the distributional strategies of service provision among Islamist movements, i.e., when they *want* to provide public goods and services, leaving the question of when they *can* distribute them largely unanswered. In addition, scholarly accounts on Islamist religious groups and social service provision generally emphasize organizations that are defined by sect and compete in the electoral arena, restricting that literature's scope to groups contained by a particular geography.

In this paper, we empirically focus on the Gulen Movement in Turkey, a membership-based religious organization that, at least nominally, emphasized charity motivations to gain increased capacity for service delivery. Such movements become integrated into government structures and the bureaucracy by recruiting members rather than by running in elections. This case allowed us to shift the focus from electoral mobilization to alternate enabling factors, revealing that the dominance of Islamist groups in social services also depends on their access to resources (specifically through associational mobilization by local business elites), as well as on pre-existing institutional legacies of state-based associations. Furthermore, we find that low state capacity and public service supply did not lead to more Islamist service provision in this case. We confirm our results by examining regional variations, focusing on the differences between places with strong Kurdish non-state actors and others, as well as on the differences between developed and less developed regions in Turkey.

Two potential limitations of our work relate to measurement and generality. Our measure of Gulenist service provision relies on government decrees of schools, dorms, tutoring centers, and civil servants in various sectors purged in the aftermath of the 2016 failed coup attempt. Although the information on whether an institution is Gulenist is relatively clear and largely uncontested in the case of schools, dorms, and tutoring

centers, government purges may still include bureaucrats that were not conclusively affiliated with the movement. As it is not our place or intent to adjudicate individual membership, we cannot presume the full accuracy of affiliation of the individuals on these lists. Therefore, we present results for civil servants as additional evidence to that of purged and closed institutions. We are nevertheless confident in the veracity of our findings because there is no reason to expect that the accuracy of these lists correlates with our independent variable, business associations, for which the data comes from the official confederation website. Furthermore, if purging lists also include non-Gülenist institutions, this would most likely bias our estimates downwards as they would inflate the numbers in places with stronger leftist or Kurdish presence than Gülenist presence. In future studies, and where the data is available, the role of business actors in service provision can be further studied by looking at underlying networks among individuals involved in business associations and service provision.

With regard to external validity, we recognize that a tradition particular to the Turkish state may have enabled the creation of an associational culture through institutions such as *halkevleri* and the spread of grievances among Islamist business elites that may not be easily found elsewhere. Yet, the literature provides us with abundant evidence that the impact of historical institutions on associational involvement is not limited to a single country or to 20th-century institutions established by modern nation-states: earlier political (Putnam et al. 1994) and colonial institutions (Noh 2018) can shape levels of associational involvement today. Our paper suggests that to the extent that local business elites are organized around associations, the amount of resources that Islamist movements can mobilize at the local level will increase. As such, our findings have important implications for Islamist political movements that emphasize local service provision such as Hezbollah, the Muslim Brotherhood, or Hamas, regardless of whether they pursue electoral victories, member recruitment, or territorial expansion. Scholars of religion and politics can also consider whether and how these findings can shed light

on non-Muslim religious movements insofar as they emphasize service provision to win the hearts and minds of local constituents.

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# Appendix

## A Additional Tables for the Instrumental Variable Design

**Table A1:** Summary Statistics, 2SLS Design

Statistic	N	Mean	St. Dev.	Median	Min	Max
Affiliated endowment (binary)	970	0.086	0.280	0	0	1
Endowments (per 10k)	970	0.818	0.890	0.525	0.000	7.266
Associations (per 10k)	970	13.882	8.048	12.786	0.000	82.071
Public service infrastructure	969	7.894	6.926	6.046	0.127	83.094
Conservativeness(F/M Literacy)	970	14.067	200.046	4.785	0.005	4,437.389
Literacy rate	970	93.287	4.400	94.433	75.453	99.573
Nightlight density	970	3.336	12.119	0.503	0.007	138.556
AKP vote share	970	33.238	15.896	33.464	1.703	94.196
Nationalist vote share	970	9.581	5.851	8.648	0.000	49.529
Islamist vote share	970	12.039	9.375	9.831	0.187	66.178
Rural population (%)	970	47.755	24.590	51.677	0.000	99.619
Population (log)	970	10.421	1.302	10.294	7.418	13.725
Provincial center	970	0.191	0.393	0	0	1
Pr. schools (per 10k)	970	0.394	0.868	0	0	12
Pr. dorms (per 10k)	970	0.815	0.908	0.586	0.000	6.974
Tutoring centers (per 10k)	970	0.366	0.616	0	0	6
Halkevleri	970	0.410	0.596	0	0	6
Affiliated assoc. (binary)	970	0.184	0.387	0	0	1
Affiliated assoc. (count)	970	0.201	0.465	0	0	5
Affiliated schools (per 10k)	970	0.067	0.156	0	0	2
Affiliated dorms (per 10k)	970	0.120	0.272	0	0	3
Affiliated tutoring c. (per 10k)	970	0.026	0.073	0	0	1
Affiliated schools (%)	970	7.448	17.545	0	0	100
Affiliated dorms (%)	970	12.266	19.775	0	0	100
Affiliated tutoring c. (%)	970	3.288	11.940	0	0	100
Affiliated educ. staff (per 10k)	970	3.991	2.948	3.463	0.000	23.722
Affiliated health staff (per 10k)	970	0.869	1.247	0.6	0	16
Affiliated relig. staff (per 10k)	970	0.508	0.858	0.2	0	10

**Table A2: Halkevleri and Several Control Variables, OLS Design**

	<i>Dependent variable:</i>		
	All associations (per 10k) (Gulenist and non-Gulenist)	Islamic vote share (%)	AKP vote share (%)
	(1)	(2)	(3)
<i>Halkevi</i>	1.339*** (0.459)	-0.551 (0.394)	0.233 (0.539)
Affiliated assoc. (binary)	0.955** (0.442)	-0.370 (0.602)	1.367 (0.905)
Affiliated endowment (binary)	1.055* (0.554)	1.242 (0.929)	0.080 (1.101)
Endowments (per 10k)	1.490** (0.582)	0.512 (0.346)	-0.644 (0.702)
Associations (per 10k)		0.053 (0.040)	0.021 (0.061)
Public service infrastructure	0.102** (0.052)	-0.026 (0.029)	-0.076 (0.054)
Conservativeness(F/M Literacy)	0.001** (0.0005)	-0.002*** (0.0004)	0.003*** (0.0002)
Literacy rate	0.127 (0.137)	0.029 (0.102)	-0.030 (0.218)
Nightlight density	0.021 (0.025)	-0.016 (0.015)	0.002 (0.021)
Vote share	0.010 (0.029)	0.328*** (0.030)	
Nationalist vote share	-0.002 (0.041)	0.059 (0.067)	-0.406*** (0.095)
Islamist vote share	0.048 (0.031)		0.650*** (0.076)
Rural population (	(0.016)	(0.017)	(0.027)
Population (log)	-1.163*** (0.389)	0.511 (0.416)	0.530 (0.788)
Provincial center	2.716*** (0.671)	1.255* (0.759)	0.752 (1.052)
Pr. schools (per 10k)	-0.445* (0.238)	0.059 (0.196)	-0.221 (0.543)
Pr. dorms (per 10k)	0.737 (0.540)	-0.039 (0.329)	1.381** (0.569)
Tutoring centers (per 10k)	2.164*** (0.437)	-0.009 (0.414)	-3.113*** (0.887)
Constant	5.765 (12.941)	-8.003 (9.788)	35.331* (20.881)
Controls	Yes	Yes	Yes
Province FE	Yes	Yes	Yes
Observations	969	969	969
R <sup>2</sup>	0.553	0.636	0.749

Note: Standard errors clustered by province. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

**Table A3: Islamist Business Associations and Islamist Education Institutions, 2SLS Design with Alternative IV Measure**

	Number (per 10k)			Percentage		
	Schools	Dorms	Tutoring c.	Schools	Dorms	Tutoring c.
Affiliated assoc. (number)	53.448*** (14.148)	43.801*** (15.804)	8.883 (7.190)	0.219*** (0.084)	0.848*** (0.323)	0.063 (0.047)
Affiliated endowment (binary)	-9.869 (6.037)	-5.901 (5.144)	-2.181 (1.452)	-0.041 (0.030)	-0.132 (0.088)	-0.003 (0.010)
Endowments (per 10k)	-7.214** (2.816)	-7.589*** (2.766)	-1.995* (1.126)	-0.041** (0.017)	-0.139*** (0.051)	-0.012* (0.006)
Associations (per 10k)	-0.083 (0.073)	-0.069 (0.101)	-0.038 (0.050)	0.0001 (0.0005)	-0.003 (0.002)	0.00001 (0.0003)
Public service infrastructure	0.158* (0.085)	0.113 (0.129)	-0.047 (0.047)	0.002** (0.001)	0.005** (0.003)	-0.0004 (0.0003)
Conservativeness(F/M Literacy)	-0.002 (0.001)	-0.005*** (0.002)	0.0003 (0.001)	0.00000 (0.00001)	-0.0001** (0.00005)	0.00000 (0.00001)
Literacy rate	-0.007 (0.133)	0.197 (0.230)	0.082 (0.094)	0.002* (0.001)	0.010** (0.004)	0.001 (0.001)
Nightlight density	-0.095 (0.088)	0.050 (0.107)	0.002 (0.027)	-0.001*** (0.0004)	0.002 (0.002)	-0.0001 (0.0003)
AKP vote share	0.007 (0.055)	0.001 (0.079)	0.079** (0.033)	-0.0001 (0.0004)	0.001 (0.001)	0.0004** (0.0002)
Nationalist vote share	-0.165 (0.141)	-0.118 (0.160)	-0.070 (0.078)	-0.0004 (0.001)	-0.002 (0.003)	-0.00004 (0.001)
Islamist vote share	-0.014 (0.075)	-0.124 (0.121)	-0.129*** (0.047)	0.0004 (0.0005)	-0.002 (0.002)	-0.001*** (0.0003)
Rural population (	(0.060)	(0.053)	(0.021)	(0.0005)	(0.001)	(0.0001)
Population (log)	-6.953** (3.483)	-5.050 (3.836)	-1.293 (1.606)	-0.031 (0.024)	-0.177** (0.076)	-0.010 (0.009)
Provincial center	-3.735 (3.412)	-8.690* (4.737)	0.488 (1.957)	0.009 (0.022)	-0.085 (0.069)	0.009 (0.010)
Pr. schools (per 10k)				0.072*** (0.023)		
Pr. dorms (per 10k)					0.036** (0.015)	
Tutoring centers (per 10k)						0.018** (0.009)
Constant	84.406** (41.490)	53.024 (44.800)	10.937 (15.211)	0.233 (0.314)	0.965 (0.699)	0.078 (0.088)
Province FE	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F statistic	18.67	18.67	18.67	18.24	18.21	17.45
Observations	969	969	969	969	969	969

Note: Standard errors clustered by province. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

**Table A4: Islamist Business Associations and Education Institutions, 2SLS Design**

	Number (per 10k)			Percentage		
	Schools	Dorms	Tutoring c.	Schools	Dorms	Tutoring c.
Affiliated assoc. (binary)	50.366*** (11.268)	41.275*** (14.106)	8.371 (6.672)	0.206*** (0.078)	0.795*** (0.304)	0.059 (0.044)
Affiliated endowment (binary)	-6.850* (3.985)	-3.427 (4.098)	-1.679 (1.106)	-0.029 (0.024)	-0.085 (0.060)	0.001 (0.009)
Endowments (per 10k)	-3.567*** (1.247)	-4.600*** (1.547)	-1.389* (0.712)	-0.026** (0.010)	-0.081** (0.035)	-0.008* (0.004)
Associations (per 10k)	-0.007 (0.065)	-0.006 (0.103)	-0.025 (0.046)	0.0004 (0.0004)	-0.002 (0.002)	0.0001 (0.0003)
Public service infrastructure	0.117 (0.073)	0.079 (0.120)	-0.054 (0.043)	0.002* (0.001)	0.004* (0.002)	-0.0004 (0.0003)
Conservativeness(F/M Literacy)	-0.002 (0.001)	-0.005*** (0.002)	0.0004 (0.001)	0.00000 (0.00001)	-0.0001** (0.00004)	0.00000 (0.00001)
Literacy rate	-0.033 (0.126)	0.175 (0.224)	0.077 (0.093)	0.002 (0.001)	0.009** (0.004)	0.0005 (0.001)
Nightlight density	-0.048 (0.066)	0.088 (0.098)	0.010 (0.030)	-0.001** (0.0004)	0.002 (0.002)	-0.00001 (0.0003)
AKP vote share	-0.002 (0.045)	-0.007 (0.070)	0.077** (0.032)	-0.0001 (0.0003)	0.001 (0.001)	0.0004** (0.0002)
Nationalist vote share	-0.135 (0.141)	-0.093 (0.160)	-0.065 (0.076)	-0.0003 (0.001)	-0.002 (0.003)	-0.00000 (0.001)
Islamist vote share	-0.008 (0.055)	-0.119 (0.114)	-0.128*** (0.046)	0.0004 (0.0004)	-0.002 (0.002)	-0.001*** (0.0003)
Rural population (	(0.048)	(0.044)	(0.021)	(0.0004)	(0.001)	(0.0001)
Population (log)	-3.852* (2.100)	-2.510 (2.926)	-0.778 (1.226)	-0.018 (0.018)	-0.127** (0.062)	-0.007 (0.007)
Provincial center	-4.570 (3.021)	-9.374** (4.251)	0.350 (2.026)	0.006 (0.023)	-0.098 (0.061)	0.008 (0.011)
Pr. schools (per 10k)				0.071*** (0.023)		
Pr. dorms (per 10k)					0.041*** (0.015)	
Tutoring centers (per 10k)						0.020*** (0.008)
Constant	50.603** (24.177)	25.322 (32.359)	5.319 (11.447)	0.094 (0.241)	0.429 (0.523)	0.047 (0.070)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Province FE	Yes	Yes	Yes	Yes	Yes	Yes
First Stage F statistic	30.56	30.56	30.56	29.89	30.07	29.21
Observations	969	969	969	969	969	969

Note: Standard errors clustered by province. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

**Table A5: Islamist Business Associations and Islamist Bureaucrats, 2SLS Design**

	Number of Affiliated Officials (per 10k)		
	Education	Health	Religious
Affiliated assoc. (binary)	8.111*** (3.050)	2.933*** (0.794)	2.416** (1.200)
Affiliated endowment (binary)	-0.614 (0.603)	0.099 (0.214)	-0.217 (0.207)
Endowments (per 10k)	-1.160*** (0.301)	-0.166 (0.175)	-0.096 (0.126)
Associations (per 10k)	-0.006 (0.023)	-0.003 (0.005)	0.001 (0.004)
Public service infrastructure	0.045** (0.021)	0.005 (0.008)	0.004 (0.007)
Conservativeness(F/M Literacy)	0.001 (0.001)	0.0001 (0.0001)	-0.0001 (0.0003)
Literacy rate	0.109** (0.047)	-0.017 (0.015)	0.022 (0.015)
Nightlight density	-0.007 (0.014)	-0.005 (0.006)	0.003 (0.007)
AKP vote share	0.052*** (0.012)	0.001 (0.006)	-0.002 (0.003)
Nationalist vote share	-0.004 (0.027)	-0.016 (0.013)	-0.013 (0.009)
Islamist vote share	-0.005 (0.016)	-0.004 (0.007)	-0.004 (0.006)
Rural population (	(0.010)	(0.004)	(0.004)
Population (log)	-1.237** (0.589)	-0.528*** (0.203)	-0.479** (0.224)
Provincial center	-0.287 (0.535)	0.232 (0.250)	-0.155 (0.180)
Constant	4.350 (5.101)	7.784** (3.313)	3.034** (1.543)
Controls	Yes	Yes	Yes
Province FE	Yes	Yes	Yes
First Stage F statistic	18.67	18.67	18.67
Observations	969	969	969

Note: Standard errors clustered by province. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01



## B Additional Tables for the Panel Design

**Table A6:** Summary Statistics, Panel Design

Statistic	N	Mean	St. Dev.	Median	Min	Max
Public service infrastructure	1,912	5.328	4.616	4.121	0.000	42.331
Less Developed	1,932	0.817	0.387	1	0	1
Kurdish	1,932	0.148	0.355	0	0	1
Affiliated assoc. (binary)	1,932	0.110	0.313	0	0	1
Affiliated endowment (binary)	1,932	0.069	0.254	0	0	1
Endowments (per 10k)	1,932	0.444	0.606	0.3	0	7
Islamist vote share	1,932	22.453	19.945	14.995	0.104	81.443
Population (log)	1,932	10.833	1.055	10.715	7.616	15.163
Literacy rate	1,932	81.887	14.080	84.884	6.145	99.981
Conservativeness(F/M Literacy)	1,932	6.315	100.871	3.789	0.005	4,437.389
Affiliated schools (per 10k)	1,932	0.047	0.141	0	0	2

**Table A7: Islamist Business Associations, Public Service Infrastructure, and Service Provision, Panel Design Results**

	<i>Dependent variable:</i>							
	Affiliated schools (per 10k)				Excluding AKP Period			
	Including AKP Period Full Sample	Matched	Matched	Full Sample	Full Sample	Matched	Matched	Matched
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Affiliated assoc. (binary)	0.105*** (0.031)	0.107*** (0.032)	0.072** (0.034)	0.074** (0.034)	0.095*** (0.018)	0.095*** (0.018)	0.062*** (0.022)	0.061*** (0.023)
Public service infrastructure		0.001 (0.001)		0.011*** (0.004)		0.002** (0.001)		0.008** (0.004)
Affiliated endowment (binary)	0.016 (0.023)	0.013 (0.023)	-0.005 (0.025)	-0.015 (0.026)	0.009 (0.023)	0.008 (0.023)	-0.008 (0.023)	-0.013 (0.024)
Islamist vote share	-0.0001 (0.0004)	-0.0001 (0.0004)	-0.002 (0.001)	-0.002 (0.002)	-0.0003 (0.0003)	-0.0003 (0.0003)	-0.002** (0.001)	-0.002** (0.001)
Population (log)	0.065*** (0.015)	0.071*** (0.016)	0.078** (0.039)	0.120*** (0.037)	0.143*** (0.021)	0.154*** (0.023)	0.134*** (0.034)	0.171*** (0.043)
Literacy rate	0.001 (0.001)	0.001 (0.001)	0.003 (0.003)	0.002 (0.003)	-0.002*** (0.001)	-0.002*** (0.001)	-0.001 (0.001)	-0.001 (0.001)
Conservativeness(F/M Literacy)	0.0002 (0.012)	-0.0004 (0.013)	-0.012 (0.039)	-0.016 (0.041)	0.00001*** (0.00000)	0.00001*** (0.00000)	0.00000 (0.00000)	0.00000 (0.00000)
Endowments (per 10k)	-0.003 (0.015)	-0.003 (0.015)	0.006 (0.025)	0.010 (0.026)	-0.007 (0.008)	-0.009 (0.008)	-0.010 (0.020)	-0.005 (0.021)
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,288	1,268	446	439	1,932	1,912	669	662
R <sup>2</sup>	0.123	0.127	0.612	0.625	0.260	0.261	0.724	0.727

Note: Standard errors clustered by province. \*p<0.1, \*\*p<0.05; \*\*\*p<0.01

**Table A8: Islamist Business Associations, Public Service Infrastructure, and Service Provision, Lagged Dependent (Placebo) Model Results**

	<i>Dependent variable:</i>							
	Full Sample				Affiliated schools (per 10k), Lagged			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Affiliated assoc. (binary)	0.042 (0.026)	0.038 (0.026)	0.006 (0.027)	0.001 (0.027)	0.042 (0.026)	0.038 (0.026)	0.006 (0.027)	0.001 (0.027)
Public service infra. (per 10k)		-0.001 (0.001)		-0.010** (0.005)		-0.001 (0.001)		-0.010** (0.005)
Affiliated endowment (binary)	0.031 (0.024)	0.034 (0.024)	0.012 (0.026)	0.021 (0.024)	0.031 (0.024)	0.034 (0.024)	0.012 (0.026)	0.021 (0.024)
Islamist vote share (%)	-0.0005 (0.001)	-0.0004 (0.001)	-0.004** (0.002)	-0.004** (0.002)	-0.0005 (0.001)	-0.0004 (0.001)	-0.004** (0.002)	-0.004** (0.002)
Population (log)	0.203*** (0.035)	0.190*** (0.034)	0.179*** (0.051)	0.139*** (0.048)	0.203*** (0.035)	0.190*** (0.034)	0.179*** (0.051)	0.139*** (0.048)
Literacy rate	0.0001 (0.0003)	0.0001 (0.0003)	0.0004 (0.001)	0.001 (0.001)	0.0001 (0.0003)	0.0001 (0.0003)	0.0004 (0.001)	0.001 (0.001)
Conservativeness(F/M Literacy)	0.024*** (0.008)	0.022*** (0.008)	0.029 (0.020)	0.030 (0.020)	0.024*** (0.008)	0.022*** (0.008)	0.029 (0.020)	0.030 (0.020)
Endowments (per 10k)	0.016* (0.009)	0.015 (0.009)	0.011 (0.011)	0.006 (0.013)	0.016* (0.009)	0.015 (0.009)	0.011 (0.011)	0.006 (0.013)
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,288	1,268	444	438	1,288	1,268	444	438
R <sup>2</sup>	0.164	0.155	0.853	0.858	0.164	0.155	0.853	0.858

Note: Standard errors clustered by province. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

## C Matching

Columns 3 and 7 of Table 4 show estimates from the same analysis as in Columns 1 and 5 using a matched sample for which balance between districts with and without Gulen-affiliated business associations is more likely to hold. Using a genetic matching algorithm (Diamond and Sekhon 2013), we match all districts that were “treated” as of 1984 to districts untreated during that period on a number of pre-treatment covariates, including population, literacy rate, land area, Islamist vote share, and conservativeness. The coefficient slightly decreases in magnitude within this subset, but remains statistically and substantively significant. This time our estimates indicate an approximately 0.062–0.072 unit increase in the number of Gulen-affiliated schools (per 10k persons) in districts with a Gulen-affiliated business association. This corresponds to a 0.33 standard deviation increase in the number of schools and remains consistent across the two different samples. Overall, the panel design findings reinforce the idea that to understand the success of Islamist service provision in this context, one needs to look at associational mobilization among local business elites.

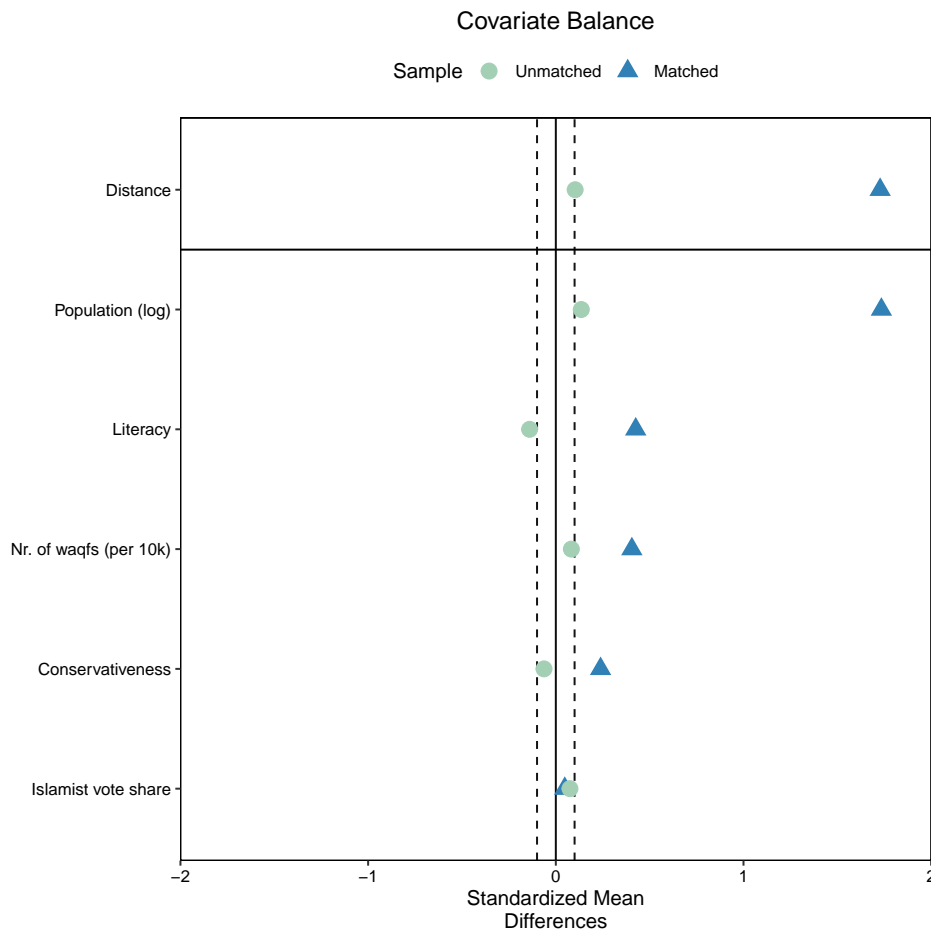


Figure A1: Balance in Background Control Variables

## D Public Service Infrastructure and Service Provision by Regional Characteristics

Another explanation for why low state capacity does not increase Islamist service provision might be that districts with low public service supply may be those where citizens prefer to meet their needs through other private services. In addition, regions with low public service supply might also be places where Gulenists had difficulty in establishing themselves, such as the provinces where the Kurdish political movement and non-state actors (e.g., the Kurdish insurgency group PKK) are powerful. To investigate these alternative explanations, we look at the subnational heterogeneity in the effect of state capacity on Gulenist service provision. Moving to the subnational level enables us to focus on the differences between developed and less-developed regions, and between provinces with strong Kurdish non-state actors and others.

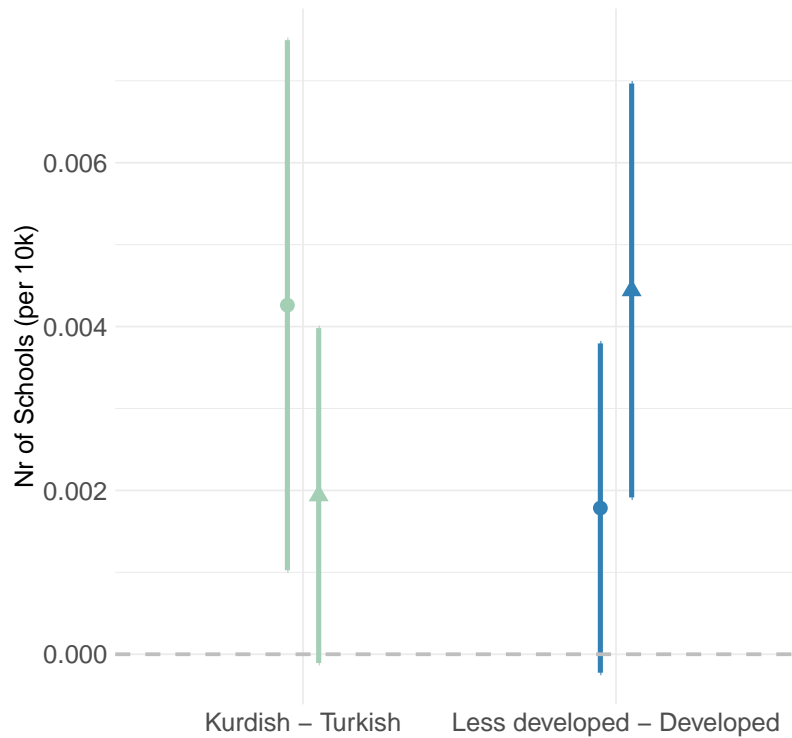
We use the same panel design as in Table 4, with the addition of interaction terms that enable us to observe any potential heterogeneous effect. To see whether Gulenist service provision responds to low state capacity in less developed regions, we identify the least developed 27 provinces (one-third of the country) based on province-level night lights measures (Taşöz Düşündere 2019). If people's preference for private services is what underlies the null finding, then, at least in these underdeveloped provinces, we can find a negative effect of state capacity. Results are presented in Table A9 and Figure A2. When the state capacity variable is interacted with the development dummy, the interaction term turns out to be statistically significant but negative in the full sample (Column 1 of Table A9) and statistically insignificant in the matched sample (Column 2 of Table A9) and does not alter the coefficient on the main effect. In other words, even in the least developed regions of Turkey, low state capacity does not lead to higher levels of Gulenist service provision.

In places where the Kurdish political movement is strong, traditional elites such as tribal leaders as well as non-state actors affiliated with the Kurdish movement might pose a rival to the Gulen Movement. To see whether it is harder for Gulenist service provision to respond to low state capacity in these localities, we identify the provinces where the Kurdish Party (HDP, or *Halkların Demokratik Partisi* - Peoples' Democratic Party) wins at least one-quarter of votes, based on the 2015 general elections data. We code these provinces as provinces where the Kurdish movement and affiliated organizations are an alternative and strong non-state actor. If their presence in these regions conditions the effect of state capacity on Gulenist service provision, then we should find a negative, and perhaps significant, effect in other provinces. Nonetheless, when the state capacity variable is interacted with the Kurdish movement dummy, the main estimate, the effect of state capacity on Gulenist service provision, is still positive, both in the full sample and in the matched sample (Columns 3 and 4 of Table A9), contrary to what the low state capacity hypothesis suggests. Overall, these findings further reinforce our argument that the ability of an Islamist movement such as the Gulen Movement to provide social services is limited by its access to resources rather than just by external opportunities and structural variables related to low state capacity.

**Table A9: Public Service Infrastructure and Service Provision by Regional Characteristics**

	<i>Dependent variable:</i>			
	Affiliated schools (per 10k)			
	Full Sample	Matched	Full Sample	Matched
	(1)	(2)	(3)	(4)
Affiliated assoc. (binary)	0.094*** (0.018)	0.060*** (0.023)	0.095*** (0.018)	0.061*** (0.023)
Public service infrastructure	0.004*** (0.001)	0.011* (0.007)	0.002* (0.001)	0.008** (0.004)
Affiliated endowment (binary)	0.007 (0.023)	-0.014 (0.024)	0.008 (0.023)	-0.012 (0.024)
Islamist vote share	-0.0002 (0.0003)	-0.002** (0.001)	-0.0002 (0.0003)	-0.002** (0.001)
Population (log)	0.157*** (0.023)	0.171*** (0.043)	0.155*** (0.023)	0.171*** (0.043)
Literacy rate	-0.002*** (0.001)	-0.001 (0.001)	-0.002*** (0.001)	-0.001 (0.001)
Conservativeness(F/M Literacy)	0.00001*** (0.00000)	0.00000 (0.00000)	0.00001*** (0.00000)	0.00000 (0.00000)
Endowments (per 10k)	-0.010 (0.008)	-0.006 (0.021)	-0.010 (0.008)	-0.005 (0.021)
Public service infra. x Development	-0.003** (0.001)	-0.003 (0.006)		
Public service infra. x Kurdish			0.002 (0.002)	-0.007 (0.009)
Year FE	Yes	Yes	Yes	Yes
Province FE	Yes	Yes	Yes	Yes
Observations	1,912	662	1,912	662
R <sup>2</sup>	0.262	0.727	0.261	0.727

Note: Standard errors clustered by province. \*p<0.1; \*\*p<0.05; \*\*\*p<0.01



Note: Errorbars reflect estimated effects and 95% confidence intervals.

**Figure A2:** Public Service Infrastructure and Islamist Service Provision

## E Review of Qualitative Sources

The international literature largely casts the growth and organizational aspects of the movement in a positive light and underplay concerns of religious fundamentalism or any potential aspirations for a political takeover. The Turkish literature, on the other hand, is more polarized with works either in strong support or staunchly ideologically opposed to the movement. Irrespective of the writers' positive or negative predisposition towards the Gulen Movement, these qualitative works make clear and extensive references to the central role of business associations and business people on the movement's service-related activities.

The Gulen Movement expanded against a backdrop of free market liberalism and supported a free market economy as a way to produce wealth (Hendrick 2013). As such, it created a space for capitalism to co-exist with religious piety, where businessmen could be observant while also profiting from a liberal economic system. Some have gone as far as to compare the role of the Gulen Movement in mobilizing pious businessmen to the role Protestantism played in entrepreneurship in the Christian world (Piricky 1999). Thus, the new class of businessmen and entrepreneurs that emerged with Turkey's economic liberalization in the 1980s found appeal in the movement's encouragement of private initiative with a sense of social responsibility, specifically around education.

The Gulen Movement used pre-existing religious conversation circles, known as *sohbet*, as a mobilization tool to connect business-minded religious people. Through *sohbet*, the movement brought together business people from related sectors, thereby allowing trade and other business transactions to take place. *Sohbet* meetings did not only help local business elites to establish business relationships but also provided them with a support network: “Gulen Movement actors collect, invest, and produce value via a network of mutually cooperative enterprises that subsidize startups by relying on ‘friendship networks’ for needed resources. Once a school, company, or institution is self-sustaining, donation funds are no longer required, and market forces can take over” (Hendrick 2013, p. 145). In return, they were expected to donate money for the cause, a sort of premium for benefiting from the movement’s networks. As Gulen himself states in his biography, bringing business people together was a particularly effective way of amplifying the movement’s resources because this way, “business people were incentivizing each other.” (Gülen and Erdoğan 1995, p. 130).

During *sohbet* gatherings, participants discussed a wide range of topics including, but not limited to, religious issues, economics, or trade. The nature of collective decision making that informed the function of *sohbet* was known as *istişare* and required that people take responsibility to carry out the prescribed projects, allowing these religious circles to operate horizontally without rigid hierarchies (Ebaugh and Koc 2007, p. 549). The following quote offers some examples on how recruitment and engagement took place through *sohbet* and specifically through business associations: “For example, in 1985 an imam came to a local mosque and asked the businessmen there for help to open a school for children in the city. After he left, the men gathered together twice each week to discuss the matter. The group made a commitment to assist with the building of the school. Some gave money, others solicited pledges of financial support from other businessmen in the city, and others provided goods and services such as concrete, desks, and even volunteer labor. Within a short time, Samanyolu College opened its doors to the first high school class.” (Ebaugh 2010, p. 53).

Business associations provided an institutionalized environment to sustain such meetings and, due to their formal and visible status, enabled prospective members that want to expand their local, or even global, business networks. Through membership, associations facilitated the tracking of member contributions, financial or other. Thus, the more institutionalized Gulen-affiliated business associations grew, the easier it was for the movement’s administrators to collect funds intended towards welfare and service provision. As described by a merchant member of the movement, “being in the same type of business means that we have a strong basis for coming together and understanding one another. We also network and refer customers among us. Then we have a basis for discussing projects that need doing in our community and how we can help with these projects.” The rest of the quote demonstrates that serving their own community further motivated local business elites to contribute to the welfare provision process: “We also see the results of our efforts which encourage us to be even more generous.” (Ebaugh 2010, p. 49).

The movement was well aware of the importance of schools to reach people and spread its ideas (Altınoğlu 1999; Ergil 2013). In addition to schools, the movement also provided accommodations and dormitories for students. Dormitories functioned



as centers to communicate the religious lessons and teachings of Fethullah Gulen (Agai 2007). These investments required material resources and connections through local networks. As such, the resources of local business elites mobilized through local circles and associations played a crucial role. This is how a onetime president of the Gulenist business confederation TUSKON described this dynamic: “The schools don’t belong to *Hocaefendi* [a courtesy title given to Fethullah Gulen by members], they belong to Turkish entrepreneurs. Dormitories belong to people that live in those districts. The rent contract, buildings, restoration, painting are done by businessmen, who then join their administration. The owner of these places are the people.”<sup>16</sup> Students who were beneficiaries of these services would then continue the movement’s work. As described by Ebaugh (2010, p. 29): “Armed with a good education, [the students within the local business-supported schools] became merchants, businessmen and professionals in their communities and began to join together to provide financial support to keep the boarding houses and consequently other service projects going.”

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<sup>16</sup>Ayşegül Akyarlı Güven and Kerim Karakaya, “Tuskon: ‘Sizi Sileriz’ Tehdidi Aldık.” Wall Street Journal, February 28, 2014. <https://www.wsj.com/articles/tuskon-sizi-sileriz-tehdidi-aldk-1393596182>.