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Chapter 1

AN IMPACT OF UNIVERSITY-INDUSTRY COLLABORATION ON INNOVATION IN TURKISH MACHINERY INDUSTRY

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1. Introduction:

The economy in today's information age competitiveness, sustainable economic growth that will transform values of the existing resources into new economic activities, technological innovation activities spouse has become dependent on change. Sustainable growth of the country, the level of innovation activities of the companies to maintain their superiority over the competitors are required to be performed effectively. The European Commission's at the end of 1995 stressed the vital importance of innovation in policy documents published in these words.

According to OECD literature, innovation in business practices, workplace organization or external relations new or significantly improved product (goods or service) or process, an original marketing method, or defined as the realization of a new organizational method" (OECD, 2006). The theory of innovation developed by the discipline of Economics of innovation at the center of by and accepted as a starting point for according to Schumpeter, innovation "as new combinations of existing resources are to be presented in the format" are defined (Schumpeter, 1942).

Differ from mainstream economics (so-called neoclassical tradition) that handles innovation process as a black box, Evolutionary Economics offers important theoretical insights to the understanding of the innovation process (Tuncel, 2009). According to the evolutionary approach, agents are different from each other routines (patterns of behavior), according to the principle of limited rationality-acting, non-homogeneous actors, because they are not moving towards a balance that will occur according to the optimal choice of the decision-makers (Nelson, 1995; Potts, 2000). For this reason, the different actors of the innovation process towards the goal

of providing a competitive advantage against each other “by faith efforts (intentionality)” is emerging as a result. First-generation theories of innovation, which could be described as “linear models,” focuses on the invention and the resulting innovation activities of companies, while the applied science and research activities are obtained as a natural result of innovation (Fagerberg, 2004). In the last decade, the concept of innovation approach to linear model analysis from the discussion in the framework of the system approach is directed towards. Theories of innovation system approach that can be called new generation, new technologies to study the dynamics of the formation of, also, new technologies and focuses on the expansion of the share by the actors. According to the system approach, it is the results of the innovation process the different actors they interact with each other. System approach, according to the success of innovation, not only with companies as they move from institutions outside the company, not all information sharing is moving together to form network structures depends on how actors interact (Geels, 2004). The approach which has an essential place in the emergence of the innovation system Lundvall (1988) learning by doing learning by using learning in addition to emphasizes the process of interaction. An effective approach in the development of the network in collaboration with the Swedish School’s representative Hakansson is considered as a process consisting of networks in innovation (Hakansson, 1989). Networks in people, companies, and other institutions, and is defined as structures where economic and social interactions (TÜSIAD, 2003). In this context, an innovation system at different levels of the network consists of articulated structures. Thus, network structures, innovation systems, which include the company, the company’s non-organization, institutions, and structures of technological knowledge, can be defined as holistic. The concept of

an innovation system showed significant improvements over the last ten years, focusing on both theoretical and empirical levels, and different scales have evolved. The structure of the innovation system approach is primarily taken up at the national level, and the reason “national innovation system” concept has been investigated within the framework (Freeman, 1987; Nelson, 1993). According to the national innovation system approach, higher education institutions are one of the key non-firm actors in the technological development process at the national level. For this reason, the role of higher education in the economy is attracting growing attention in developed and newly industrialization countries. In particular, its potential contribution to economic prosperity via innovation and knowledge exchange is regarded as vitally important for economic development and growth (Gyimah-Brempong, Paddison, & Mitiku, 2006). Due to the contribution of the higher education sector on economic growth, the studies focusing on collaboration between university and industry has increasingly grown for the last two decade. Studies focusing on the relationship between university and industry at an organizational level investigate the mutual knowledge transfer mechanism between two actors (Kauffmann & Tödtling, 2001). Work within the frame of the industrial organization literature focuses mostly on the relationships between different types of spillovers and R&D cooperation, while the management literature mainly examines the impact of different firm-level characteristics as factors determining the propensity of firms to collaborate with universities (Lööf & Broström, 2008). Universities and the ideal university-industry relationships have emerged from those works.

According to the Triple Helix model, academia should be closely integrated with industrial firms to maximize the capitalization of knowledge (Leydesdorff & Etzkowitz, 2001). This view is expressed in the entrepreneurial

university model focused on the commercialization of the academy knowledge in the form of patenting, licensing, industry collaboration, and the creation of spin-offs. In general, the results of these studies suggest that the primary motivation to collaborate with universities is the possibility to access new knowledge and increase the internal capacity of firms (Hagedoorn & Vonortas, 2000; Hassan, 2007). As regarding the empirical studies applied from the advanced countries perspective, research on university and industry relation has tended to focus on the academic capacities of IES and PRC to exploit intellectual property rights via patent ownership agreements, academic spin-offs, licensing, and collaborative research projects with industrial firms (Mansfield, 1998; Tether & Tajar, 2008).

As regarding the characteristic of late industrialized countries, we know that a key feature of this group of economies in the absence of new technology, even in leading firms (Amsden, 1989; Amsden & Hikino, 1993). Since lack of sufficient in-house R&D facilities at the firm level, university and industry relation is a more critical factor for improving the technological capabilities of private firms, particularly in newly industrialization countries or latecomer countries. If late comer countries develop indigenous capabilities, they can overcome difficulties associated with the technological gap. On the other hand, if the latecomers fail to enhance their capabilities, the shift in technological paradigm may serve as an additional barrier to catch-up. Latecomer firms depend on learning; they borrow technology from innovators. In practice, such a characteristic is related to relatively poor research and educational infrastructure.

Newly industrialization countries can sustain industrial growth in an increasingly globalized world, only if the firms operate in these countries can develop their technological capabilities. Building

these capabilities requires many arduous technological efforts and intelligent learning technologies employed efficiently by firms in developed countries. If latecomer firms in late-industrializing countries decide to follow the export-oriented strategy, they need to compete in a global market in the hyper-competition era. To produce on a competitive basis, they are faced with at least two challenges: first, they need to acquire the right technology and use it efficiently; second, to stay competitive, they need to improve their production process/technology constantly. Due to global competition, latecomer firms need to develop technological capabilities to generate and manage technical change (Bell & Pavitt, 1993, 1995).

Consequently, the main processes of technological change in late-industrializing countries are the acquirement and improvement of technological capabilities (Lall, 2009). Hence, technical change essentially consists of learning to use and improve technologies that have already existed in advanced economies (Lall, 1992; Marcelle, 2004). Technological capabilities have been conceptualized since the early 1980s. This concept encompasses the stock of technological knowledge and the use of that knowledge. It is connected to the notion that latecomer firms develop technological capabilities over time and eventually become 'technologically mature' firms. Despite the variety of frameworks, almost all conceptualizations agree with Kim (2000), who suggests that technological capability has three elements: production, investment, and innovation. These capabilities must be only acquired consciously technological effort by firms (Kim, 2000). The technological effort of the firms can be measured by variables such as several employees sent for external training courses, educational levels of the personal, the setting up of R&D facilities, and other activities intended to improve the firms' technological capabilities (Wignaraja & Ikiara, 1999).

In this study, we aim to investigate the impact of university and industry relationship facilities (knowledge transfer, collaborative R&D, Technology Transfer Office facilities) and technological capability accumulation on innovation and growth performance of manufacturing firms in latecomer context. We developed a scale that aims to measure this effect via using partial least squares structural equation modeling approach. The research method and modeling process are explained in the second and third sections, and results are discussed in the fourth section.

2. Research Goal, Instrument, and Sample:

“A technology capability approach” was the basis of the scale used in this study to assess the relations between the dimensions. A review of literature referring to university-industry relations on innovation performance led to the final scale, which was put forward for pilot testing. Reliability and validity tests are used for the pilot data. Following the analysis and examination of the replies, the questionnaire was deemed satisfactory and ready for full implementation. Twenty three items were included in the final questionnaire.

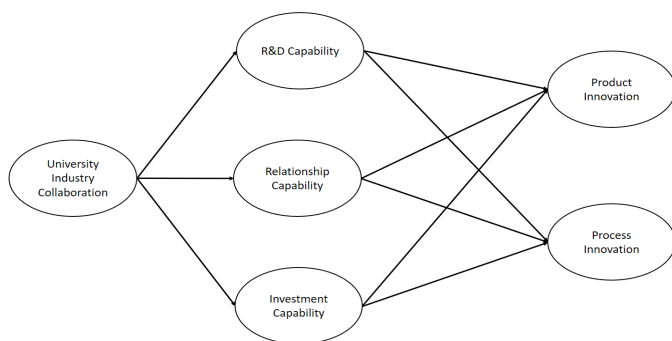
3. Research Model and Method:

The main population of the research is machine manufacturing firms in Turkey. Random sampling was selected as the most appropriate method. Nine hypotheses are tested to measure the impact of university-industry collaboration on both product and process innovations. In the hypotheses, “UIC” refers to “university-industry collaboration”; “RDC” refers to research and development capability; “RC” refers to “relationship capability”; “IC” refers to investment capability.”

These hypotheses are:

- H1: UIC has a positive impact on RDC.
- H2: UIC has a positive impact on RC.
- H3: UIC has a positive impact on the IC.
- H4: RDC has a positive impact on product innovation.
- H5: RC has a positive impact on product innovation.
- H6: IC has a positive impact on product innovation.
- H7: RDC has a positive impact on process innovation.
- H8: RC has a positive impact on process innovation.
- H9: IC has a positive impact on process innovation.

Figure 1. The Research Model



Partial Least Squares Structural Equation Modelling (PLS-SEM) was used to analyze the research model. Structural Equation Modelling (SEM) is a method using to analyze latent variables. SEM estimates using the maximum likelihood method, and this method requires a multivariate normality assumption. Even though there are methods which are not required multivariate normality, these methods require the number of observations more than the maximum likelihood estimator. However, PLS-SEM is a method that does not require multivariate

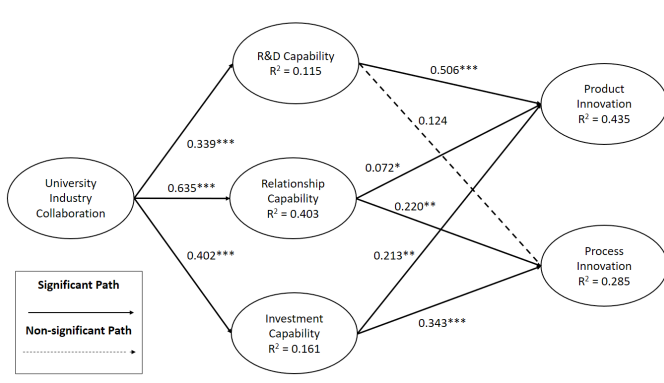
normality and can work with relatively small samples (Hair et al., 2011).

PLS-SEM is a non-parametric method. For individual significance tests, t statistics, which is calculated using the bootstrap technique, is used. Bootstrapping is a non-parametric resampling procedure that assesses the variability of a statistic examining the variability of the sample data (Streukens & Leroi-Werelds, 2016).

Analyze of the research model was made in the plspm. formula package in R 3.6.1. Plspm.formula package makes easy the PLS-SEM with R using plspm package. Plspm.formula computes the inner matrix and the outer list and specified using formulas (Achiepo, 2015).

Figure-1, Table-1, and Table-2 show coefficients with significance level and coefficients of determination.

Fig. 1. Results of PLS-SEM Analysis



Notes: *** $p \leq 0.01$; ** $p \leq 0.05$; * $p \leq 0.10$ All tests are two-tailed. N=82

Table-1: Results for University-Industry (UIC) – Technological Capabilities Relation

	R&D Capability		Relationship Capability		Investment Capability	
	β -Value	p-Value	β -Value	p-Value	β -Value	p-Value
UIC	0.339	≤ 0.01	0.635	≤ 0.01	0.402	≤ 0.01
R - square	0.115		0.403		0.161	

Table-1 shows path coefficients of the relation between university-industry collaboration (UIC) and technological capability. UIC has significant ($p \leq 0.01$ for each path) and positive impacts on R&D capability, relation capability, and investment capability, which are all technological capability. Thus, it is clearly understood that H_1 , H_2 , and H_3 are supported.

Table-2: Results for Technological Capabilities – Innovation Relation

	Product Innovation		Process Innovation	
	β -Value	p-Value	β -Value	p-Value
R&D Capability	0.506	≤ 0.01	0.124	≥ 0.10
Relationship Capability	0.072	≤ 0.10	0.220	≤ 0.05
Investment Capability	0.213	≤ 0.05	0.343	≤ 0.01
R - square	0.435		0.285	

Table-2 shows relations between technological capabilities with both process innovation and product innovation. All technological capabilities have significant and positive effects on product innovation. R&D positively and significantly influences product innovation at the 0.01 significance level with a 0.506 path coefficient. Similarly, relation capability positively and significantly influences product innovation at the 0.10 significance level with 0.072 path coefficient. Finally, investment

capability positively and significantly influences product innovation at the 0.05 significance level with a 0.213 path coefficient. Thus, it is clearly understood that H_4 , H_5 , and H_6 are supported as well.

In terms of process innovation, technological capabilities except for R&D capability have a significant and positive impact. Relation capability and investment capability significantly and positively influence process innovation at the 0.05 and 0.01 significance levels with 0.220 and 0.343 path coefficients, respectively. Although it seems that R&D capability has a positive impact on process innovation, the impact is not statistically significant. Therefore, while H_8 and H_9 are supported, H_7 is not supported.

To evaluate the model's predictive accuracy coefficient of determination (R^2) should be checked. R^2 , as in all regression models, indicates how much the exogenous variable(s) in the model can explain the changes in the endogenous variable. R^2 values of endogenous variables are given in Table-1 and Table-2. The reason for the fact that endogenous latent variables have relatively low coefficients of determination is that we excluded some variables which might have an effect on technological capabilities and product innovation as well as process innovation since our research is limited to university-industry collaboration's effect on innovation through technological capabilities.

In the research model, we supposed that UIC has indirect effects on product and process innovations. Table-3 demonstrates the indirect effects of UIC on both innovations. According to the table, while UIC's indirect effect on product innovation is 0.319, its indirect effect on process innovation is 0.303.

Table-3: Indirect Effects

Path	Effect
University Industry Collaboration Product Innovation	0.319
University Industry Collaboration Process Innovation	0.303

While evaluating the inner model, effect size (f^2) is one of the critical indicators to figure out the selected exogenous latent variable's effect on the endogenous latent variable. f^2 is calculated by using coefficients of determination got by including and excluding the selected latent variable. According to our calculations, UIC has small (0.130), large (0.675), and medium (0.310) effect sizes on RDC, RC, IC, respectively. Additionally, RDC has a medium (0.310) effect on product innovation. RC has a medium (0.297) and small (0.066) effect on product innovation and process innovation, respectively. Finally, IC has a small (0.052) and medium (0.146) effect on product innovation and process innovation.

To evaluate the reflective outer (measurement) model, reliability and validity should be verified in addition to factor loadings. Table-4 shows reliability and validity indicators with factor loadings of items. According to Hair et al. (2014), Cronbach's alpha should be above 0.70 for reliability and average variance extracted (AVE) should be above 0.50 for validity. In our calculations, it seems that Cronbach's Alpha values and AVEs are at a sufficient level (Table- 4).

Dillon-Goldstein's rho (DG.rho), which is another criterion in the table, focuses on the variance of the sum of variables in the block of interest. As a rule, a block is considered as one-dimensional when the Dillon-

Goldstein's rho is larger than 0.70 (Sanchez, 2013: 57). For six constructs, DG.rho values are found above 0.70.

Table-4: The Outer Model Evaluation Criteria

Constructs	Items	Factor Loadings	Cronbach's Alpha	DG.rho	Average Variance Extracted (AVE)
University Industry Collaboration	UIC1	0.737	0.729	0.822	0.672
	UIC2	0.703			
	UIC3	0.765			
	UIC4	0.771			
	UIC5	0.837			
Investment Capability	IC1	0.633	0.778	0.754	0.590
	IC2	0.761			
	IC3	0.819			
	IC4	0.758			
Relationship Capability	RC1	0.702	0.762	0.753	0.604
	RC2	0.828			
	RC3	0.867			
	RC4	0.702			
R&D Capability	RDC1	0.871	0.727	0.776	0.579
	RDC2	0.786			
	RDC3	0.759			
	RDC4	0.774			
Process Innovation	PRCI1	0.898	0.749	0.717	0.607
	PRCI2	0.874			
	PRCI3	0.708			
Product Innovation	PRDI1	0.788	0.783	0.825	0.708
	PRDI2	0.834			
	PRDI3	0.712			

Another outer model evaluation step is controlling the Fornell-Larcker criterion. Fornell-Larcker criterion states that the square root of AVE must be greater than the correlation of reflective latent variables with all other latent variables (Avkiran & Ringle, 2018:8). In Table-5, it seems that the square roots of AVEs of latent variables are greater than all correlations between latent variables.

Table-5: Correlations and Square Root of AVEs

	\sqrt{AVE}	1	2	3	4	5	6
1 University Industry Collaboration	0.819	-					
2 Investment Capability	0.768	0.402	-				
3 Relationship Capability	0.777	0.635	0.299	-			
4 R&D Capability	0.761	0.339	0.408	0.433	-		
5 Process Innovation	0.779	0.319	0.459	0.376	0.359	-	
6 Product Innovation	0.841	0.277	0.441	0.355	0.624	0.487	-

4. Results

According to the results, all paths between the latent variables were found to be positive and statistically significant, except for the path between R&D capability and process innovation. The reason for the non-significant path coefficient between R&D capability and process innovation is that R&D capability is a capability regarding product development. It has a positive impact on product innovation at a high significance level. Therefore, eight out of nine hypotheses are supported by research results.

5. Discussion and Future Research

The present study explores relation innovation and university-industry collaboration from the “technological capability approach” perspective in the Turkish machine industry using the PLS-SEM approach. Research results show that university-industry collaboration has a positive effect on product innovation of firms via technological capabilities.

In the Turkish machinery industry, university-industry collaboration activities such as joint R&D projects, internship programs, specialized personnel exchange is one of the main factors of product innovation. For this reason, this type of facility is supported by the government and university via building and user interface organization. Another important result is that R&D is the key input in the innovation process. The more firms have research and development capability, the more innovation performance occurs. This result shows that R&D supports provided by the research organization, namely TÜBİTAK, TTGV has a positive and direct effect on firm growth performance.

It can be safely argued that the structural equation modeling approach followed is rather novel in the field and provides a more thorough examination of the relationships investigated. The statistical analysis not only confirmed the general antecedents of firm innovation performance but also verified and enriched the path model that included various complex relations. Further research in this area would deepen the understanding of the antecedents of innovation and firm performance on other dimensions such as TTO's (Technology Transfer Offices), product capability, investment capability, etc. And this research framework and modeling strategy should be developed and tested by gathering data from other engineering industries such as automotive in Turkey.

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Chapter 2

HOW FOREIGN DIRECT INVESTMENT RESPONDS TO CORPORATE TAXATION: EVIDENCE FROM OECD AND MIDDLE- INCOME COUNTRIES¹

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INTRODUCTION

The conventional approach suggests that foreign direct investment (FDI) plays a significant role in the integration of economies into the global economy and stimulating sustainable economic growth. The rationale for this argument is that FDI not only leads to higher incomes by financing capital investment and creating employment opportunities but also enables foreign technology transfer and a higher level of international competition, which both stimulate innovation and productivity. Therefore, several countries have been utilizing various policy instruments favorable toward FDI and the level of FDI inflows has escalated dramatically in the last decades. According to the UNCTAD's World Investment Report (2018 and 2019), global FDI inflows reached \$1.3 trillion in 2018 (were \$57 billion in 1982) and the share of developing economies in global FDI inflows accounted for %54 of global FDI inflows (was %36 in 2016 and %47 in 2017), while the share of developed economies came down to %43 of the total. The report also shows that global FDI inward stock reached an estimated \$31.5 trillion in 2017, and developing economies absorbed %33 of the total (up from %20 at the beginning of the 2000s) owing to their cheap labor, raw materials, and eligible investment environment. However, the underlying FDI growth trend has been weak since the global financial crisis and negative since 2013. The hardest hit was on the developed economies, where FDI inflows fell by 27 percent to \$556.9 billion (lowest point since 2004). However, FDI flows to developing economies have been more resilient and reached \$694 billion in 2018 (rising by 2 percent).

The clear understanding of what determines where foreign investments go is of obvious importance to set up the right economic policies. The literature has long attempted to identify these factors and determine various potential determinants of FDI. From the theoretical

perspective, corporate taxation is considered to be one of the essential factors determining the volume and location of FDI, as it affects the cost of doing business and the rate of return on investments. Therefore, corporate taxation is widely used by policymakers to attract FDI. Corporate taxation, as a policy tool, is of more crucial importance, especially in peripheral and small countries with poor market access and small markets (Davies et al. 2018; see also Mooij and Edverdeen, 2003 and 2008). Besides, corporate taxation is a more flexible political tool compared to other determinants of FDI as it can be directly influenced by policy. As a matter of fact, corporate income tax rates have fallen significantly over the past three decades. According to the Corporate Income Tax Rates around the World (2019) provided by Tax Foundation, the global corporate tax rate has consistently declined since 1980 in every region, with the most significant decline occurring in the early 2000s. The unweighted average worldwide statutory tax rate came down from 38.84 percent in 1980 to 23.03 percent in 2018 (representing a 41 percent reduction), and today, most countries around the world have corporate tax rates below 30 percent. European countries saw the highest decline with 55 percent reduction (the average of 40.5 percent in 1980 dropping to 18.38 percent in 2018) and tend to have lower rates compared to other regions. According to the report, corporate income tax rates in developing countries are above the worldwide average, and larger and more industrialized nations tend to have higher corporate income tax rates than smaller or less developed nations, whereas OECD countries have an average rate of 23.93 percent in 2018.

Despite the reasoning that FDI is responsive to corporate taxation, the link between them is unclear. Bénassy-Quéré et al. (2005) argue that the effect of corporate profit taxation could indeed be empirically

negligible and even misleading. They argue that the location of profit and production might be different as firms can shift profits where taxation is the lowest thanks to the use of transfer pricing and intra-firm debt contacting. They also note that the link between the tax level and the FDI volume might be weak as tax differentials play a relatively minor role in determining FDI location compared to that of structural determinants. Also, because of lower capital stock, a higher effective tax rate can result in a before-tax return to capital due to general equilibrium effects, with a negligible impact on post-tax, and thus foreign investors may benefit from the host country's higher tax rate. On the other hand, in an imperfect competition setting combining economies of scale with trade costs and agglomeration forces, tax differentials can be an equilibrium outcome; thus, tax differentials just compensate for location rents (see Bénassy-Quéré et al. 2005 and references therein).

To sum up, from the theoretical perspective, the link between taxation and FDI is complex, and foreign investment can be either sensitive or insensitive to corporate taxation. As pointed out in the following section, a similar ambiguity is also present in the empirical literature. In light of these conflicting views, employing panel data on 41 upper-middle-income countries and 34 OECD countries over the period 2004-2018, in this paper, we attempt to examine how FDI reacts to corporate taxation and whether this reaction differs across developing and developed economies. We believe that this effort is worthwhile as understanding the relationship between taxation and foreign investment flows has important policy implications. The policies towards corporate taxation may not only have a substantial effect on FDI inflows but also may lead to a reduction in tax revenues or necessity to shift of tax burden to other tax bases. Therefore, it is of obvious importance to determine whether and what extent FDI responds to corporate taxation policies.

LITERATURE REVIEW

Since the early 1980s, there has been a large volume of studies exploring the determinants of FDI with a particular focus on the effects of corporate taxation, starting with the pioneering study of Hartman (1984). However, empirical evidence on the interaction between corporate taxation and foreign investment has been inconclusive due to mixed findings. The empirical literature can be categorized into two main strands. The early studies mostly use aggregate time-series data with special attention on the USA (Hartman, 1984; Boskin and Gale, 1987; Newlon, 1987; Young, 1988; Slemrod, 1990) and reveal a weak link between corporate tax rates and foreign investment. However, these studies were criticized in that the time series data were unable to identify the true effect of taxation due to the small variation in the corporate tax rates over time for a single country. Therefore, after the 1990s, the literature shifted to using panel data estimation methods (Jun, 1994; Devereux and Freeman, 1995; Wei, 2000; Broekman and Vliet, 2001; Gorter and Parikh, 2003; Stöwhase, 2006; Bellak et al. 2007; Egger et al. 2009) and provided significant evidence on the sensitivity of FDI to taxation. Nevertheless, the empirical evidence on the interaction between the two is mixed (see Feld and Heckemeyer, 2011 for a detailed literature review). Some studies suggest a negative relationship between the two (de Mooij and Ederveen, 2001; Bénassy-Quéré et al., 2005; Stöwhase, 2006; Sudsawasd, 2008; Feld and Heckemeyer, 2011; Diamond et al. 2013), while some others fail to find significant relationship between them (Onyeiwu and Shrestha, 2005; Jensen, 2012). De Mooij and Ederveen (2003) review 25 empirical studies assessing the effect of company taxes on the allocation of FDI and find that the semi elasticity of FDI to tax rates varies from -22.7 to +13.2, with a median tax-elasticity of

-3.3. They note that the variation across studies depends on the foreign capital data used and the type of tax rates.

In contrast to the early studies, Cassou (1997) uses a panel data empirical approach and examines the effect of tax policy on FDI flows between the US and some other countries. The empirical evidence suggests that not only the home and host country corporate taxes are significant determinants of foreign investment flows but also income tax rates in the host and home country have significant effects on FDI flows.

Bénassy-Quéré et al. (2005) investigate the effect of tax differentials on location choices of foreign investment using a panel of bilateral FDI flows across 11 OECD countries over the period 1984-2000. Their findings indicate that not only the market potential is a significant determinant of FDI, but also tax differentials do matter in determining the FDI location. The empirical evidence also suggests that tax differentials have an asymmetric effect on FDI, implying that lowering tax rates does not significantly affect FDI, while higher tax rates tend to discourage new FDI inflows. In a similar vein, Sato (2012) examines the impact of corporate income tax on FDI using a panel of bilateral FDI flows across 30 OECD countries over the period 1985-2007. The empirical findings from System GMM analysis suggest an inverse relationship between corporate taxes and foreign investment levels in these countries. In particular, a one percentage point decline in the corporate tax rate of the host country leads to an increase of about 2.4 % in FDI.

Moreover, Agostini (2007) takes into account the endogeneity of corporate taxes and the outside options of investors and investigates the impact of corporate income taxes of states on the FDI location in the US. Adapting a discrete-choice model of differentiated products, he finds that the tax elasticity is consistently

about -1. Sudsawasd (2008), on the other hand, fails to find a significant relationship between recipient country corporate income tax rates and FDI inflows to East Asian countries (Indonesia, Malaysia, Philippines, Singapore, and Thailand). Instead, their findings indicate that home country corporate tax rates have a significant impact on FDI outflows from 30 OECD economies to these countries. Abdioglu (2016) investigates the effect of corporate taxation on FDI levels in OECD countries over the period 2003-2013 employing fixed effect (FE) and generalized method of moments (GMM) estimation techniques. The empirical findings indicate that the countries reducing corporate tax rates attract a higher level of FDI inflows following the reduction. Finally, Becker et al. (2012) investigate the effect of corporate tax rates on not only the quantity of FDI but also its quality. Using data from a large sample of European multinationals, they show that the quality effects of corporate taxation by increasing the labor intensity of production mitigate the negative quantity effect by about 60 percent. They argue that the optimal tax policy must be implemented by taking into account not only the size of inbound FDI but also the quality aspect of foreign investment flows.

DATA AND EMPIRICAL ANALYSIS

We use data of net FDI inflows obtained from the World Bank and corporate tax rates from KPMG International. We also include GDP per capita (constant 2010 US dollar) and consumer price index for control variables. In particular, utilizing a panel data on 40 upper-middle-income countries and 34 OECD countries over the period 2004-2018, we employ panel data models to assess the effect of the corporate income tax rate on FDI level.

Panel data estimation is often considered to be an efficient analytical method in handling econometric data.

Panel data econometrics has become popular among social scientists because it allows the inclusion of data for N cross-sections and T periods. An accurate panel data set also enables us to follow the same individual member through time.

If the panel has the same number of time observations for every variable and every individual, it is known as a balanced panel. In most cases, we work with unbalanced panels where we have different numbers of time observations for some of the individuals. When a panel is unbalanced, it does not cause any major conceptual problems.

A common problem of time series estimations is that while estimating samples with very few observations, it is difficult for the analyst to obtain significant t-ratios or F-statistics from regressions. This problem is common with annual data estimations since there are very few annual series that extend more than 50 years. An efficient solution to the problem is to pool the data into a panel of time series from different cross-sectional units. This pooling of the data generates differences among the different cross-sectional or time-series observations that can actually be captured with the inclusion of dummy variables. This use of dummies to capture systematic differences among panel observations results in what is known as a fixed-effects model, the easiest way of dealing with pooled data. An alternative method is called the random-effects model (Asteriou and Hall, 2007).

The Fixed Effects Model

In the fixed effects method, the constant is treated as group-specific. This means that the model allows for different constants for each group. To understand this better, consider the following model:

$$Y_{it} = \alpha_i + \beta_1 X_{1it} + \beta_2 X_{2it} + \cdots + \beta_k X_{kit} + u_{it} \quad (1)$$

which can be written in matrix notation as:

$$Y = D\alpha + X\beta' + u \quad (2)$$

where we have:

$$Y = \begin{pmatrix} Y_1 \\ Y_2 \\ \vdots \\ Y_N \end{pmatrix} NT \times 1$$

$$D = \begin{pmatrix} i_T & 0 & \cdots & 0 \\ 0 & i_T & & 0 \\ \vdots & \vdots & & \vdots \\ 0 & 0 & & i_T \end{pmatrix} NT \times N$$

$$X = \begin{pmatrix} x_{11} & x_{12} & \cdots & x_{1k} \\ x_{21} & x_{22} & & x_{2k} \\ \vdots & \vdots & & \vdots \\ x_{N1} & x_{N2} & & x_{Nk} \end{pmatrix} NT \times k$$

and

$$\alpha = \begin{pmatrix} \alpha_1 \\ \alpha_2 \\ \vdots \\ \alpha_N \end{pmatrix} N \times 1 \quad , \quad \beta' = \begin{pmatrix} \beta_1 \\ \beta_2 \\ \vdots \\ \beta_k \end{pmatrix} k \times 1$$

where the dummy variable is the one that allows us to take different group-specific estimates for each of the constants for every different section.

The fixed effects model captures all effects which are specific to a particular individual and do not vary over time. For instance, in the case of a panel of countries, the fixed effects will take into account factors such as geographical factors, natural endowments, and any other of the many basic factors which vary between countries but not over time. It is also possible to extend the fixed effect model by including a set of time dummies as well. This is known as the two way fixed effect model, and it has the further advantage of capturing any effects which vary over time but not common across the whole panel.

The Random Effects Model

An alternative method of estimating a model is the random effects model, which handles the constants for each section not as fixed, but as random parameters. Hence the variability of the constant for each section comes from the fact that:

$$a_i = a + v_i \quad (3)$$

where v_i is a zero mean standard random variable.

The random effects model, therefore, takes the following form:

$$Y_{it} = (a + v_i) + \beta_1 X_{1it} + \beta_2 X_{2it} + \dots + \beta_k X_{kit} + u_{it} \quad (4)$$

$$Y_{it} = a + \beta_1 X_{1it} + \beta_2 X_{2it} + \dots + \beta_k X_{kit} + (v_i + u_{it}) \quad (5)$$

One of the advantages of the random effect model is that it has fewer parameters to estimate compared to the fixed effects model. It also allows for additional explanatory

variables that have equal value for all observations within a group. The disadvantage of the random effects approach is the necessity to make specific assumptions about the distribution of the random component. Also, if the unobserved group-specific effects are correlated with the explanatory variables, then the estimates will be biased and inconsistent.

We construct both fixed and random effect model as the following equation:

$$\ln fdi_{it} = \beta_i + \beta_1 \ln corptax_{it} + \beta_2 \ln gdppc_{it} + \beta_3 \ln cpi_{it} + u_{it} \quad (6)$$

We take the logarithm of all variables to interpret regression outputs in elasticity. We regard the country-pair-specific effects as random for two reasons. First, Hausman-tests on fixed vs. random effects show that the random effects assumptions cannot be rejected. Hence, using the random effects estimator results in more efficient estimates than the fixed effects estimator, which can be highly inefficient if the cross-section dimension is large relative to the time dimension (Pesaran et al., 1998). Using the random effects approach is in line with several recent studies dealing with FDI, trade or capital flows (e.g., Clausing and Dorobantu, 2005; Gibson and Tsakalotos, 2004; Bellak and Leibrecht, 2009).

Table 1. Estimation Results

Variables	Fixed Effect Model		Random Effect Model	
	OECD Countries	Upper Middle Income Countries	OECD Countries	Upper Middle Income Countries
Incorptax	0.156 (0.407)	-0.471** (0.194)	0.394 (0.369)	-0.422** (0.185)
ln cpi	0.0224 (0.0510)	0.239*** (0.0478)	0.0154 (0.0508)	0.241*** (0.0473)
ln gdppc	1.351**	1.752***	0.993***	1.784***

	(0.535)	(0.225)	(0.312)	(0.211)
Constant	8.751	7.270***	11.64***	6.620***
	(5.896)	(2.284)	(3.394)	(2.147)
Observations	420	468	420	468
R-squared	0.016	0.193	0.014	0.193
Hausman	Chi ² : 5.81 (OECD Countries)			
	Chi ² : 1.54 (Upper-Middle-Income Countries)			
No. of countries	34	40	34	40

*Note: Standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$*

Table 1 shows the results of our estimation strategy for OECD and Upper middle income countries. We present both fixed and random effect estimation results to emphasize that they provide similar results. The Hausman test implies that the random effects specification cannot be rejected. Therefore we interpret random effect estimation results in Table 1. We firstly begin with OECD countries. The sign of the corporate tax is positive, but it is statistically insignificant. This implies that corporate tax does not affect FDI inflows in OECD countries. However, the sign of corporate tax is statistically significant and negative as expected in upper middle countries. Tax rate elasticity of -0.422 implies that one percentage point decrease in corporate tax rate is associated with a %0.4 increase in FDI net inflows directed to upper-middle-income countries. Thus, tax-lowering strategies of governments in developing countries have an important effect on the allocation of FDI among developing countries. If we look at the control variables, it seems that a higher inflation rate is linked to FDI inflows in upper-middle-income countries, unlike OECD countries. GDP per capita has a positive impact on FDI in both OECD and upper-middle-income countries. The sensitivity of FDI net inflows to corporate tax rates is also confirmed by the magnitude of

R-squared. The R-squared, which is also known as the coefficient of determination, is much higher in upper-middle-income countries, meaning that corporate tax is one of the main determinants to attract FDI in developing countries.

CONCLUSION

In this study, we test the hypothesis that a high corporate tax burden acts as a deterrent to FDI flows in the OECD and upper-middle-income countries, since it may exert a negative effect on the profitability of investments. By constructing static panel data models, we find that FDI is inversely related to the corporate tax burden in developing countries, and it is not a driver to attract FDI in OECD countries. Overall, our findings provide empirical evidence that corporate tax policy might be an essential policy instrument for developing countries to attract FDI, while may indicate potentially different motives of foreign investors to move to developed economies.

The inverse relationship between corporate income tax and FDI flows in developing countries, however, does not necessarily mean that the tax rates should be very low/zero. Indeed, tax revenues are important financial sources of development in these countries. The problems related to lower tax revenues could be compensated through a broader tax base or enhancement of tax capacity. However, developing economies primarily should focus on the quality effects of corporate taxation on FDI inflows and design their tax policies, not only attracting FDI but also addressing their development needs.

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Chapter 3

THE EFFICIENCY OF LABOR UNIONS IN TERMS OF OCCUPATIONAL HEALTH AND SAFETY IN METAL LINE OF WORK: CASE OF ÇORLU¹

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1. LABOR UNIONS IN THE WORLD and IN TURKEY

The word (labor) union has been coined and used to refer to the organizations established among the assistant foremen to protect the rights and interests of workers in a city or region in England since the 19th century. (Uçkan Hekimler, 2014, p.3). While Webbler define the union as “*a permanent union for the purpose of protecting or improving the working conditions of wage earners*” (quoted by Jackson, 1996, p. 7-8), in another definition, unions are defined as organizations that protect workers’ rights and interests against employers and governments (Koç, 1998, p.1). In another definition, the union is defined as “*any organization that consists of employees whose membership aims to organize and represent their own interests both in the workplace and in the community, and in particular to regulate the employment relationship through the collective direct business process*” (Daud and Tumin, 2013, p.125).

Trade unions are the organizations introduced by capitalist society and represent the working class against the capitalist sector (Hodder and Edwards, 2015, p.847). Working within the working class and under proletarian status are the concepts that first emerged with the Industrial Revolution. The emergence of the Industrial Revolution and the working class first began in England when James Watt’s steam engine was used for production in factories (Kuczyinski, 1994, p.33). The emergence of steam engines and factories encountered workshops and workbenches that produced traditional methods. The traditional structure did not show much resistance to the competition with the factories and the factory liquidated the traditional structure. The guilds realized that factories and paid work in factories were not a temporary but indeed a permanent way of life.

While factories became a new production and manufacturing center, they created a new type of workers which is defined as proletariat characterized by self-confidence, desire to live humanly who gets involved in mass movements in order to protect and improve and the mass proletariat to protect and develop its rights (Zwahr, 1993, p.91-92). As a result of the fact that traditional production structures failed to compete against the factory and machine and liquidation, the labor force previously operating within the traditional production system (Berg and Hudson, 1992, p.30-33) along with the masses who broke loose from soil due to the Enclosure Acts began to be employed in factories within the boundaries of the cities. (Küçükkalay, 1997, p.56).

In the guild system, education and training were carried out in cooperation. With the introduction of the machine in production, the worker, who used many tools in traditional production and did the actual work, had become an extension of the machine. Therefore, working with the machine paved the way for a new situation that did not require and necessitate qualification. The lack of skilled labor in machine production has promoted involvement of women and child labor. The proliferation of machinery in the production stage and the capitalists' penetrative desire for profit prolonged their working time and intensified the utilization of labor (Abendroth, 1992, p.10). The industrial revolution actualized two transformations. First, it allocated labor directly to the production-oriented factories, and secondly it reduced the leisure time on part of labor. Unemployed labor force in rural areas, women and children began to take part in production (Vries, 1994, p.257-258). The use of the steam engine in the production phase has made it possible for the capitalist sector to use unskilled workers, women and even child labor instead of skilled workers (O'Rourke, Rahman and Taylor, 2013, p.304). The integration of the steam

engine into the production process and the establishment of factories led to the emergence of two opposing classes in society. The existing labor-capital integration prior to machinery was separated after the introduction machine and the bourgeois class holding the ownership of the means of production and the organization and the workers who are deprived of the ownership of the means of production who can only keep hold of the labor income generated two classes that were opposed to each other (Yeliseyeva, 2009, p.29). Production increased due to mechanization, competition escalated with free entrepreneurship and trade improved with the development of transportation. In concurrence with the industrial revolution, working under laborer status in exchange for a wage emerged and brought along problems. The emergence and development of the factories caused the working people in the guild organizations to become unemployed and this situation caused migration from rural to urban areas. The working conditions in the cities were heavy and the time dedicated to working during the day was long. The wages were low despite long durations of working time. Women and children were working in poor working conditions and there had been increases in occupational accidents due to inadequacy of legal regulations on occupational safety (Şenkal, 1999, p. 21).

The increase in the number of factories due to the dominance of machine production resulted in a competitive market structure. As a result, the working class was further disciplined and alienation occurred. Subsequently, this situation caused the reaction and opposition of the working class against the capitalist sector. This also served to raise awareness of the working class (Berg and Hudson, 1992, p.43). The first organizations among the workers began in the 18th century and they were in the form of benevolent and solidarity associations (Şahin, 2015, p.167). The roots of the trade unions go back to

the foreman associations. We see that the first emergence of labor unions was led by skilled workers. The unions established with the aim of increasing the low wage level and making improvements in long working hours were considered legally illegitimate (Kozak, 1992, p.67). Thereupon the legislation of Combination Acts were introduced to prevent the organization of workers. The workers have overcome the legal barriers restraining the right of organization and association through long struggles and strikes. In 1824, the obstacles against organization and association in the UK were removed (Şahin, 2015, p.167). The right to association became legalized in Germany in 1860, in France in 1884, and in the United States in 1860 (Tekin, 2014, p.130).

The labor unions lived their golden age as of the end of Second World War with the beginning of Oil Crisis until the 80s, when they lost their power and active efficiency. Between 1945 and 1980, the unions went through a period when they were institutionalized and literally at the top. Various factors were effective in the emergence of this condition. Keynesian economic policies, Taylorist-Fordist production organization and Socialist Doctrine are among these factors (Bilgin, 2017, p.209). In 1929, a major crisis that started with the collapse of the stock market broke out in the USA. The crisis was not limited to the US, but spread to the capitalist countries in Europe. Inadequate demand for high supply in the economy aggravated the crisis. Everyone expected that the invisible hand of classical economics would balance the economy and the economy would survive the Great Depression. However, it was not as expected and the invisible hand could not improve the economy. In 1936 J. M. Keynes published his book *“The General Theory of Employment, Interest and Money”* which included his views on the economic situation (Munck, 2003, p.41). Keynes’s economic views were implemented after 1945 due to World War II. In

addition to increasing total demand and full employment, the government was also assigned to redistribute income and invest. Public investments and public employment also increased. The share of the public sector in employment increased gradually and the public sector became the largest employer in the labor market. In order to increase the total demand and revitalize the economy, the positive approach of the unions' demand for increase in wages strengthened the unions and workers. The acceptance of state intervention in the economy and the duty of the state to produce and implement social policies thus the impact of the economic crisis as well as the growth of the USSR with the planned economy while capitalism was in crisis and the success of socialism against capitalism as opposed ideology were effective (Aksoy, 2016, p.59).

The influence of economic policies and socialism and Taylorist-Fordist production organization in the Golden Age decades of labor unions in this period cannot be denied. The two systems are complementary to each other. Taylorism is the name given to F. W. Taylor's management approach put forward in his book "Principles of Scientific Management". Taylor was convinced that the worker had an innate laziness and a tendency to shirk his/her duty. For this reason, he had introduced a business organization philosophy for the work of the worker to be advanced notwithstanding a slow down and hindering without a supervisor. Taylor has demonstrated how, with movement and time studies, how to keep the workforce more inclined to laziness and slacking with less effort and control. As the work is divided into detailed and very small pieces, workers lose control over the work and lose their qualifications as they become parts of the machines (Uçkan Hekimler, 2014, p.59). Fordist production system, in other words, invention of the moving assembly line, is a production method born when Henry Ford produced the famous T model. In the Fordist production phase,

workers do not constantly move between machines. On the contrary, the workers stand at the designated location of the moving assembly line, and the necessary parts come in front of them by means of tape and because the works are divided into very small parts, they perform the works brought before the predetermined assembly line. Fordism minimizes the loss of time as it eliminates traffic during the use of tools and machines for different jobs with the band system. Thus, Fordism allowed mass production at certain standards (Öcal and Altıntaş, 2018, p.2072).

The assembly line's standardization of the work to be divided into small pieces and the fact that it does not require qualification in the works to be done, mental weakness and homogenization has been revealed in the workers. The assembly line did not need highly skilled workers, but needed labor to withstand the uniformity of the work to be done. The assembly line was almost robotized by time pressure and uniformity, causing job dissatisfaction (Watson, 2019, p.145). In this case, it caused labor turnover rates up to 400% (Uçkan Hekimler, 2014, p. 61). In order to reduce the rate of labor turnover and to attract workers to the factories, workers were paid a daily wage and five dollars more than the daily wage instead of per piece wage (Munck, 2003, p.48). The creation of a homogeneous workforce of the Taylorist-Fordist structure made it easier for workers to come together for common purposes and to gather under the roofs of labor unions. The most important factor in strengthening the labor unions during this period has been the band system. Because it has not been too difficult for workers and trade unions to halt or stop large-scale uninterrupted production with the tape system. Since even a single worker could interrupt or halt production, labor unions have used this effect on workers to produce policy and have not challenged indeed to make use of it to enforce their demands (Watson, 2019, p.148).

The 1973 oil crisis was the end of the Keynesian economy and the Golden Age (Singh, 1995, p.4). Keynesian economy could not produce a solution to the stagflation resulting from the oil crisis. Economic growth slowed down, unemployment increased, spending was limited due to high inflation and stabilization measures came to the agenda (Yilmaz, 2010, p.197). The failure of the Keynesian economy to find a solution to the crisis increased the criticism, interest in the work of monetarists such as Hayek and Friedman increased, and these works were generally accepted and disseminated. Thus, neo-liberal policies dominated the economy. Neo-liberals advocated the reduction of financial deficits and inflation, the liberalization of international trade and financial markets, and the reduction of the state's share in the economy through privatization and the avoidance of government intervention in the market (Mohamed, 2008, p.2). The economy and international trade were liberalized, by means of privatizations public administration and government were withdrawn from the market, and upper tax bracket rates were reduced. Social security institutions, trade unions and labor market regulations have been weakened. Full employment policy had been abandoned under the name of natural unemployment (Palley, 2005, p.51). Globalization has lifted control over borders and national economic relations. National manufacturers have faced international competition worldwide and capital, goods and services markets have been integrated on a global scale (Özdemir, 2009, p.69-70). With the unexpected collapse of the socialist bloc, there was no ideology left to replace neo-liberalism, and the mobility of capital, goods and services increased. Neo-liberalism has transformed the world into a single major market (Munck, 2010, p.219).

The international competition brought about by globalization has created a negative situation for the

unions. Developed countries are shifting their production to developing and / or emerging countries. Developing and / or emerging countries are trying to deregulate the labor market as much as possible and weaken the power of unions in order to attract foreign capital and increase their competitiveness (Uçkan Hekimler, 2014, p.67). The prolonged high unemployment caused by the oil crisis has facilitated the establishment of flexible forms of work. The working class was forced to choose between unemployment or flexible work. Workers who lived by selling their labor were persuaded to work on flexible terms (Barbieri, p.622). As a consequence of international competition being intensified with globalization, flexible working styles became widespread. In order to gain an advantage over the competition, most enterprises were formed by full-time employees and the environment labor force was created by flexible employees. This was another negativity for the unions. The policies of the trade unions were mainly aimed at full-time workers. Moreover, the fact that flexible working styles destroyed solidarity among the workers, class consciousness and the fact that the majority of the enterprises' environmental labor force were formed by women and young people with low tendency to unionize caused a decrease in the number of members of the labor unions (Tokol, 2011, p.145-146).

If we analyze the matter in terms of Turkey, Turkey Economic Congress was organized and held for the creation of national economic policies in 1923. At the end of the congress, liberal economic policies were adopted and it was decided that the state would support the private sector and that the investments would be carried out by the state in the areas where the private sector was inadequate. In order to encourage the private sector, the "Industrial Promotion Law" was enacted in 1927 and remained in force until 1942 (Ekin, 1994, p.216; Tokol, 2012, p.28). Workers participated in the congress along

with other social groups. Various decisions were made about the workers at the congress. It is decided to use the word labor instead of *amele* (workman), to accept May 1 as workers' holiday, to enact laws related to working life and to accept the right to trade union activity (Temel Britannica, 1993, p.122). In 1923, the first organization representing workers in Turkey; "Istanbul Communal Labor Union" was founded during Economic Congress was founded which adopted the name; Turkey Labor Union after the Economic Congress and has become an organization at the national level but was dissolved in 1924. In 1924, this organization was replaced by foundation of the Laborer Ascension Association (*Amele Teali Cemiyeti*). After the establishment, the newly founded association has achieved important work. The association expressed opinions during preparation and drafting of labor laws and organized the workers' holiday celebrations in 1925 (Uçkan Hekimler, 2014, p.161-162). When the 1924 Constitution came into force, it guaranteed the freedom of association. Associations law was also in force (Sülker, 2004, p.43). In 1926, the Civil Code came into force and introduced the system of free establishment to associations. The Law of Obligations entered into force in the same year and individual and collective labor relations and arrangements were made. However, the inadequacy of these provisions could not be fully implemented due to inadequacy of trade unionism and labor movement (Uçkan Hekimler, 2014, p.161)

As a consequence of the failure of liberal economic policies and the negative conditions caused by the 1929 Economic Depression, the principle of "Statism" had the chance to be implemented and the state was the primary employer and a regulatory force in the economy. Under these new conditions, a new labor law was needed to regulate these new conditions. In 1936, the Labor Law No. 3008 entered into force. According to the conditions

of the law, the law has brought modern, advanced standards and systematically arranged labor relations (Ekin, 1994, p.219-220). However, the fact that the law excludes white-collar profession based workers, and especially the work places concentrating on agricultural and other sort of activity branches that employ less than 10 workers revealed the inadequacy of the law on these issues (Uçkan Hekimler, 2014, p.161-162). The Labor Law No. 3008 features different characteristics in terms of individual and collective labor relations. The law approaches individual business relations as “protective” and collective business relations as “authoritarian” (Çelik, 2010, p.84). The reason for this situation is the point of view of the state during the years in which the law was enacted. With this law, the state aimed at harmonizing the working relations between the employer and the worker for the national interests and the benefit of the society and preventing class conflicts that would hinder development. As a result, strikes and lockouts are banned, and in the settlement of labor disputes, it has adopted the necessary settlement and arbitration system (Ekin, 1994, p.220).

It was seen that organizations could go out of control in the environment of freedom as a result of the amendments made to the Law on Associations and in 1947 the Law No. 5018 on Unions of Laborers and Employers and Union Associations was adopted (Koç, 2010, p.141-142). The law did not prohibit or restrict trade union organization, but the aim was to control, regulate and direct uncontrolled movements that emerged after the amendments in the Laws on Associations mentioned above (Tokol, 2012, p.56). The law did not prohibit or restrict trade union organization, but the aim was to control, regulate and direct uncontrolled movements that emerged after the amendments in the Laws on Associations mentioned above (Tokol, 2012, p.56). Law No. 5018 introduced freedom of establishment to labor unions and allowed

unions to be established freely by workers and employers without the prior permission of any authority. With the same law, more than one union can be established in the same line of business, and it had been rendered possible to establish higher organizational entities such as union associations, federations and confederations (Kağnıcıoğlu, 2013, p.51). In addition, unions are also able to sign contracts on behalf of members of the general contract (Koç, 2010, p.142). The law has negative aspects as well as the positive aspects mentioned above. The right to establish and join labor unions is granted only to workers and employers who comply with the definition of worker and employer in Labor Law No. 3008 (Tokol and Alper, 2014, p.65). White-collat profession based workers were excluded from the scope in order to prevent unions from being influenced by ideologies other than official ideology (Güzel, 1993, p.207). There is no regulation in the Labor Unions Law regarding the membership fees and this issue has been resolved with the provisions of the Civil Code and the Associations Law. Limitation of member dues to 120 liras per year and leaving it on the basis of voluntarism rather than collection-at-source method has left the organization in a difficult situation (Mahiroğulları, 2001, p.167; Özkiraz and Talu, 2008, p.123).

The 1961 Constitution, while expanding the fundamental rights and freedoms of citizens on the one hand, provided comprehensive social rights to the citizens on the other hand in order to create and develop a pluralistic and democratic society (Özbudun, 2008, p.48). In addition, the 1961 Constitution introduced the principles of Social State and Social Justice, thus the constitution undertook the task of protecting economic and social aspects of the people and groups (Tanör, 2009, p.381). The Constitution's Article 46 stipulates that employees may establish labor unions and labor union associations without prior permission, and may freely

become members of these organizations/associations and leave them; Article 47 also regulates that employees have the right to collective bargaining and strike in order to protect and improve their economic and social rights and interests in their relations with employers (Çeçen, 1973, p.49-50; Kutal, 2003, p.144). The Labor Unions Law No. 274 and the Collective Bargaining Agreement, Strike and Lockout Law No. 275 entered into force on 24 July 1963 and the Law No. 624 on Civil Servant Unions entered into force on 17 June 1965 (Işıklı, 2013, p.23). According to the Labor Unions Law No. 274, unions can be established freely without prior permission, and workers can freely join and leave the union and take part in the organs of the union. Multiple trade unions can be established in various branches and workers can be members of more than one trade union (Talas, 1992, p.156-157).

In this period, we see that there is a division in the labor union movement as a result of the political and ideological differentiation of the labor unions. The most important of these divisions was experienced in Türk-İş. In 1967, a group of labor unionists and labor unions separated from Türk-İş and established DISK (Ahmad, 1995, p.200). The division in the Turkish Trade Union did not end with the establishment of DİSK, MİSK which adopted the views of the MHP in 1970 and in 1976, under the leadership of the MSP, the Hak-İş Confederation was established (Koç, 2003, p.257). The supra-party government established as a result of the intervention of the Turkish Armed Forces on 12 March 1971 through the memorandum made some arrangements in the constitution (Tanör, 2009, p.407; Özbudun, 2008, p.25). These changes included regulations concerning civil servants. The article regulating the right to trade union in the constitution was replaced by the expression of employees and workers were replaced and the right of unionization of civil servants was abolished (Makal, 2003, p.11). With this regulation, unions were

dissolved and civil society associations were established in place after the prohibition of civil servants to form and join trade unions (Taş, 2012, p.73). With the law on re-enacting the expired contracts in cases of necessity which are numbered 2364 for collective agreements that expired as a result of the labor union activities suspended after the military intervention of 12 September, the system went through mandatory arbitration until the constitution and the necessary laws were passed (Koçyıldırım, 2006, p.99). With the leadership of the soldiers in the labor market policies, with three years of military supervision, capital was strengthened against labor and YHK was appointed to determine wages (Boratav, 2005, p. 150). The draft Constitution was presented to the public on 7 November 1982. As a result of the vote, the majority of the valid votes were for yes, and the Constitution was approved (Koç, 2012, p.60-62). Following the Constitution, the Labor Unions Law No. 2821 and Collective Bargaining Agreement, Strike and Lockout Law No. 2822 came into force in 1983 (Çap and Durmuşkaya, 2014, p.38). In 2012, the Law No. 6356 on Labor Unions and Collective Bargaining entered into force.

In parallel with the developments in the world, the economic crisis in our country towards the end of the 70s, the arrival of the soldiers to the administration and the changes in economic policies and working life with the January 24 Decisions had a serious impact on the unions. The increase in competition with the expansion of the economy, macroeconomic problems, informal economy and informal employment, flexible work, privatizations and high unemployment, the disunity between the unions and the weakness of intra-union democracy led to the situation of unions (Yorgun, 2007, p.52). -53). The effects we have reported are clearly observed in unionization rates. When we look at the data of Economic Development and Cooperation Organization (OECD), the unionization rate

which was 28.2% in 2000 decreased to 6.3% in 2013 and became 8.2% in 2016 (Işık, 2018, p.14). According to the data of the Ministry of Family, Labor and Social Services, the rate of unionization in 1984 was 55,9%, 69.31% in 1994 and 57.98% in 2003. According to the results of Household Labor Force Surveys, unionization rates are 34.6% in 1994 and 25.13% in 2003 (Mahiroğulları, 2001, p.352-354). It is evident that the data of the Ministry is not exactly reflecting the real rates as in the previous period. Since the statistics were far from reflecting the real situation, the Ministry started to take the SSI data as the basis for the calculation after 2009. According to the Ministry data, the unionization rate is 9.6% in 2014 and 12.76% in 2018 and the rates clearly show the situation of the unions (Işık, 2018, p.14-15).

2. OCCUPATIONAL HEALTH AND SAFETY IN TURKEY and THROUGHOUT WORLD

The concept of occupational health and safety is the technical rules that the employers are obliged to obey and which are brought to the employers in order to prevent or reduce the possible dangers that may occur during the work of the workers. Occupational health and safety has been determined as the main purpose of protecting the health and life of the employees by preventing occupational accidents and occupational diseases that may occur due to work. Occupational health is composed of health rules that will provide a healthy environment for the employee's life at work. Occupational safety, on the other hand, includes technical rules that aim to prevent the hazards that may harm the integrity and life of the employee (Balkır, 2012, p.58-59). Occupational accidents and diseases cause people to lose their lives every day. 2.78 million people die annually due to occupational accidents and diseases. In addition, 374 million work-

related injuries and occupational diseases are experienced each year. As a result of injuries and illnesses, employees become incapacitated for a long time. As a result of these occupational accidents or occupational diseases, the daily cost of being disabled is very high. The low burden of occupational health and safety practices on the economy is estimated to be 3.94% of global Gross Domestic Product each year (International Labor Organization [ILO], 2019).

As a result of an occupational accident or occupational disease, the worker may lose some or all of the labor force and become temporarily or permanently incapacitated. The worker himself and his family will fall into economic hardship, as he usually has no income other than the wage income he receives for his labor. In addition, in case of failure to regain his former health as a result of an occupational accident or occupational disease, he will suffer a mental breakdown and bear this status until the end of his life (Altinel, 2015, p.6). As a result of work accidents and occupational diseases to be experienced, lost working days will occur and consequently, production losses will occur. On the other hand, as a result of occupational accident and occupational disease, health expenditures and compensations will be on the agenda. In addition, loss of social security premiums and increases in social assistance expenditures will be experienced in the national economy. In addition, there will be losses in the labor force due to occupational accidents and occupational diseases, and the state will have to choose and make changes in the allocation of resources and economic and social policies of the state depending on the increase in expenditures in this field. If an occupational health and safety problem arises, the employer will be subject to direct and indirect costs. Court and treatment costs, death allowances, material and moral damages constitute direct costs for the employer. repair of the equipment damaged due to this, and thus loss of time, delays in orders due

to time losses and market losses, recruitment of new personnel and training processes will constitute indirect costs of the employer. Indirect costs are estimated to constitute 4-10 times the direct costs (Kılıkş, 2014, p.23-24).

If written sources will be taken as the basis for the history of occupational health and safety, other views suggest that the first written source has been conducted by Hippocrates on the harmful effects of lead mine on human health (Gençler, 2007, p.16). Ulrich Ellenborg wrote a short thesis on 1473 regarding workers in gold, iron and other metal related sectors and the effects of coal, nitric acid, lead and mercury-induced toxic gases (Abrams, 2001, p.39). In his book “De Re Metallica” in 1556, Agricola worked on the dust problem in the mines and made various views on the issue of occupational health and safety in order to prevent dust in the mines. Agricola’s work is said to be important, and its importance is not limited to addressing the problems that arise, but also to make recommendations about how to protect them from problems that arise (Gagliardi, Marinaccio, Valenti and Lavicoli, 2012, p.7). Paracelsus also wrote his first occupational medicine book named *Mor De Morbis Metallicis* in 1587 and stated his views on lead and mercury poisoning in workers working in mines (Çiçek and Öçal, 2016, p.113).

Bernardio Ramazzini examined the workers’ problems related to work in a scientific and systematic way. He went to work places and observed the activities and problems of the workers in the work environment at the source. He spoke to the workers about the work-related illnesses. He collected the information in a systematic way and collected it in his book titled “*Mor De Morbis Artificum Diatriba*”. In 1700 he made the first edition of the book. Ramazzini is regarded as the father of professional medicine. Ramazzini prepared questions for

workers and made solutions and suggestions for problems within the scope of workplace and disease definitions. He asked his patients about their work and advised other doctors to ask this question. Common worker diseases, long-term and severe irregular movements, long-term standing, repetition of the movements and the relationship between weight lifting were examined (Franco, 2001, p.1382).

During the Industrial Revolution, humanity was exposed to the greatest and most widespread threats. As a result of the developments in the production technology, the production of machines by the inventions, the coming of the inventions with new hazards and the existence of bad working conditions in unhealthy working environments, such as mines, created the concept of occupational health and safety. Occupational health and safety measures and legal regulations naturally emerged in England, the country where the Industrial Revolution was taking place. The liberal state, which acts with the principle of being at the minimum level in the economy and working life, makes the first arrangements about occupational health and safety, shows how important the issue of occupational health and safety really is (Alper, 1992, p.85).

Percival Pott, carried out an examination in 1775 on the chimney cleaning workers and chimney sweepers and identified occupational cancer which had been emerged in the history of the first time (Abrams, 2001, p.42). The first individual initiative on the protection of workers was Robert Owen and provided medical care for workers working in his own enterprise (Genç, 2007, p.16). The first state intervention in occupational health and safety is the first Factory Act law that regulates working conditions in factories in 1802 and protects the health and morale of apprentices. With the regulation, working hours were limited to 12 hours a day, new clothes were given once a year, permission to go to church once a month was

compulsory, the factories were well ventilated and twice a year was decided to whitewash. The second Factory Act law, which was enacted in 1833, prohibited the work of children under the age of 9, and the work of children and adolescents between the ages of 9-16 was regulated as 12 hours a day (Serter, 1994, p.16-18). In England, an arrangement was made on mines in 1842 and women and children under the age of 10 were prohibited from working in mines. In 1844, it was obliged to keep a workplace physician in the factories. (Baybora, 2012, p.5). A number of regulations on occupational health and safety in the UK have also set an example for other countries, depending on the level of industrialization. Occupational health and safety regulations were issued in 1839 in Germany, in 1840 in Switzerland, in 1841 in France, and in 1877 in the USA (Alper, 1992, p.85). Studies on occupational health and safety on a national scale have been moved to the international arena with the establishment of ILO (Çiçek and Öçal, 2016, p.116).

The first of the amendments made in occupational health and safety in the Ottoman Empire and in Turkey were concentrated on mines. In 1865, the Ottoman Empire made arrangements for working conditions in the mines with the Dilaver Pasha Regulation (Bayraktaroğlu, Aras and Atay, 2018, p.4). With the regulation, the daily working time in Ereğli coal basin was determined as 10 hours, in addition to this period, it was decided to give additional resting time to the workers. With the regulation, the daily working time in Ereğli coal basin was determined as 10 hours and in addition to this period, it was decided to give additional rest period to the workers. With the establishment of shelter areas for the workers in the mines, it is determined that the insignificant diseases will be treated by the doctors who will be in the mines and the workers who are seriously ill are sent home. (Hoş, 2019, p.57). In the Ottoman Empire in 1869, with the Maadin

Regulation for mines, legal arrangements were made again. The regulation prohibited forced labor in mines, and stated that engineers working in mines should take the necessary precautions to prevent work accidents, and to pay compensation to the worker in case of the presence of doctors and drugs in the mines, work accidents and injury to the worker, and to the worker's family in the event of the death of the worker. In case the employer is responsible for the occupational accident, the sanction is imposed on the employer. In the following years after the regulation, in case of an accident as a result of the employer's misconduct, the employer's compensation payment was determined. Ottoman Code of Civil Law (Mecelle) prohibited the payment of wages in kind to the workers, and it was regulated that the daily working time would be from sunrise to sunset, and that the worker's right to be paid in return could only be available if he was ready to work (Baybora, 2012, p.7). Legislation on occupational health and safety in Republic of Turkey was issued for the first time concentrating on mines as it had been the case back in Ottoman Empire. In Turkey, the first legislation in 1921 for occupational health and safety was enacted in order to make improvements for the mine workers working in Zonguldak and its surroundings and it is called Zonguldak and Ereğli Basın-i Fahmiye Law (Hoş, 2019, p.58). The regulation included the necessary measures to be taken for occupational accidents in coal mines and the necessary assistance for the workers who had an accident. In 1923, a series of recommendations were made in relation to working life in İzmir Economic Congress, which convened in İzmir (Gençler, 2007, p.36).

Immediately after the proclamation of the Republic, the first important legal regulation on occupational health and safety was the Law of the Week Holiday, which was enacted in 1924 with 394 issues. In addition to the Law on Week Holidays, the Law No. 2739 on National Holidays

and General Holidays entered into force (Çetindağ, 2019, p.2). Subsequently, with the entry into force of the Law of Obligations in 1926, employers were deemed responsible for situations that may arise as a result of occupational accidents and diseases (Cerev and Köseoğlu, 2018, p.17-18). In 1930, the Law on Public Hygiene on work life and occupational health and safety was adopted. The law protects children and women workers, prohibits the employment of workers under the specified age, provides health assistance to workers suffering from occupational accidents or occupational diseases, appointing doctors in the workplace and hospitalization depending on the number of workers in the workplace (Kılıkış, 2014, p.42). In addition, the Law on Municipalities, which came into force in the same year, has been assigned to the municipalities to supervise certain issues regarding occupational health and safety at workplaces (Cerev and Köseoğlu, 2018, p.18). When the 1936 Turkey's first labor law No. 3008 came into force. With the Law, occupational health and safety has been discussed in detail (Altinel, 2015, p.179). The law regulates the protection of workers' health and informs them about occupational health and safety, while giving employers the responsibility to take precautionary measures against work accidents and occupational diseases, while the state is given the task of establishing the workers' insurance system and providing social security (Kılıkış, 2014, p.42). In 1945, in addition to the establishment of the Ministry of Labor, the Labor Insurance Institution and Labor Accidents, Occupational Diseases and Maternity Insurance laws came into force. In 1964, with the Social Insurance Law, it was attempted to gather insurance applications that were thought to be scattered under one roof. In addition, the Occupational Health and Safety Inspectorate Organization and the Occupational Health and Safety Center were established in the same year (Çiçek and Öçal, 2016, p.126).

The Code of Obligations was amended in 2011. As in the previous law, the new obligations law continued to protect employers and employees were given the legal responsibilities arising from occupational accidents. In 2008, the Social Insurance and General Health Insurance Law, which gathers employees who are subject to different insurance laws under a single law, gradually replaced the existing law. The Labor Law No. 3008 was amended in 1967, but due to its cancellation by the Constitutional Court, the Labor Law No. 1475 entered into force in 1971. In 2003, the Labor Law No. 4857 entered into force in order to achieve harmonization with the European Union during the EU membership process. Following the new labor law, many regulations on occupational health and safety were issued based on the law. In 2012, the Occupational Health and Safety Law No. 6331 entered into force (Baybora, 2012, p.9-10).

3. The Impacts Of Labor Unions In Terms Of Occupational Health and Safety In Metal Line Of Work: Case Of Çorlu

3.1. Significance of the Research

Turkey's grades in the occupational health and safety report are failing. In Turkey, 1235 workers in 2013, 1886 workers in the year 2014, 1730 workers in 2015, 1970 workers in the year 2016, 2006 workers in 2017, 1923 workers in 2018 1923, 145 workers in 2019 within April lost their lives as a consequence of work related occupational accidents (Business Homicide Reports, 2019). The high rate of deaths and their increase every year brings the direct and indirect costs to the agenda. Most importantly, workers lose their right to life as a result of occupational accidents and diseases. Employees who lost their lives as a result of work accidents and occupational diseases or who are unable to work will be withdrawn

from production. Withdrawal from production will result in loss of income and increase social expenditures of the state. Thus, while the loss of educated and experienced trained labor force and the replacement of the training costs of new personnel, economic losses are experienced and the burden on the economy will increase as a result of the situation being reflected on the economy in general. Therefore, the whole system will affect each other. The fact that the costs of occupational health and safety measures to be taken is below the costs that will arise as a result of occupational accidents and diseases, and most importantly, the fact that human life is in question increases the importance of the subject. In this study, it has been tried to determine the effects of labor unions representing workers' side on occupational health and safety since the Industrial Revolution.

3.2. Objective of the Research

The aim of the research is to reveal the impact of labor unions active in the metal sector in Turkey on occupational health and safety aspects. For this purpose, it has been tried to determine the effects of the labor union efforts on labor union members working in metal sector in Çorlu district of Tekirdağ province in terms of occupational health and safety.

3.3. Population and Sampling

The universe (population) of the research prepared to measure and analyze impact of labor unions active in metal sector in Turkey on occupational health and safety in comprised of unionized workers in Çorlu district of Tekirdağ province. Turkish Metal, Steel, Ammunition, Machinery, Metal, Finished Goods and Auto Assembly and Deputy Workers' Union gave a positive response to applications made for conducting the research questionnaire so the questionnaire had been applied to

aforementioned unionized workers working in the metal sector in Çorlu district. Since the total number of metal workers in the district and how many of these workers are union members could not be reached via the district-based data, convenience sampling method was applied in the selection of the workers to be surveyed and 425 union members were reached.

3.4. Collection of Data

The questionnaire used in the research consists of two parts: socio-demographic characteristics and the effect of labor union on occupational health and safety. There are 8 questions asked to determine demographic characteristics in the survey form including the gender of the employees, how many years they have been a union member, which union are they a member of, for how many years they have been working, their educational status, whether they have had any occupational accidents, whether there is a diagnosed occupational disease and the name of the disease if there is a diagnosed occupational disease. The question “which union do you belong to?” asked to the union members from the socio-demographic questions in the survey form was left out of assessment due to the factors mentioned above, and the question “Do you have a diagnosed occupational disease?” has been excluded due to the workers’ statements saying that they are not diagnosed with a particular disease.

In the second part of the questionnaire, there are 23 questions in order to determine the impact of labor union on occupational health and safety and the questions are graded with 3-point Likert scale “I disagree”, “I have no idea” and “I agree”.

3.5. Analyze and Interpretation of Data

The data obtained in the study were analyzed with SPSS 23.00 package program and descriptive statistics of

the workers according to socio-demographic and Likert scale were obtained; in order to determine the effect of labor union on occupational health and safety, reliability test was conducted and descriptive statistics were interpreted.

3.6. Reliability Test

Reliability refers to the stability of the measured values obtained by repeated measurements of a measuring instrument under the same conditions. In other words, reliability is an indication that the data obtained as a result of the measurement is free of accidental errors. Alpha Cronbach model was used to measure the reliability of the study and the reliability of the study was interpreted as follows:

In case $0 \leq a < 0,40$, the scale is not reliable,

In case $0,40 \leq a < 0,60$, the reliability of the scale is low,

In case $0,60 \leq a < 0,80$, the scale is considerably reliable,

In case $0,80 \leq a \leq 1$, the scale is highly reliable (Lorcu, 2015, s. 207-208).

Table 1. Reliability Level According To Cronbach Value

Cronbach α Coefficient	Number of Items In the Scale
0,811	23

When Table 1 is examined, it is seen that Cronbach Alpha coefficient for the questions aimed at determining the effect of labor union on occupational health and safety is 0.811. According to this result, the scale has high reliability.

3.7. Distribution of Socio-Demographic Characteristics of Labor Union Members Participating in the Research

The frequency and percentage frequency distributions regarding the socio-demographic characteristics of the union members who participated in the survey, gender, number of years of union membership, how many years they worked, educational status and whether they had an occupational accident are given in Table 2.

Table 2. Descriptive Statistics on Socio-Demographic Characteristics of the Participants

Gender	Frequency	Percentage	Educational Status	Percentage	Percentage
Woman	73	17,2	Elementary school	25	5,9
Man	352	82,8	Secondary (middle) school	85	20,0
Number of years of union membership	Frequency	Percentage	High school	284	66,8
1-5 Years	80	18,8	Associate's degree	30	7,1
6-10 Years	170	40,0	Bacheloe's degree	1	0,2
11-15 Years	110	25,9	Duration of work	Frequency	Percentage
16-20 Years	47	11,1	1-5 Yeras	70	16,5
20 Years +	18	4,2	6-10 Years	171	40,2
Whether they had suffered an occupational accident	Frekans	Yüzde	11-15 Years	111	26,1
Yes	57	13,4	16-20 Years	47	11,1
No	368	86,6	20 Years +	26	6,1

The total number of trade union members participating in the study is 425, 17.2% of them are women and 82.8% are men.

When the educational status of union members participating in the survey is examined, 66.8% of the

union members participating in the survey are high school graduates, 20.0% are secondary school graduates, 7.1% hold associate degree, 5.9% are primary school graduates, % 0,2 of them have undergraduate degree.

When the periods of unionized workers participating in the survey have been examined for how many years they have been union members, 40% of the union members are 6-10 years, 25.9% of them are 11-15 years, 18.8% of them are 1-5 years, 11% of them. 1, 16-20 years, 4.2% of the members of the union for 20 years and over.

When the duration of work of the union members participating in the survey was examined, 40.2% of the 425 union members participating in the survey were 6-10 years, 26.1% were 11-15 years, 16.5% were have been in the working life for 5 years, 11.1% for 16-20 years and 6.1% for 20 years or more.

When the data related to the occupational accidents of union members participating in the survey were examined, 86.6% of the union member workers stated that they did not suffered an occupational accident and 13.4% stated that they had suffered an occupational accident.

3.8. Distribution of Impact Scale of Labor Unions on Occupational Health and Safety In Terms of Unionized Workers Who Participated In the Research

In the second part of the survey, regarding the occupational health and safety aspect of the unions;

- The position of labor unions in the establishment of occupational health and safety policies at the line of business and workplace level,
- The position of labor unions in the regulation and development of occupational health and safety practices at workplace and enterprise level,

- Labor unions' position in occupational health and safety management, data collection and auditing at workplace and enterprise level,

- The position of labor unions in the awareness and training of employees on occupational health and safety at the line of business and at the workplace level were tried to be determined.

Table 3. Descriptive Statistics on the Aspects of the Impacts Scale of Unionized Workers' Labor Union on Occupational Health and Safety Scale

The Impacts of the Unionized Workers' Labor Union In Metal Line of Work In Terms of Occupational Health and Safety		I Disagree		I Do Not Have An Idea		I Agree	
		Frequency	% Frequency	Frequency	% Frequency	Frequency	% Frequency
1	The union I am a member of is actively involved in shaping OHS policies at the line of business and in the workplace.	9	2,1	33	7,8	383	90,1
2	The union I am a member of put pressure on the employees at the line of business and in the workplace for establishment of OHS policies.	19	4,5	45	10,6	361	84,9
S3	The union I am a member of is effective and influential on establishment of OHS policies at the line of business and in the workplace.	6	1,4	29	6,8	390	91,8
S4	The union I am a member of makes a significant contribution to OHS implementations at the line of business and in the workplace.	6	1,4	28	6,6	391	92,0
S5	The union I am a member of the union, strives and makes an effort to eliminate the deficiencies and disruptions in OHS practices on workplace/ enterprise level.	3	0,7	28	6,6	394	92,7

S6	The union I am a member of contributes to the development and improvement of OHS practices at the workplace / enterprise level.	1	0,2	30	7,1	394	92,7
S7	With the participation of the union, which I am a member of, in OHS practices, occupational accidents and occupational diseases have decreased in the workplace.	11	2,6	43	10,1	371	87,3
S8	The union I am a member of in my workplace makes an effort to improve OHS practices and implementations.	1	0,2	30	7,1	394	92,7
S9	The union I am a member of in the workplace works and makes an effort to eliminate the shortcomings related to OHS.	2	0,5	26	6,1	397	93,4
S10	In my workplace, there is a commission, a board-like unit, including the union I am a member of which is responsible for OHS management.	3	0,7	36	8,5	386	90,8
S11	In the workplace where I work, there is a commission, board, etc. which also includes the labor union I am a member of and this unit is effective in preventing work accidents and occupational diseases.	14	3,3	59	13,9	352	82,8
S12	In my workplace, information is collected on regular basis about the effectiveness and results of OHS practices by the union I am a member of.	75	17,6	75	17,6	264	62,1
S13	In my workplace, the information collected about the effectiveness and results of OHS practices are communicated to employees and members by the union I am a member of.	101	23,8	89	20,9	235	55,3

S14	In my workplace, the employer's compliance with OHS practices is monitored and supervised by the union I am a member of.	65	15,3	75	17,6	285	67,1
S15	In my workplace, the employees' compliance with OHS practices is monitored and supervised by the union I am a member of.	151	35,5	75	17,6	199	46,8
S16	In my workplace, regular information meetings are held by the labor union of which I am a member to ensure and emphasize the importance of OHS practices.	110	25,9	105	24,7	210	49,4
S17	In my workplace, regular training activities are conducted by the labor union of which I am a member for smooth implementation of OHS practices.	31	7,3	61	14,4	333	78,4
S18	The union I am a member of make use of social media applications such as facebook, twitter, etc. to raise awareness of its members regarding OHS.	52	12,2	52	12,2	296	69,6
S19	The union I am a member of make use of books, magazines, flyers, brochures, etc. to raise awareness of its members regarding OHS.	91	21,4	65	15,3	269	63,3
S20	The union I am a member of organizes symposiums, seminars (workshops), panels, conferences, meetings, etc. to raise awareness of its members regarding OHS.	133	31,3	55	12,9	237	55,8
S21	The union I am a member of utilizes television broadcasting at local and / or national level through means such as films, short films, commercials, spots to raise awareness of its members regarding OHS.	157	36,9	77	18,1	191	44,9

S22	The union I am a member prepares advertizes and promotes to raise awareness of its members regarding OHS using various tools and devices.	137	32,2	75	17,6	213	50,1
S23	The union I am a member of is actively using the bulletin board in the workplace to raise the awareness of its members regarding OHS.	17	4,0	53	12,5	355	83,5

90.1% of the union members who participated in the survey think that they have an active role in shaping the occupational health and safety policies of the union they are members of. While 2.1% of the union members participating in the survey did not agree with this opinion, 7.8% did not express their opinions. 84.9% of the union members who participated in the survey think that the union put pressure on the employer to establish a policy on occupational health and safety. 4.5% of the union members who participated in the survey did not agree with this opinion and 10.6% did not express their opinions. 91.8% of the union members who participated in the survey stated that the union they are a member of is effective in creating policies for occupational health and safety of the union they are a member of. While 1.4% of the union members who participated in the survey did not agree with this opinion, 6.8% did not express their opinions. 92% of the union members who participated in the survey indicated that the union's contribution to occupational health and safety practices was sufficient. While 1.4% of the union members who participated in the survey did not agree with this opinion, 6.6% did not express their opinions. 92.7% of the union members who participated in the survey think that the union's efforts are sufficient to eliminate the deficiencies and disruptions in the practices related to occupational health and safety. While 0.7% of the union members who participated in

the survey did not agree with this opinion, 6.6% did not express their opinions.

92.7% of the union members who participated in the survey think that the union they are a member contributes to the development of practices on occupational health and safety. While 0.2% of the union members participating in the survey did not agree with this opinion, 7.1% did not express their opinion on this question. 87.3% of the union members who participated in the survey think that the participation of the union in their practices in the field of occupational health and safety reduces work accidents and occupational diseases. While 2.6% of the union members participating in the survey did not think in this direction, 10.1% did not express their opinions on this issue. 92.7% of the union members who participated in the survey thought that the union's efforts to develop occupational health and safety practices in the workplace was sufficient. While 0.2% of the union members who participated in the survey did not think in this direction, 7.1% did not express their opinions about this question. 93.4% of the union members participating in the survey think that the union they are members of has made efforts to eliminate the deficiencies in occupational health and safety in the workplace. While 0.5% of the union members who participated in the survey did not think in this direction, 6.1% did not express their opinions about the question. 90.8% of the union members who participated in the survey think that the unit of the union in which they are a member is at a sufficient level in terms of occupational health and safety in the workplace. While 0.7% of the workers did not think so, 8.5% did not express their opinions. 82.8% of the union members who participated in the survey stated that the unit related to occupational health and safety in the workplace is effective in preventing work accidents and occupational diseases in the workplace. While 3.3% of the union members who

participated in the survey did not think so, 13.9% did not express their opinions.

While 62.1% of the union members who participated in the survey thought that they regularly gather information about the occupational health and safety practices of the union they are members of, 17.6% do not think likewise. 20.2% of the union members who participated in the survey did not express their opinions. While 55.3% of the union members who participated in the survey thought that the information collected about the effectiveness and results of the practices related to occupational health and safety in the workplace of the union they are members of was adequately communicated to members and employees, 23.8% thought that the information transmitted was insufficient. 20.9% of the workers did not express their opinions about this question. While 67.1% of the unionized workers participating in the survey found that the union's supervision was sufficient to see whether the employer complied with the necessary rules in occupational health and safety practices at work, 15.3% thought that there was not enough supervision. 17.6% of the workers did not express their opinions about this question. While 46.8% of the union members participating in the survey found that the union's supervision was adequate for the compliance of workers with occupational health and safety practices in the workplace, 35.5% of the workers did not think likewise. 17.6% of the workers did not express their opinions. While 49.4% of the union members who participated in the survey thought that information meetings on the importance of occupational health and safety practices were sufficient, 25.9% found them insufficient. 24.7% of the workers did not express their opinions. While 78.4% of the union members who participated in the survey thought that the trainings on occupational health and safety in the workplace were

sufficient, 7.3% did not find it sufficient and 14.4% of the workers did not express their opinions.

While 69.9% of the union members who participated in the survey found the use of social media tools sufficient to increase the awareness of their members about occupational health and safety of the union they are members of, 12.2% considered it insufficient. 18.1% of the workers did not express their opinions. 63.3% of the union members who participated in the survey had found books, journals, flyers, brochures, etc. which raised awareness of the union members about occupational health and safety sufficient and satisfactory. 21.4% of the workers find it inadequate. 15.3% of the workers did not express their opinions. 55.8% of the union members who participated in the survey found symposiums, seminars, panels, conferences, meetings and so on organized and held in order to raise awareness of the society about the occupational health and safety sufficient, while 31.3% of workers find it inadequate. 12.9% of the workers did not express their opinions. While 44.9% of the union members who participated in the survey found it sufficient to benefit from the local and / or national television broadcasting by means of films, short-length films, commercials and spots to increase awareness of occupational health and safety of the union, 36.9% of the workers find them inadequate. 18.1% of the workers did not express their opinions. While 50.1% of the unionized workers participated in the survey, various advertisements they used to increase the awareness of occupational health and safety of the union they are members of were sufficient, while 32.2% found it insufficient. 17.6% of the workers did not express their opinions. 83.5% of the union members who participated in the survey thought that the union use the bulletin board effectively in order to increase their awareness about occupational health and safety of members of the union,

and 4.0% find this situation insufficient. 12.5% of the workers did not express their opinions.

CONCLUSION

The Industrial Revolution has brought about a new working relationship. The labor-capital integration that existed before the Industrial Revolution transformed into a labor-capital separation after the Industrial Revolution. Thus, on the one hand, the small but economically strong capitalist sector holding the means of production is available, on the other hand, there were only the workers who are deprived of the means of production and who could only generate income. During the Industrial Revolution, workers worked long hours in consideration of wage that could only buy food and that could keep them alive, including women, men and children, and in very poor housing conditions they tried to rest before long hours of work. In addition, the absence of occupational health and safety measures and the introduction of new risks in the industry gave rise to occupational health and safety problems. Conflict between the parties was inevitable as a result of the legal legislation of the period protecting private property. The workers united under the trade union roof for the struggle for rights, and the unions became the organizations that emerged during the Industrial Revolution.

In this particular research attempting to analyze labor unions' impact on occupational health and safety by means of field research techniques, sub-headings were included to approach the issue. Once the answers given to questions numbered 1, 2 and 3 of the questions prepared to determine Unionized Metal Line of Work (Sector) Workers' Labor Unions' Impact On Occupational Health and Safety scale were evaluated collectively, it is possible to conclude that labor unions are highly and exceptionally active and influential for establishment, development

and improvement of OHS policies in the workplace and furthermore the labor unions exert pressure on employers for this matter.

When the responses given to the questions 4, 5, 6, 7, 8 and 9 on the organization and development of occupational health and safety practices of the Scale of the Impacts of Labor Union of Unionized Metal Workers on the Occupational Health and Safety of Trade Unions, it is revealed that unions are influential in the organization of the occupational health and safety practices and they contribute to their development and improvement. When the responses of the Unionized Metal Line of Work (Sector) Workers' Labor Unions' Impact On Occupational Health and Safety scale for the questions numbered 10,11,12,13,14 and 15 questioning establishment of occupational health and safety, data collection and supervision were evaluated collectively, it is revealed that the labor unions achieved success in prevention of work accidents and occupational diseases however it is observed that labor unions could only achieve success at medium level on part of data collection with respect to OHS, information sharing with members and supervisions to determine whether the employees comply with OHS implementations. When the responses given to the questions 4, 5, 6, 7, 8 and 9 on the organization and development of occupational health and safety practices for the Unionized Metal Line of Work (Sector) Workers' Labor Unions' Impact On Occupational Health and Safety scale were evaluated collectively, it is demonstrated that the union strives and makes a significant contribution to the organization of the occupational health and safety practices/implementations and their development and improvement. When the answers given to the questions 16, 17, 18, 19, 20, 21, 22, 23 on the training and awareness raising of occupational health and safety scale of Unionized Metal Line of Work (Sector) Workers' Labor Unions' Impact On Occupational

Health and Safety were evaluated collectively, it has been observed that the labor union achieved success in training activities on occupational health and safety and using the bulletin board in the workplace. However, it was found that the labor union could only achieve medium level success in organization of meetings about occupational health and safety training for the employees, and in making use of television broadcasting and advertising. In consequence of the conducted research study, it is observed and clearly demonstrated that the labor union has a positive impact on the unionized members employed in metal sector in Çorlu district of Tekirdağ province in terms of prevention of work accidents and occupational diseases. As a result of the study, it was observed that union members had an effect on the occupational health and safety of metal workers in Çorlu district of Tekirdağ province and that union was effective in preventing occupational accidents and occupational diseases.

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Chapter 4

COMMUNICATION SATISFACTION

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1. INTRODUCTION

The future of organizations today depends on value creation which includes employee motivation, satisfaction, interaction, commitment and so on besides financial gain. As Orpen (1997) noted that the quality of organizational communication is also related to employees' job satisfaction and motivation. Effective communication is a key concept to increase employee motivation and satisfaction. Organization's total communication will determine the degree of employees' satisfaction named as "communication satisfaction" (Nakra, 2006:41).

In general, satisfaction is conceptualized as an indicator of pleasure-oriented attitude consisted by different acts and behaviors based on a series of interactions and communications. Communication has a significant role in process of satisfaction, motivation, productivity and also organizational change (Singh and Pestonjee, 1990; Joshi and Sharma, 1997). Effective communication in an organization will provide low turnover rates as well. Communication satisfaction is an individual's (employee's) satisfaction within the various aspects of communication in an organization (Downs and Hazen, 1977; Nakra, 2006).

This chapter was written by thinking that the concept of communication satisfaction and its significance were not sufficiently situated in relevant literature. It is thought that this insufficiency of researches creates a gap and on the purpose of filling this gap, it is aimed to conceptually emphasize and focus on the topic and its content before empirically associating with other subjects in literature.

As mentioned before, the main goal of this study is to create a new point of view to the satisfaction by focusing on the communication within the context of a new and underscored subject named as "communication satisfaction".

2. CONCEPTUAL FRAMEWORK

As known in general, communication is defined as a process of transferring information from a sender to a recipient. Effective communication allows to understand organizational image and view. In point of fact, managers should be the role models to create effective communication and communication systems in their organizations. Thus, effectively and efficiently expressing and emphasizing the vision, mission and objectives of the organization will be easier (Ashman and Lawler, 2008).

After first appearing the concept “communication satisfaction” in Dale Level’s doctoral thesis in 1959, communication satisfaction was defined by Thayer in 1968 as an individual satisfaction incident to accomplished communication with someone (Lee and Lin, 1999). Communication satisfaction is a result of total effective organizational communication and refers to the sum of individual’s satisfaction coming from the relations (Pincus, 1986) and involving interactions not only in an organization but also in social life. As Pavitt (1999) noted that communication satisfaction which reflects the results of effective communications keeps people together and helps them to create perfect communication and communication processes (Alsayed, et al., 2012).

From this point of view, communication satisfaction allows managers to develop strong and effective interactions while improving confidence with their employees (Pavitt, 1999; Sharma and Bajpai, 2010). Besides, healthy communication will enable supervisors to efficiently make decisions. This situation will also help to share knowledge and understand the importance of the whole communication in an organization (Gray and Laidlaw, 2004). This will be possible by informing employees about the importance of effective communication and its benefits. It is also easy to say

that effective communication will create an effective people -supervisor or employee-. However, sufficient communication is needed by the effective supervisor to be able to effectively and efficiently disseminate the common organizational goals, objectives, vision and mission (Gray, et al., 2004; Ashman, et al., 2008).

It can be said that, satisfaction coming from the communication is a determinant of several factors related to the organization. Some of these are; organizational identification, productivity, employee satisfaction and job satisfaction, motivation, empowerment (Pincus, 1986; Smidts, Cees and Pruyn, 2001; Chiang, Jang, Canter and Prince, 2008; Tsai, Chuang and Hsieh, 2009; Loughman, Snipes and Pitts, 2009). On the other hand, communication satisfaction plays an important key role to guide and direct expectations and objectives of both organizations and individuals as well (Hecht, 1978). Besides all, communication is related to the effective control mechanism of supervisors, and so, satisfaction with communication is associated with effectiveness in an organization (Hecht, 1978; Lee, et al., 1999; Kolb, Prussia and Francoeur, 2009).

Communication satisfaction has three conceptual context as follows (Downs, et al., 1977):

- i. Interpersonal communication context,
- ii. Group communications context,
- iii. Organizational communication context.

From this point of view, *interpersonal communication context* is a personal dimension related to the personality traits especially openness, trust, guidance, personal feedbacks, initiating communication among people... etc. Beside this, the second context of communication satisfaction “*group communications context*” describes the horizontal communication and it is related to the co-

worker communication in an organization and focuses on the job requirements and personnel news. *Organizational communication context* is a dimension of corporate information related to the organizational change, climate, motivation, identification and so on (Alam, 2016).

In addition to this, Pincus (1986) also grouped the dimensions of communication satisfaction into three categories:

- i. informational,
- ii. relational, and
- iii. informational/ relational factors/dimensions.

Informational dimension involves organizational perspectives about satisfaction similarly one of the three context mentioned above from Downs, et al. (1977) named as “organizational communication”. Relational dimension emphasizes the subordinate and horizontal communication among top managers similar to the Downs’s “group communication” above. The third one informational/relational dimension concentrates on the personal feedbacks like an interpersonal communication context above (Okay and Okay, 2009).

Person-Organization Fit Theory ideally represents communication satisfaction in an organization. Person-organization fit is one of the five subdimensions of person-environment fit theory (Çalışkan, 2017). If individuals work in compatible organizations with their skills, ability, character and personality traits (Tom, 1971) they easily communicate others and motivate themselves about work performance and job satisfaction. This compatibility will also bring along satisfaction in communication. This theory focuses on harmonizing not only person-job and person-group but also person-organization as a whole (Çalışkan, 2017). By means of high level of person-organization fit, individuals who feel themselves as a part

of the organization maintain presence in organizations and feel responsible for the organizational future (Schneider, Smith and Goldstein, 2000).

3. DISCUSSION and CONCLUSION

At the first glance, satisfaction is come to mind as a topic related to the consumer and marketing in general. But it should be taken into account that the concept is also related to the characteristics of people, personality traits, interpersonal skills and interactions, behaviors and the most importantly communication. From this point of view, the main objective of this study is to conceptually emphasize a new and underscored subject named as “communication satisfaction” which refers to the degree of employees’ satisfaction in an organization based on the organization’s total communication.

As mentioned before by focusing on the previous researches, communication satisfaction is related to different concepts such as job satisfaction, employee productivity, empowerment, expectations and objectives, effectiveness, motivation (Hecht, 1978; Pincus, 1986; Lee, et al., 1999; Smidts, et al., 2001; Chiang, et al., 2008; Kolb, et al., 2009; Tsai, et al., 2009; Loughman, et al., 2009).

As Nakra (2006) noted that based on the analyses results, there is a positive and significant relationship between communication satisfaction and organizational identification. On the other hand, it is found that communication satisfaction is positively and significantly related to extra effort and effectiveness in an organization (Alsayed, Motaghi and Osman, 2012).

Communication satisfaction which was conceptually addressed in this chapter is generally associated with the other concepts related to the field of psychology, management, organizational behavior etc. by supporting

empirical studies. It is aimed to contribute to the related literature by emphasizing the description and content of this topic conceptually.

Just conceptually focusing on the topic can be considered as a limit of this study. However all these mentioned concepts and related topics will help future empirical studies to be able to establish relationship with related concepts. But it was a real limit not to be able to easily find sources and researches in mother tongue based related literature.

This research will also expand new horizons to future studies and researches which will be done by supporting with practical and experimental examples. Future researchers can focus on empirically emphasizing the communication satisfaction in a relationship with different and unique variables. Practical examples will help to understand the concept very well.

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Chapter 5

CORPORATE SOCIAL RESPONSIBILITY FROM THE MANAGERIAL PERSPECTIVE: A CASE STUDY ON ANTECEDENTS, IMPLEMENTATION AREAS AND GAINS*

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INTRODUCTION

Corporate Social Responsibility (CSR) practices of a hotel company require an employee, whose participation in the activity process is a must, to feel identified with the values of the organization and to embrace the activities, and they entail ensuring effective communication with the organizations with which the hotel act in cooperation, promoting assessment and reporting of the activities as well as suitability for/acceptance by local people. In this context, CSR refers to a complex process that requires planning at various stages from the establishment of an enterprise through the course of its operations. CSR suggests that enterprises must focus on offering their services in a quality that contributes to the welfare of the society, rather than making profit. Therefore, it is emphasized that they should be fair to employees, suppliers and guests on the one hand, and should promote environmental sustainability on the other (Bohdanowicz & Zientara, 2008).

Although the studies that examine CSR practices in hotels (Çalışkan & Ünüsan, 2011; Benavides-Velasco, Quintana-Garcia & Marchante-Lara, 2014; Abram & Jarzabek, 2016; Kim et al. 2017) have made some contributions to the literature, they have usually been focused on the consequences of CSR practices such as environmental impacts, job satisfaction and organizational citizenship behavior. Also, the current literature is focused on the content of reporting in CSR (Holcomb, Upchurch & Okumuş, 2007; de Grosbois 2012). However, there is less interest in a comprehensive approach that explores this complex process in depth from a managerial perspective. Based on the necessity of developing a better understanding of this process, this study was conducted using a qualitative research design. The purpose and nature of a research determines the choice of research design (Yin, 2003). In this sense, this study was conducted as a case study to

determine which factors motivate CSR practices, which areas are focused on for CSR practices and what kind of benefits CSR practices provide. From this point of view, a conceptual framework was formed and research design was used. Afterwards, findings were presented based on the data obtained from the semi-structured interview form and secondary data sources. The study was concluded with a discussion of the findings.

Corporate Social Responsibility (CSR)

CSR is a complex concept defined from various perspectives. First studies conducted specifically to examine this concept with deep historical roots were mostly focused on CSR as a social responsibility. It is argued that Bowen's (1953) study titled "Social Responsibility of the Businessman" points out the beginning of the relevant process. Bowen (1953) pointed out that policies, decisions and activities which are in compliance with aims and values of a society should be adopted (Carroll, 1999). CSR can be defined as the activities that make companies good citizens who contribute to the welfare of the society beyond their own self-interests (Bohdanowicz & Zientara, 2008; Kang, Lee & Huh, 2010). In another definition, CSR is the duty of organization to respect the rights of individuals and promote human welfare in its operation (Oppewal, Alexander & Sullivan, 2006). CSR is a concept associated with a series of organizational activities such as stakeholder engagement, charitable giving, responsible supply chain management, ethical leadership and environmental stewardship (Coles, Fenclova & Dinan, 2013). From this point of view, it could be said that CSR should not be construed as an organization's maintenance of production activities by only taking into account the protection of nature and environment. It is because organizations operating in an open environment interact directly and/or indirectly with various stakeholders (Aktan & Börü, 2007). Considering corporations as part

of a society, Lund-Durlacher (2015) states that it is the society that provides resources such as educated workers, physical and legal infrastructure, markets for their products which ensure continuity of business operations. In this sense, it is emphasized that hotels should be proactive and be “hospitable” not only to their guests but also to society (Holcomb et al., 2007). Therefore, it can be stated that CSR should be considered as the attitude of enterprises towards consumers, employees, society and a broad range of stakeholders such as future generations (Bohdanowicz & Zientara, 2008). CSR points to the contribution of enterprises to sustainable development. Although many concepts are used to define CSR, it may be stated it is the economic, social and environmental performance, combined with the voluntary nature (Lund-Durlacher, 2015). The effectiveness of CSR activities depends on the balance between the financial structure of enterprises and the investments in the programs that enable the development of the society and the environment (Debnath, 2018). In this sense, CSR activities need to be economically sustainable.

Carroll (1991) suggests that CSR has four dimensions. These dimensions are economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility. Businesses are economic assets that offer products/services to community members. One of the key roles of enterprises is to produce products/services that the consumers need and desire to purchase, and to gain profit during this process. All other commercial responsibilities are based on economic responsibility. Thus, it can be said that economic responsibility, which is the first layer of the CSR pyramid, constitutes the basis of other responsibilities. The dimension of legal responsibility is associated with the need that activities to ensure business continuity must comply with the relevant laws and regulations. The ethical responsibility dimension is based on the realization of activities and practices in

accordance with the norms and rules set by the society. The dimension of philanthropic responsibility covers the corporate actions that fulfill the society's expectation that businesses be good corporate citizens. Examples of this responsibility include business contributions to the arts, education, or the community (Carroll, 1991). On the other hand, it is pointed out that Carroll's study achieved considerable progress in the advancement of theory and research (Njite, Hancer & Slevitch, 2011). A business has various areas of CSR. Activities to ensure and increase the society's welfare in line with some preset objectives may be the determinants of CSR areas. In this context, CSR activities can be determined on the basis of the stakeholders that can be defined as internal stakeholders such as the main owners, shareholders, managers and employees of a company, as well as on the basis of external stakeholders such as customers, suppliers, competitors and society (Carroll, 1991; Dogan, 2007; Akyar, 2008).

In addition to the general trend of CSR engagement, CSR has also been the subject of research in the tourism industry recently due to its dependence on socio-cultural and environmental resources and its relation with sustainability (Sheldon & Park, 2011; Khairat & Maher, 2012). Tourism, which gained significant importance at the national and international level, has become a social phenomenon in today's world. In order to create positive impacts on local and regional development, tourism industry needs to be managed on the basis of sustainable development principles. The tourism industry provides various advantages at the places of attraction, is also associated with economic, social and environmental impacts. Based on this information, it could be said that companies should make efforts to reduce their negative impacts on the environment in which they operate. Besides, it may be emphasized that tourism enterprises can play an important role in the development of society (Mapingure et al., 2015). On the other hand, businesses

operating in the tourism industry can take advantage of the CSR activities in order to struggle against the problems and challenges. The importance these enterprises attach to CSR will provide significant benefits in terms of social and financial performance (Sağır & Türkeri, 2015).

Hotel companies constitute an important branch of the tourism industry as a source of economic, environmental and social contribution in the form of creating employment, developing infrastructure and supporting improvements in cultural understanding. However, it is also a fact that, just like other enterprises, hotels also have a consumption dimension and they may have negative impacts such as noise and air pollution due to the consumption of resources (energy, water, food etc.) (de Grosbois, 2012; Martínez, Pérez & del Bosque, 2013). At this point, it is important for hotels to develop and implement CSR strategies at different stages from the site selection during establishment phase to the continuity of business operations.

CSR is examined within the scope of hotel companies from different aspects. The related literature include a wide range of studies examining environmental impacts of CSR (Abram & Jarzabek, 2016), employees' perception of CSR (Tsai, Tsang & Cheng, 2012; Park & Levy, 2014), reporting (de Grosbois, 2012), business performance (Benavides-Velasco et al., 2014), quality of work life, emotional attachment, organizational citizenship behavior (Kim et al., 2017), brand image and commitment (Martínez et al., 2013), impacts on guest attitudes and behaviors (Su, Pan & Chen, 2017), consumers' references to CSR in online reviews and hotel responses to customer online reviews (Ettinger, Grabner-Kräuter & Terlutter, 2018). Martínez et al. (2013) point out that businesses which are sensitive to both the social and natural environment will achieve greater success, underlining that CSR has become highly effective for a strategy of differentiation and positioning. Kim and Kim (2016) argue that hotel companies have to operate in a highly competitive

environment; thus, they should consider CSR as a strategy to achieve the goals of improving brand image, maintaining customer loyalty and developing a sustainable competitive advantage. In addition, the researchers draw attention to the necessity of various studies focus on the antecedents and consequences of CSR practices of hotel companies.

Some factors that play an important role in the sustainability of activities such as solving the seasonality problem, creating accessible tourism for all, and maintaining the quality of life and resources in the face of changes caused by dynamic environmental conditions constitute an opportunity for the widespread implementation of CSR activities in tourism enterprises. However, the number of studies examining CSR activities in hotel companies from a managerial perspective is quite limited, which can be noted as a gap in the literature. In this sense, it is believed that it will be useful to perform an in-depth and holistic analysis of CSR activities as a process in a CSR-oriented hotel company. The purposes of this study are as follows:

- 1-Defining the key motivating factors that lead to implementing CSR practices in the company;
- 2-Determining the area(s) where CSR activities are performed;
- 3-Defining whether CSR practices provide any benefits for the hotel company.

METHODOLOGY

The study was conducted by using a qualitative research design as a case study of an exploratory nature to examine, from a managerial perspective, the factors motivating CSR practices, the implementation areas of CSR and the gains of CSR practices. Studies state that it may be more useful in some cases to have in-depth

knowledge on an individual example because focusing on a key part may contribute to a better understanding of the whole (Gerring, 2007). The case study allows a detailed and in-depth analysis of the limited number of events/phenomena and their relationships (Yin, 2003). In the present study, this method is considered to be useful in terms of performing an in-depth analysis of CSR practices in a holistic process from a managerial perspective. Hotel X which operates in Kuşadası was selected as the research area. First, websites of nine five-star hotels operating in Kuşadası (Aydın Provincial Directorate of Youth Services and Sports, 2018) were examined to find out whether they give special coverage to CSR practices. As a result of the examination of the corporate websites of the related hotel companies, it is found that the Hotel X is the one which performs CSR activities and publishes these activities on its website. In addition, it is observed that Hotel X performs its CSR activities in various areas. Therefore, it is decided to examine hotel X thinking that it would be a good fit to help us finding answers to the research questions.

Data were obtained by using a semi-structured questionnaire and secondary data sources. The data on the CSR practices of hotel X were reached through the hotel's own corporate website. For data collection, a semi-structured questionnaire was developed based on the studies by Holcomb et al. (2007), Güzel (2010), Martínez et al. (2013), Yıldız (2017) and expert opinions. The semi-structured interview form consisted of two parts. The first part included four basic and ten sub-questions. The second part provides demographic information. An interview was held on October 11, 2018, with the participant who was considered to be the key person in the implementation of CSR. By the interview it is produced six pages of transcribed text. In the analysis of the data obtained from the research, descriptive analysis was used

from the qualitative analysis approaches. Afterwards, the findings were confirmed by the participant.

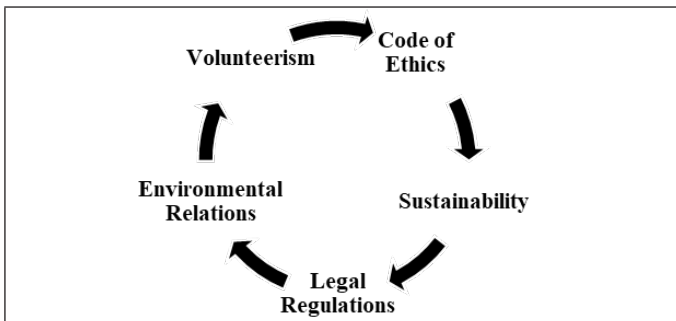
RESULTS

It is planned to categorize the findings in a way to reflect the purpose of the study based on the literature. These categories are: the factors motivating CSR practices, CSR planning process, the implementation areas of CSR, assessment of CSR practices and the gains of CSR practices.

Category 1: Factors motivating CSR practices

Within the scope of the study, volunteerism was identified to be the main factor that motivates CSR practices at the Hotel X. It was revealed that CSR practices were considered important and performed on a voluntary basis, but not recorded. Code of ethics and legal regulatory factors were found to form a basis for CSR activities. In addition, the necessity of meeting the demands from different channels (i.e. employees, associations, municipalities) and strengthening relations was also observed to be one of the factors motivating CSR practices. Figure 1 presents the key factors motivating CSR practices.

Figure 1. *Key factors motivating CSR practices*



On the other hand, sustainability was found to be another factor motivating CSR activities. For example, the participant suggested the following:

“...Different practices showed up when we took sustainability into consideration.” Then, they explained the advantages of documents within the scope of the green star and Travelife documents, and they asked us if we were involved in any environmental awareness activity. They promoted on their website for prestige purposes. Our activities went on like this until 2014, then we began to keep records. Just like in the beginning, we are still going on a voluntary basis. It has to be sustainable; otherwise, it will have no meaning.”

Category 2: CSR planning process

An important finding of this study is that CSR practices are implemented within a planning process. Distribution of duties, budget setting, time scheduling, deciding on the institution/organization, defining the area of activity and making announcement were found to be focused on during the CSR planning process. Furthermore, it is found that activities to raise awareness of CSR practices were carried out by means of preparing posters, using social media and the corporate website and launching campaigns. The participant stated as follows:

“We prepare project posters. We use social media and our website to raise awareness. Besides, journals related to environment give coverage to our activities. We launched a campaign to collect the used oil and granted awards to those who collected the largest amount of used oil. That also applies to blue cap campaign...”

On the other hand, another finding is that there are some other factors that make the implementation of CSR activities difficult and these factors are required to be taken into account in the planning process. The participant expressed the problems as follows:

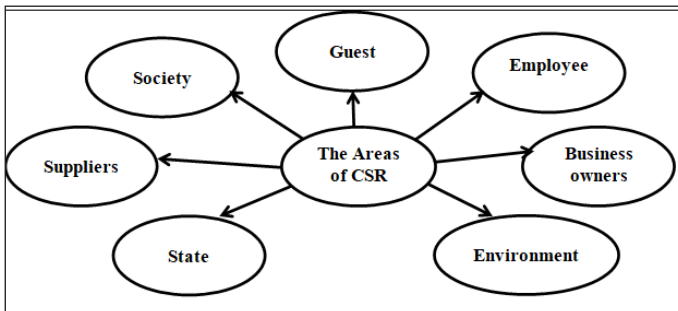
“Public institutions sometimes cause trouble. They may be concern whether to trust us or not simply because we are the first hotel to implement CSR. Then it becomes okay since people know that we do it on a voluntary basis. We provide food assistance to Kadıkalesi every month, but it becomes a problem when we are not able to do so.

...We were organizing Jazz concerts on the last Sunday of every month. Classical music concerts were also performed. Unknown bands said it was an honor for them to perform at Hotel X. It is because we worked with them for 5 years. There was demand, but we were still negatively affected during the crisis period. Staff at times wanted famous singers to come and perform at the hotel. However, we tried to explain our staff that famous singers can be found everywhere and that the heritage of music like classical and jazz should be preserved. Then they liked it.”

Category 3: The implementation areas of CSR

Based on the interview with the participant considered to be the key person and the data obtained from the corporate website of Hotel X, it is revealed that CSR practices are implemented in various areas. Figure 2 shows these areas.

Figure 2: *The implementation areas of CSR*



Employee-related CSR activities

- Regulations to protect employee health and safety
- Ensuring fair and adequate working conditions
- No child labor
- Environmental education
- Personal development trainings on such issues as time management and stress management
- Foreign language education
- Encouraging employees working in various departments such as housekeeping, service and kitchen to receive professional certificates

Guest-related CSR activities

- Setting up information boards in the hotel (i.e. information boards for identifying various plants)
- Making toys from recycled materials for guests with children
- Ensuring food safety

Supplier-related CSR activities

- Organizing supplier nights
- Giving priority to the supplier in the region

State-related CSR activities

- Fulfillment of legal obligations during the provision of services
- Submitting reports on CSR activities

Environment-related CSR activities

- Organizing competitions to collect used oil
- Organizing tree planting activities (participation of employees and guests is important)
- Giving information on water and energy consumption
- Prohibiting fireworks which are considered as a threat to human and animal health
- Avoiding giving harm to local architectural characteristics during construction activities etc.
- Caring for animals in need of care around the hotel
- Providing food aid to animal shelters

CSR activities specific to business owners

- Notifying business owners of then activities based on the principle of transparency.

Society-related CSR activities

- Activities to raise environmental awareness in schools (i.e. photography contest titled “Clean and Dirty Frames”, campaigns related to used oils, planting activities)
- Allowing children staying at orphanages under the Social Services and Child Protection Agency to accommodate at the hotel free-of-charge periodically
- Donating used clothes of employees to nursing homes

- Organizing free Turkish Classical Music, Turkish Folk Music, Classical Music and Jazz Music concerts
- Provision of food assistance to the Anaia Excavation site
- Recruiting employees from the surrounding region

Category 4: Assessment of CSR practices

It is found that assessment is performed in several aspects in order to observe whether the objectives regarding the performance of activities have been achieved. It is revealed that such issues as waste sorting, packaging waste measurement, energy, environmental damage caused by water consumption, success of activities, amount of donations, amounts of food and benefits of the activities are assessed and the assessment results are reported. At this point, one of the remarkable findings is that the participant considers CSR activities as a learning process. The participant explained this as follows:

“...We may say that this is a learning process for us. In two senses. For example, we visit an institution, learn new things about needs assessment and find out that there are other needs. Needs don't end. I wish no one was needy and everyone was given equal opportunities. We see that productivity has increased as a result of the training we provided to the staff. The guests also appreciate it. We conduct surveys especially on our environment-related activities and receive positive feedback.”

Category 5: Gains of CSR practices

It is found that the widespread implementation of CSR activities in areas including employees, guests, suppliers,

state, environment, business owners and society brings some benefits to Hotel X. These benefits include the recognition of the hotel in the region it operates, increased employee motivation, increased sense of belonging, increased supplier trust, increased guest trust towards the hotel as a result of informing them about the activities.

CONCLUSION

The tourism industry, which is associated with issues such as cultural protection, environmental protection, peace, security, employment, economic growth and development, faces some challenges such as security, technology and sustainability. However, despite all these difficulties, it is possible to sustain its contributions in different fields like an expanding circle with 1 billion 360 million dollars and 1 billion 326 million tourists (World Tourism Organization [UNWTO], 2018). Based on these figures, it is an inevitable fact that rapid developments have been taking place in the tourism industry which includes food and beverage companies, travel companies, transportation companies, gift companies and accommodation businesses, and both companies and tourists may have various negative impacts during the operation process. CSR activities can contribute to the development of sustainable tourism, while minimizing the negative impacts of enterprises and maximizing their multifaceted benefits. In this sense, it is important for hotel companies to carry out activities during the provision of products/services in different areas ranging from the environment, employees and guests to suppliers and the society. Therefore, this study examines the key antecedents motivating CSR practices, the implementation areas of CSR activities and the gains of CSR practices from a holistic and managerial perspective. As mentioned previously, the number of studies performing an in-depth analysis of CSR in hotel companies from a holistic and

managerial perspective is quite limited, which can be noted as a gap in the literature. Thus, this study offers potential explanations for the antecedents of CSR practices, the areas and benefits of CSR by adopting a managerial perspective. One of the important findings of the study is that volunteerism is a key antecedent that motivates CSR practices. The hotel examined in this study tries to address a problem like the inability of people with certain disabilities to make use of tourism mobility due to lack of money, which is an indicator of social sensitivity. Hence, CSR activities can be said to reinforce trust between institutions in the long run. On the other hand, it should be noted that CSR activities driven by volunteerism may also make contributions at the local level. For example, the participant stated as follows:

“...All-inclusive guests do not go out much, but we created a map for them to go out easily to the city center so that the local merchants are also able to make money.”

From this point of view, this practice applied by Hotel X might be considered as a step to resolve the dispute between local merchants and the hotels with all-inclusive system. Çevirgen and Üngüren (2009) point out that the all-inclusive system may decrease the profitability of local merchants considerably, that meeting all kinds of requests/needs of customers within the hotel prevents them from going outside the hotel, leading to a decline in their business operations. Another important finding of this study is that code of ethics, legal regulations, environmental relations and sustainability factors are the driving forces behind CSR activities and making CSR practices sustainable is of high importance for the hotel management. Code of ethics is the basis of CSR. Horng, Hsu and Tsai (2017) emphasize that ethics should be the basic structure of CSR to generate motivation, follow the CSR strategy, and determine the influential level of consequences. On the other hand, companies that voluntarily carry out CSR

activities beyond legal regulations and code of ethics are good corporate citizens and they strive to increase the quality of life of individuals in the society (Balı & Cinel, 2011). Hotel companies are in an interaction with a business environment in which actors such as competitors, guests, government and non-governmental organizations play an important role in vital activities. For example, the Travelife Sustainability System which is managed by ABTA, the Travel Association in the UK, gives hotels the opportunity to achieve a Travelife Bronze, Silver or Gold award and announced on the Travelife's website if they meet the requirements of the sustainability criteria. Various tour operators use Travelife to follow hotel companies, and consumers can book through this channel by viewing the Travelife award-winning businesses. Such an interaction network may bring various benefits to each stakeholder; therefore, the relationships with the existing stakeholders in the business management environment should be maintained. On the other hand, hotel companies are obliged to maintain positive communication with local governments in the regions they operate in order to sustain their vital activities. It is necessary to act in coordination especially to struggle against various impacts of tourism which creates a dynamic environment. If the development of tourism is aimed in Kuşadası, the hotel companies as well as the local administrations should act in coordination and take the necessary steps towards the same goal in realizing the necessary infrastructure, superstructure and protection investments. Another important finding of this study is that CSR practices are implemented within a planning process. If hotel companies want to carry out CSR activities in an effective way and move them to a sustainable direction, it will be inevitable for them to need such a planning effort. As a matter of fact, a budget, sufficient time and distribution of tasks may be required for CSR activities. Therefore, the factors that may affect

the budget (such as the number of participants, economic crisis, outsourcing) as well as distribution of tasks, the ways that communication activities for public recognition are performed should be included in the planning process. If a hiking tour is organized for the hotel staff, it will be useful to do planning paying attention that it is not organized during the peak season so that effective participation of the staff can be achieved. Besides, measures to be taken by creating warning signs for various problems that may be encountered during the planning process may also play a determining role in the effectiveness of CSR activities. It is also found that the hotel company makes some attempts such as giving importance to the awareness of CSR activities, preparing posters to raise awareness, using the social media and the corporate web site, launching campaigns. Raising awareness of CSR activities will be able to play an important role in the consumer purchase decision process, will make the hotel a role model in this field and will make contributions by facilitating reaching the large masses. One of the findings also revealed that awareness-raising activities increase guest trust. In parallel with these findings, Baer (2010) argues that, keeping communication with stakeholders open will raise awareness of CSR activities and build trust. However, attention must be paid to ensure that the correct message and the correct channel are selected for effective communication of CSR activities. The reason is because there may not always be a standard social media platform that can affect all stakeholders or some people may not visit the hotel's corporate website (Zizka, 2017).

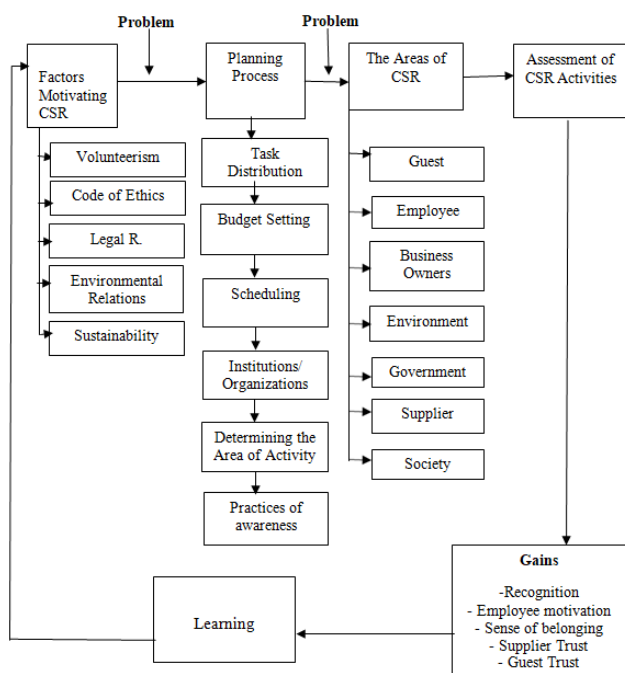
An important finding obtained is that CSR activities are carried out in a wide range of areas including employees, guests, suppliers, state, environment, business owners and society. Thus, it can be stated that Hotel X is implementing CSR activities by giving importance to its internal and external stakeholders. Another remarkable

finding is that CSR is implemented at the Hotel X mainly on the basis of environment, employees, society and guests. Given the fact that employees and guest interact with each other in many areas at hotel companies where service and social relations meet in the same environment, it can be considered as an important competitive tool for the hotel management to ensure effective participation of employees in the services process and to guarantee that they act in line with the predetermined objectives. Hence, in order to sustain vital activities through various outputs, CSR activities may be said to include employees by making them pleased, fulfilling their requests and expectations and treating them equally. Indeed, Liu et al. (2017) reported that CSR activities for hotel employees had a direct effect on job participation and organizational citizenship behavior as well as an indirect effect on organizational identification. Another finding of the study is the lack of CSR activities aiming at competitors. However, it is also important for hotel companies to perform CSR activities against their rivals in their external environment, i.e. they should meet the requirements of fair competition. At this point, one of the remarkable findings is that CSR activities are considered as a dynamic learning process. Sustainability is important in CSR activities, and to ensure sustainability, the problems encountered, success/failure status of activities, factors causing failure etc. should be assessed and CSR should be approached as an improvement/learning process. For instance, through the support of employees, disadvantaged individuals may be offered free accommodation at certain times. However, employees must know how to treat disadvantaged individuals and how to communicate with them. Identifying the factors that might make the business process more effective such as having employees who know sign language to host guests with hearing impairment and to meet their needs, or offering different menu options

for guests with chronic diseases (e.g. diabetes) may make the future CSR activities more effective. It is also found that CSR have some positive impacts on the company which include the recognition of the hotel in the region it operates, increased employee motivation, increased sense of belonging, increased supplier trust, increased guest trust towards the hotel as a result of informing them about the activities. Hotel companies, which are among the main actors of the tourism industry, need new elements that can respond to the expectations of their stakeholders in order to improve their brand image and maintain this image. CSR activities can be considered as one of these elements. The trust factor may also be considered as one of the basic criteria for meeting the expectations. Jalilvand et al. (2017) conducted a study to model and test the relationship between CSR, corporate reputation and customer trust and found that CSR had a positive impact on corporate reputation and guest trust. Moreover, Palacios-Florencio et al. (2018) conducted a study with the participation of 629 hotel guests and reported that CSR had a positive impact not only on customer loyalty and hotel image, but also on guest trust. Therefore, it is important for hotel managers/owners to be aware of the power of the trust factor. In conclusion, it could be stated that CSR activities are carried out within a planning process due to the factors of volunteerism, code of ethics, legal regulations, environmental relations and sustainability in seven main areas, i.e. employees, guests, business owners, environment, suppliers, state and the society. These activities bring some benefits such as recognition, employee motivation, sense of belonging and supplier and guest trust. Thus, the research model can be constructed as shown in Figure 3. Limiting the study sample with the CSR-oriented Hotel X makes it difficult to generalize the research findings. Further studies may use a larger sample to examine the CSR process in hotel companies and to obtain more information. Moreover, our

findings might be compared with those of the studies to be conducted in small-scale hotel companies. This study is limited to an analysis from a managerial perspective, thus opinions of employees and guests have not been discussed. However, further studies which will examine why guests do not consider CSR activities as a criterion while booking, why guests prefer staying at a CSR-oriented hotel and why different types of guests have different perceptions of CSR may contribute to closing the gap in the literature. Besides, employees' perspective on CSR may be examined using different sample groups. It will be useful to perform quantitative or mixed method researches in addition to exploratory studies in the future.

Figure 3: *Research model*



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Chapter 6

MISSIONARY AND ITS RELATION WITH MODERN AGE CONCEPTS^{1*}

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1 * This chapter was written by utilizing PhD thesis entitled of “The Activities of South Korean Missionaries In Turkey”.

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INTRODUCTION

In our age the world was transformed into a global village by the development of technology, the missionary activities in our time are continuing with the new strategies and the attacks on the Asian continent under cover of the religion. Recent developments especially in the geography of the Middle East make missionary activities easy by making a breach in Islamic World. In this way, wars, internal conflicts and chaos have become a suitable ground for Christian propaganda, and it has turned into a opportunity to dismiss the Islam. The missionary has a close relationship with some other contemporary concepts since its inception. In particular, it has a history brotherhood that is never separated by geographical discoveries and by-products of colonialism, globalization and orientalism, which are the byproducts of the crusades and exploiting the underground and aboveground resources. Although the concept known as missionary seems to be an ordinary activity of spreading religion, it is also closely related to many of its contemporary concepts. In particular, the missionary experience experienced by the East and often referred to by the colonialist movement, which resulted in destruction and backwardness, has been expressed as an unarmed pioneer unit of colonial states for many thinkers.

Although missionary is known as an innocent religious narrative and spreading act, it is in fact the assistant or often the guide of other indirect movements in which it is the theme of the elbow. Although anthropologists, orientalist, or travelers in the history are mentioned in the sources, the sources they feed on have been the menstruation of the church. Missionaries, who love to add power to the power of the church, played important roles in the crusades. They visited the lands to be occupied before the armed forces and told the Indians that Christianity was a religion of 'love' and 'peace'. But missionaries for nations and faiths outside the Christian communities are religious

bigots because they have imposed a superstitious religion on the people of the target country by various tricks, and are the means for the imperialist states to colonize or end their national existence. (Baştürk, 2006, s. 68). William St. According to Claire, the missionaries were the aggressive cavalry of cultural imperialism. These narrow-minded and intolerable (devotee) men would play a role in the destruction of primitive and simple societies all over the world (Sonyel, 2014, s. 231). When the missionaries conduct religious research because of their bigotry and ignorance, none of them gives the right and superiority to the religions and sects outside the religion or sect. Even so, they want us to commit to this blind bigotry with great surrender (Hopkins, Moore, Halidi, & Ferruh, 2006, s. 97).

However, after the geographical discoveries made with the permission of the holy church, Christianity has been told from time to time sources that it is often told by means of communication and often by providing physical power and superiority to completely different cultures in different geographies. Missionaries, the indigenous, the original owners of the geography of the Bible immediately after the stage of capturing those who do not belong to them, underground and above-ground resources attempted to show unnecessarily to their interlocutors. Because while giving advice to others in anguish, they did not refrain from transferring the aforementioned wealth material to their own countries.

In our study, we have endeavored to deal with the relation of Western origin concepts such as colonialism, globalization and orientalism, which we witnessed that the missionary institution, which has been continuing its activities for centuries, from the same lands and spread all over the world, in cultural, political, economic and religious contexts.

Orientalism and Missionary

Orientalism or orientalism research is a special or general term used in the intellectual tendency to study and investigate the cultural life of eastern societies in general and Islamic and Arab culture in general (Vezzan, 2013, s. 97). The term “orientalism” has many other connotations, for example, in the context of the “oriental” style of the seventeenth and eighteenth centuries, or the imitation of oriental styles in garden architecture and painting (App, 2010, s. XI). Orientalism is a science that first emerged at the beginning of the 14th century when the Vienna Church Council established the chair of a number of universities to promote the understanding of oriental languages and cultures. Because of the seriousness that orientalism aims and represents, the fact that governments, parliaments and church circles attach such great importance to orientalism research can be regarded as an important indicator (Vezzan, 2013, s. 11).

Throughout history, Christian missionaries have needed to recognize societies that can convey their religion and beliefs. Some of these people of faith have to be both missionaries and orientalists. However, there are not many missionary ones among the powerful and equipped orientalists. It is not possible to say that the people who have the characteristic of being an orientalist together with the missionary produce highly competent works about the east and Islam (Çetinkaya, 2007, s. 400). Western orientalism is a means of achieving the interests of the East; it is also used as a symbol of hegemonic discourse. A similar statement was made by M. Hamdi Zakzuk, known for his anti-orientalist works. According to Zakzuk, orientalism is a product of Western missionary work. The effort of Christians to learn Eastern cultures and languages is a requirement of this understanding (Nar, 2014, s. 1654). Orientalist work represents an important part of today's understanding of exploitation. In

other words, such research is an important instrument of imperialism. In fact, orientalist studies of this period can be described as postorientalism. In this regard, Edward Said stated that the West produced an imaginary East and used it to legitimize its colonial intent (Nar, 2014, s. 1656).

Among the cultural pioneers of modern orientalists were the medieval Christian polemicists who tried to protect the values of Christianity against the threat of Islam. Although modern orientalists adopted a non-propagandist language, they did not neglect to compare Islamic society with their own culture and investigate their shortcomings (Asad, 2008, s. 135). In the first appearance of Orientalism studies, the majority of the orientalists were priests, pastors and missionaries. Some of them were interested in theological research, and some were also interested in consolidating the development and education of the church, especially in the Middle Ages (Vezzan, 2013, s. 11).

It is seen that orientalism and missionary are intertwined. Because the missionary also needed to know the language of the people he wanted to Christianize. According to them, the Christianization of Muslims depended on this. As a matter of fact, it was difficult to differentiate orientalism from missionary times. Because the religious factor took the first place in the birth of orientalism (Günay, 2004, s. 166). Orientalism has prepared documents for missionaries on the one hand and helped them in the activities in Islamic countries. In particular, the priests never forgot to serve the missionary in scientific research (Cilacı, 2005, s. 45).

Modern orientalism explains its fundamental priorities as protecting Christian values against Islam. Therefore, by defeating Islam, they explain that there is no freedom, development and human emotion in these

societies, that the administrations are oppressive and that the reason for these negativities is attributed to the essence of Islam. In this understanding, the West tried to justify the domination of the colonial power in the Middle East with the claims of the Orientalists' work; It reveals the Western views of some of the East, their approach to Islam and their aims for the Turks. The use of their work for Christian Missionism has attracted / reacts to Eastern societies (Küçük, 2008, s. 224).

Anthropology and Missionary

Anthropology, which is known as a doctrine about human beings, is accepted as a younger science in social sciences compared to other concepts. Although it is considered new in the social sciences, it has a long history. It is possible to take the history of the relationship between anthropology and missionary to geographical discoveries and the colonial era. Because before the colonialist states pillaged the countries and territories to be invaded, they sent their anthropologists as the leading force. Most of the time, the anthropologist and missionary concepts were used interchangeably because of the similarities between the two concepts. It is not easy to give a history of the beginning of anthropologists' deliberate thoughts on missionary relations. David Spain confessed to the fact that "We, as anthropologists, have said a lot about missionaries, but we write very little about themselves" (Ruble, 2012, s. 93). In the last century, the relationship between Christian mission and anthropology was formed by a combination of different situations. On the other hand, these two concepts shared a common concept, and at this point anthropologists even came to the aid of missionaries who had been living on the ground for a long time (Hiebert, 2015, s. 1).

In this sense, Anthropology helps the missionary develop a good theology through cultural understanding.

It prevents the specific distribution of particular cultural theology in the field of mission and helps to distinguish between the Bible and culture; so missionaries can understand their work more clearly (Mok, 2013, s. 5). The experiences of anthropologists over the centuries shed light on mythology as a movement experience for today's missionaries, as well as teaching courses in universities in western society. Anthropology is particularly important for Christian missions; because the missionary covers the relationship and communication with people across cultural boundaries.

The process of adopting Christianity to another culture requires a concrete approach to overcoming cultural barriers. Therefore, the missionary must identify with another culture in order to communicate the Bible in the way that people understand (Hiebert, 1983, s. 4-5). The relationship between anthropology and world missions has a long and profitable process that benefits both ways. For philosophical reasons, although anthropologists in recent generations tend to be very critical of missionaries, the vast amount of data that professional anthropologists have used since their early days came from missionaries. Jenell Paris Williams and Brian M. Howell used the expressions for anthropology and missionary in *The Discipline of Anthropology*, published on the internet, in 'Introducing Cultural Anthropology A Christian Perspective':

"Missionaries often have more than one task at a time. In addition to serving in pastoral positions, he is responsible for medical tasks, educational studies, economic development projects and so on. Tasks in order to be effective in any of these, they have to know how to communicate in a different culture and the fact of living effectively in this environment. Anthropology is often an important part of this understanding" (Howel, 2010, s. 34).

Missiologist and anthropologist Darrell L. Whiteman, who lectures and lectures in many universities and churches, describes how anthropology can provide a solid if an intercultural consciousness is lacking where anthropology feels a lack of missionary activity:

“Because of the lack of intercultural understanding and lack of anthropological point of view, there are many “horror stories” that can be mentioned about missionary mistakes. However, let me briefly note the seven items that I believe anthropology can help contribute to the Bible’s culture:

- 1- *Anthropology is concerned with all social, cultural and ecological dimensions of human existence. Anthropology takes a holistic approach to working on people. Anthropology deals with people’s real behavior, what they say, how they think, and how they feel. This is a scientific behavior and serves a certain level of relationship.*
- 2- *Anthropology aims to generalize human behavior and examines universal patterns across cultures. This gives us great value in distinguishing what is characteristic of a culture and the more characteristic of all humanity.*
- 3- *Anthropology applies a research approach called “participant observation” which is useful for intercultural service. This approach provides us with tools to discover how to explore deeper cultural understanding while living with the people we serve.*
- 4- *Anthropology focuses on communication related elements in human interaction. It allows us to get to know people’s language more closely and to realize that most communications are more nonverbal than non-verbal.*

- 5- *Anthropology helps us to distinguish between cultural forms and their meanings. This is particularly important when we want to convey the meanings of the Christian message in ways appropriate for the culture of receptors.*

Anthropology focuses on how cultures change. By definition, missionaries should be representatives of change, but if the change we offer is repeated too much it will have a devastating and adverse effect” (Whiteman, 2003, s. 83).

Someone who follows some recent debates on the relationship between missionaries and anthropologists has the impression that the relationship between the two can be evaluated with a ‘fundamental’ difference. It is noteworthy that the concept of ‘mission’ is never explicitly stated in these discussions; it is stated that both anthropology and mission as a profession are not examined at theoretical depth and historical transformations of both undertakings are ignored and even explicitly rejected on the mission. Anthropologists and missionaries are evaluated as human beings with the values of their cultures. Western anthropologists and western missionaries, members of the same broad cultural movement, share many of the same values. The similarities in these worldview values, which are the result of similar cultural conditioning, explain some very common basic concerns and approaches (Kraft, 1980, s. 1).

Relationship Between Globalization and Missionary

Globe from Latin globus means geometrically round, round, sphere. In time, it was used as an abbreviation for lobe Globe terrestre ’in French. Global means collective, total, inclusive, including all, in bloc: global expenditure, global income, global budget, global total, etc (Yusufoğlu,

2005, s. 31). As a general phenomenon, globalization describes the way in which the world is transformed into a whole in which parts interact and are interrelated, almost independent of geography (Bauckham, 2003, s. 6). In today's academic world, the concept of globalization has become a concept that is used in every field and in every field in economics, international relations, sociology, history, anthropology, geography and business. Therefore, the concept of globalization has become a descriptive word that can be used to comprehend the world of the 21st century, although it is not fully defined or contains different definitions (Karadeli, 2005, s. 3).

Mankind has been confronted with the challenges of long distance. With the advent of geographic discoveries, the Portuguese ships gradually reached the coast of Lagos from the port city of Lagos on the southern tip of the Iberian peninsula, gradually breaking the barriers to wider human communication. Evidence of the claim that the historical roots of globalization date back to the age of geographic discoveries can be sought for a fundamental change in the world after that date (Mazrui, Ebu Rebi, Muqtedir Han, Boxberger, & Klimenta, 2008, s. 13). Globalization is an important theme in both popular and academic debates. This concept has begun a highly complex debate in books and magazines now, and given the nature of global politics, it is highly probable that it will continue for the next 20-30 years. Scientific debates about globalization are very difficult because most of these debates go through academic disciplines such as sociology, anthropology, history, religion, economics and political science. What is surprising in this discussion is that the term globalization is actually a very new concept. But globalization has become a very controversial term, and many people see it as a concept that can be used as a tool to exploit, enslave and control other communities in other geographies. Globalization

is therefore based on various predictions, and definitions are often overloaded with assumptions, for example, to imply the inevitable sovereignty of the “West” or the ultimate triumph of discontent capitalism. Some thinkers argue that globalization is a myth or falsehood that it is an unstoppable process that is put forward to conceal the march of international capitalism and is believed to be useless to those who resist. Other theorists respond to this proposition by saying that the result of globalization is not that people want a single flavor, but a wide variety of flavors to address individual tastes.

Globalization is expressed as a process in which a geographically dispersed human population evolves into a single world community and people are closer to each other and communicate faster (Giddens & Sutton, 2014, s. 21). The main factor is the development of communication and transportation facilities. In another definition, the process of globalization is defined as the spread of practices, relationships, consciousness and social life throughout the world (Ritzer & Stephisky, 2014, s. 581). This change appears to be the social tendency in which interdependence relations arise rather than the idea of global society (Ritzer & Stephisky, 2014, s. 22). Global cohesion has strengthened the tendencies of risk, uncertainty and instability, leading to the escaping of the old solid truths (Heywood, 2013, s. 308). Globalization is a long-term and historical process. The subject of colonization and westernization of Asia, America and Africa in the 19th century forms the basis of today’s globalization (Koçdemir, 2002, s. 212). Mankind has been confronted with the challenges of long distance. The word global is probably four hundred years old. Concepts such as global, globalization and globalizing were first used in English in 1960 and its widespread use took place in the 1980s. Following the development of the boundaries of the radio used in a local position, it crossed its limits

on satellite television and ultimately the use of personal computers assumed the role of leading unity in moving the concept of globalization from home to the cross-border area. Some have assumed that there is a historically close connection between the rise of contemporary capitalism (like Weber, the father of modern sociology) and the Calvinistic forms of Protestantism. What needs to be said about the historical role of Protestantism in globalization is more important than these analyzes. Robertson acknowledged the impact of 19th-century mission movements on the rise of globalization, but he did not adequately investigate their motivation. Here comes another Protestant conception upon the “call”. At the end of the seventh century, German pious people questioned the understanding of the “call” received from God and argued that God was able to speak to people individually and that each believer began to understand more comprehensively the “profession” or “call”. This sense of call led the believers to the mission. The German devout were among the first mainstream Protestants in India (1706) and in the international organization of the Moravian fraternity to do important things in the study of a cross-cultural mission. These developments in 1709 were gathered and recorded by the Evangelicals in the geography to the English stationer and by the nineteenth century, it was shared with the public as the great century of Protestant missions. These Protestants were not locked into Weber’s “iron cages of rationality”; Instead, he chose to create new voluntary societies that protested and clashed with the land-based state church model of Western European Christianity. Weber also argued that Calvinism, which had an important place in Protestant thinking, helped people to focus on this world and helped them move on to a material life instead of spirituality. Calvinism (according to Weber) strengthened and fueled capitalism as a large, international force. In Weber’s view, Calvinism was studied very intensively in his intellectual

works, which produced both character and anxiety, in which he instilled in them that they were among the chosen ones who had no doubt of making themselves seem to be the elite of God, and that they could be perceived as a sign of their wealth.

Many globalization theorists are almost silent about the role of globalization in religion. The rest argue that the idea that the world was created by a single God and that all people are related to God and therefore share a common humanity is a primary long-term driving force for globalization. The two most influential globalizing religions are considered Christianity and Islam, and Judaism has both historical roots. The phenomenon of globalization appears to be an important element in the Christian missionary increasing its worldwide activities. It is known that this process creates a situation in favor of the West that directs the process of globalization from a religious point of view, that the church considers the process of globalization as a process of extending the claim of eugenism to the whole world and in this direction, it uses the whole earth as a field of missionary activity (Gündüz, 2005, s. 107). Roland Robertson, considered an important global theoretician, argued that the “take-off phase” of globalization really came in the fifty years of 1875-1925 and that two factors were used together to spread European values to the world.

Broad Western capitalism has pushed European merchants and sellers to start looking for new markets and raw materials all over the world. Next to them were Christian missionaries (sometimes before them, sometimes with them). Robertson argues that these missionaries play an important role in the globalization phase. Anthony Giddens defines globalization as the intensification of social relations around the world that connect distant localities differently with events far from each other (Giddens, *Modernliğin Sonuçları*, 2014,

s. 67). But “globalization” is beyond the idea that the world has become a smaller place, a world-wide village because of the technological revolution. At the core of the globalization debate lies the idea that Western economic, political and cultural models are increasingly affecting the “global village”.

Colonialism and Missionary

Colonialism or imperialism is the imposition of Western doctrines (or powerful states) on the doctrine of weak societies; in other words, it is an effort to establish sovereignty. In a narrow sense, colonialism, which is used to settle in a new country, can be explained as the economic, social, political and cultural occupation of the country, which has been maintained without breaking with its homeland (Nar, 2014, s. 67).

The colonial regions were called mission countries. The term Latin mission was used by Ignatius Loyola in the 16th century to refer to the sending of church officials to the colonies. The people sent by this mission are called missionaries and the countries they go to are called mission countries (Tandoğan, 2013, s. 78). Western colonialism used missionary to give birth to a cultural environment called the infrastructure of exploitation; Christianization of the peoples of the exploited countries, and if this is not the case, substituting the values that would create sympathy for the West by deteriorating what is local and national have formed the basic function of what we call cultural imperialism (Ay, 2007, s. 29). While the Spanish and French were important players in the colonial attempt; The Netherlands, Belgium, Italy and Denmark were much smaller and insignificant actors. However, England (especially after the defeat of Napoleon in 1815) began to possess a vast empire (US, Canada, New Zealand and Australia) with the English-speaking indigenous inhabitants. The important point for the global expansion

of Christianity is that the European nations mentioned above consciously Christianize them with the established state churches that all of the abovementioned European nations take to the countries of exploitation. The main purpose of these churches which were transferred to the colonies and their connection with the society was the spread of Christian thought together with the political and economic power and taking up more space. The debate on the extent to which this connection has contributed to or prevented Christianity's global growth continues from the beginning of geographical discoveries to the present. Globalization theorists acknowledge that academic analysis should no longer work at the nation-state level, but at the global level. In the context of cultural, political, economic and social analysis, the debate on the global and contemporary world has become a reflection that no longer works within the constraints of a single nation or continent. Unless a wider perspective is taken into account, it will be indispensable for all to understand the changes that have taken place in the world today. In this context, a number of Christian historians call for a rethinking of Christian history in the sense of global expansion of the belief that Christianity is overshadowed, especially in the traditional fields of Christianity.

Colonialism was a very profitable business, with its direct and indirect forms. Significant amounts of money have been invested in recognizing as much as possible the people and resources of the areas to be seized, dominated and perhaps settled (Blaut, 2012, s. 48). Throughout history, missionary has become synonymous with colonialism. Because they have worked like discoveries of colonialism in history. They went from the forefront of the colonialists to be the pioneers and pioneers of the colonial forces behind them (Gündüz, 2005, s. 107) In these activities aimed at Islamic countries and the third world, the missionary organizations and their

associated missionaries have been in close relations with the colonial administrations established in these regions and have pursued mutual interests (Gündüz, Yaşayan Dünya Dilleri, 2010, s. 201). In the western colony, missionaries opened schools with the support of the colonial administrations. As the first goal of the lessons given in these schools, contrary to what was supposed to be, they did not Christianize them, but to separate them from their identities, their culture and values. In this, too, the aim is to keep their exploitation in the long term in an assimilated society (Kozan, 2010, s. 34). It also sees an important mask duty in concealing and portraying missionary imperialism, and this deceptive situation, unfortunately, has not been properly understood in the backward countries for centuries (Yıldırım, 2005, s. 38-39). One of the reasons why the invading states of Europe compete with each other in attacking Islamic countries is the rush of increasing trade. It is unnecessary to explain that the concern of providing trade for a nation whose industry is growing is a matter of life and death (Halid, 2014, s. 256). In the Islamic world in general and in the Ottoman lands in particular, the missionaries, the leading forces of the colonialist countries, carried out multifaceted activities. On the one hand, these missionaries tried to reform the containers of Muslims with Islamic attributes to the world in places where they could not succeed in Christianizing activities. Secularized Muslims do not pose a threat to colonial expansion and exploitation. In order to achieve secularization, missionaries undertook the task of training. The students of the missionary school were very knowledgeable about language, history, literature and the colonial ideology, so that they could find good work in the administrative structure established by the colonists in the colonies (Hüseyin, 2006, s. 79-80).

Missionary activities reached its most successful period during the colonial era. They have not backed

off from any effort to tarnish Islam in the minds of Muslims so that they can persuade them to Christianity.⁴³ (Hüseyin, 2006, s. 74). The missionary organizations have been able to finance basic public services such as education, health and worship needed by the colonial administration, commercial interests and wealth from the colonial order, and have been able to send large amounts of income to the papal or other clergy to which they are affiliated (Kahraman, 2006, s. 162-163). The missionaries served as a pioneer in the occupation and colonization of countries and continents by the imperialist Western states and in the genocide of indigenous peoples living there. With the support of colonial forces and missionaries, Christianity has been Christianized in various ways, including forcing the Indians to survive the genocide in America, Aborigines in Australia, Maori in New Zealand, and millions of Negroes enslaved and moved to America (Erkek, 2013, s. 16-17).

When we look at the history of Christian missionary, it is seen that missionary and colonialism go parallel. When a place was occupied by western powers, the missionaries tried to Christianize it. Or the missionaries have gone to the colonized places before they have made Christianity ready for the colony by minimizing the possible reactions against the occupation (Günay, 2004, s. 172). Intense missionary activities towards Islamic countries have emerged in parallel with the colonial activities of Western nations. From the 16th century onwards, missionaries affiliated with Christian groups within the Catholic Church, especially the Jesuits, have been working extensively in African countries, India, the Far East and the Middle East (Gündüz, Misyonerlik, 2005, s. 65). While the colonial administrations aimed to consolidate their local administrations through missionaries and to assimilate their interests and traditions in the beliefs and traditions of the indigenous people, the missionaries

were more comfortable in the region with the economic, military and political support provided by the colonial powers and provided protection for themselves (Gündüz, Misyonerlik, 2005, s. 66-67). Even though the name of the image of contemporary missionary organizations identified with colonialism has changed, the basic idea of the missionaries has never changed. Missionary organizations continue to pioneer and assist the colonial order of the Christian West (Erkek, 2013, s. 17).

Interfaith Dialogue and Missionary

The concept of dialogue, for the first time, was led by Paul II. Used in the Vatican Council. In this context, Christians would engage in dialogue with non-Christians, and then world peace, environmental issues would be discussed, and they would be encouraged to convey their beliefs and lifestyles. According to *Nostra Actate*, the Catholic Church plays a leading role in the dialogue (Günay, 2004, s. 172).

Christian Catholics are the source of interreligious dialogue as a systematic activity. In the 2nd Vatican Council, which lasted for three years between 1962 and 1965, they decided to engage in dialogue with members of non-Christian religions. (Ay, s. 15). Protestant Evangelical circles also believe that dialogue is a very effective way for Christians to present their beliefs and teachings to people. It is also an opportunity for the spread of Christianity. The 1967 Kandy meeting promotes the dialogical relationship. In 1974 the mission emphasized the understanding that dialogue is necessary to better present Jesus' message (Günay, 2004, s. 181).

İsmail Mutlu uses the following statements in his work on the concept of dialogue, referring to the final declaration of the dialogue meeting held in Taiwan on 22-27 April 1974:

“Interfaith dialogue should not be seen outside the Church’s mission to make the Bible’s message accessible to all people. This dialogue itself is already a concrete expression of the mission of the Church. Through the dialogue, the church members share their own experiences of Christianity through the holy spirit, which operates among others. Interfaith dialogue is developer and rational. It should therefore be promoted as an activity of the Church’s mission.” (Mutlu, 2009, s. 288)

Interfaith dialogue is part of the Church’s mission to return all people to the Church. Dialogue as a means and method of mutual understanding, enrichment of understanding is not opposed to the mission, in fact there is a special link between the mission and its forms and dialogue. This mission is intended for those who do not know the Messiah and the Gospel, and other religious members. (Mutlu, 2009, s. 300). The missionary activities carried out in our country and in the world and the dialogue activities carried out by the churches on an institutional basis are complementary activities. Dialogue efforts in this direction aim to present the Christian message to all non-Christians in general and to Muslims in particular more effectively and efficiently (Aydın, *Diyalog Dinlerin Mensupları Arasında Bulur*, 2004, s. 47). The main purpose of the dialogue is to establish good and friendly relations with non-Christians so that they can be recognized and known by Jesus and therefore by the Christian message. In short, the main reason why the Catholic Church wants to establish a dialogic relationship with the followers of other religious traditions is to Christianize them by offering them the Christian message (Aydın & Turan , 2013, s. 308). Dialogue and Mission, published in 1984 by the Papacy, *Dialogue and Proclamation Redemptoris Missio*, published in 1991, the dialogue is an integral element of the mission is stated (Kozan, 2010, s. 45). The concept of dialogue is a soft and round concept that the

Vatican, which puts its activities on an axis that can be accepted by everyone, has used it very cautiously instead of the missionary concept which has done more harm to Christianity than through the experts (Erdem, 2005, s. 167). Dr. Muhammad Umara expresses in his book what kind of concessions were made in conferences and meetings in this soft and round concept:

“From the Crusades to the founding of Israel, they admit that Muslims know the connection of Christianity to the bloody history of the West with the Islamic world. For this, they call on missionaries to give the impression that their relationship with those who made that bloody history is disconnected. There are many more concessions, such as ‘embracing indirect methods’, ‘avoiding the Zionist terrorism against Palestinians’, ‘the establishment of the state of Israel, the realization of the valley of the Lord Abraham, the renunciation of the common belief among conservative Christians’. All these concessions we see in the conference protocols and recommendations should not mislead us about the intentions and goals of Western Christianity and the churches and organizations in which our country is in solidarity (Umara, 1995, s. 73).

The power and influence of the missionaries declined as the colonial countries, which began to gain independence after the Second World War, reacted to the missionary activities implemented along with colonization. The aim of the dialogue was to establish positive and close relations with the members of other religions, especially Muslims, to eliminate the reaction to the missionaries and to give new energy and speed to the weakened missionary (Erkek, 2013). The agenda of the meetings attended by many religions and scholars belonging to the major religions of Muslims, Christians, Jews and Asia, although they seem to be of common interest, are generally considered important issues for Christian missionary activities. What is more important is

that the decisions taken at these meetings have not been implemented, except for a few (Kahraman, 2006, s. 171).

Conclusion

Missionaries have always been the most prominent figures in Christian expansion, the organization of the crusades and the determination of strategies and colonial activities. In the early nineteenth century and in various parts of the world, Christian missionaries did much to produce materials that national Christians could use to shape their own forms of Christianity in the twentieth century. Instructions, chanting books, educational materials, and above all the Gospels have been translated and presented to people around the world in their own language. These sources have enabled people to establish their own order in becoming a Christian in the 20th century. In the 1930s, perceptive observers noticed the rise of two parallel phenomena: Rapid (mostly anti-Western) nationalism and the rapid expansion of Christian movements independent of Western missions. Both owed the missionary legacy.

Missionary is more than just preaching to the people in a simple statement of the requirements of religion. Although there is a religious layer at the core of the missionary, there are cultural transformation in its trajectories, the effort to put the society into the form of a Christian civilization within the framework of value-judgment and the aim of integrating the environment realized by the Christian world mission (Yeniáun, 2017, s. 37). European states who have the audacity to get what they want from the world it likens to, will also declare that it is the only sovereign power in the following periods and will impose that the whole world is the invading owner. It is seen that all the concepts that are tried to be explained above are actually aimed at the foundation of this power.

In general, while missionary is a hegemonic element, it has been tried to conceal its face with different guises with the way it is declared to the world and most of the time it has been tried to give the appearance of an innocent movement. Western concepts and movements inspired by each other were ultimately no hope for the rest of the world, on the contrary, they were instrumental in supporting the prevailing paradigm with the dimensions of conviction and ordeal to the gap between the rich and the poor.

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Chapter 7

KNOWLEDGE SHARING PROCESS: AN EXTENSIVE REVIEW OF THE LITERATURE

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INTRODUCTION

In recent years, there has been an increasing amount of literature on knowledge sharing area. As the management of knowledge has been the most critical factor for the organizational success and as the knowledge is considered as a key strategic resource, finding the creation, sharing and leveraging of individual and collective knowledge techniques that make the processes easier is very important for organizations (Becerra-Fernandez & Sabherwal, 2001; Drucker, 1993). Knowledge within an organization is considered a strategic resource because of its ability to represent and clarify the intangible assets and creative processes that are difficult to be identified. The ability of any organisation's staff and units to exchange and share the knowledge determines the organisational performance as well as knowledge creation and organisational learning, moreover, this will not be succeeded without setting up Knowledge Management Systems that can contribute to more effective use of knowledge in the organisations. However, the process of sharing knowledge is considered as a multifaceted and complex process (Hendriks, 1999; Lessard & Zaheer, 1996). Nowadays connections and professional relationships between the staff in the organisation become a key to successfully managing knowledge (Earl, 2001; Stenmark, 2001). As the people-related factors are important to knowledge processes, organisations are interested in the acknowledgment of the role of human resources in knowledge management systems as well as in the "people perspective" of knowledge within the organisation (e.g., Andrews & Delahaye, 2000; Quinn et al, 1996). Cohen and Levinthal (1990) argued that sharing different knowledge between individuals in the same organisation may improve its ability of innovation further than what a single employer can accomplish. Knowledge sharing also leads to the diffusion of innovative notions and is considered critical

to creativity and following novelty in organizations (Armbrecht et al, 2001).

As consequence, organisational leaders are concentrating on information technology's knowledge-related in order to be able to analyse, store and retrieve the accumulated and recalled knowledge that has been made explicit through codification or writing all by investing in technology. On the other hand, in some organizations the most used information may be tacit, which is difficult to be written, and often takes the form of analogies, metaphors, or personal strategies that disclose the "How and Why". (Blackler, 1995; Blumentritt & Johnston, 1999; Choo, 1998; Collins, 1993; Narasimha, 2000; Nonaka & Takeuchi, 1995; Zack, 1999). Contrary of the explicit knowledge that may be stored and shared using technology, the tacit knowledge can only be resides in the minds of individuals and can be shared and exchanged depending to their decisions (Cross and Baird, 2000; Fahey and Prusak, 1998; Hinds et al, 2001). Nevertheless, knowledge sharing can be a demanding and uncertain process which is affected by many factors such as organizational culture and climate, management support, organizational structure, rewards and incentives, social networks and ties, etc. At the individual level, it may evoke perceptions of conflict of interest or vulnerability (e.g. Argote et al., 2001). For example, Ardichvili et al. (2003) found that 'fear of criticism' and 'fear of misleading others' can inhibit knowledge sharing. Another individual level factor which enriches knowledge sharing is interpersonal trust in the workplace. Interpersonal trust is defined as 'the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party' (Mayer et al., 1995: 712).

2. Literature review

2.1. Knowledge work: what is knowledge?

As we know, nowadays knowledge is considered as an organization's most valuable source since it embodies intangible wealth, routines, and creative procedures that are not easy to emulate. Knowledge in organizational perimeters tends to be tangled in nature and affiliated to the individuals holding it (Davenport et al. 1998). It may also have multiple meanings and be subject to various classifications. Davenport and Prusak (1998) defined knowledge as "a fluid mix of framed experience, values, contextual information, and expert insights that provides a framework for evaluating and incorporating new experiences and information process of justifying personal belief toward the truth" (p. 58). It originates in and is applied in the minds of knowers" (p. 5). The definition of knowledge expressed by Nonaka and Takeuchi's (1995) is much wider. They define information as a "flow of messages" (p. 58) and according to them knowledge is created when this flow interacts with the opinions, commitments and notions of its holders. They distinguished information and knowledge by specifying three exclusivities. First, knowledge is a function of a peculiar prospect, sight, purpose, or situation taken by individuals, and unlike information, it is about beliefs and mandates. Second, knowledge is usually about some intention that means it is concerning an action. Third, it is context dependent and relational and hence it is about meaning. According to De Long and Fahey (2000) knowledge within organizations is divided into individual, group, and organizational levels and Roos and Von Krogh (1992) add departmental and sectional levels. Lam (2000) defined individual knowledge as "that part of an organization's knowledge which resides in the brains and bodily skills of the individual" (p. 491). Individual level Knowledge includes all the knowledge drawn by the individual that can be feasible independently

to peculiar kinds of tasks and terms. Individual knowledge is specialized and context dependent in nature because of individual's cognitive limitations at the point of hoarding and processing information. Lowendahl et al (2001) specified three kinds of individual level knowledge that are substantial for value creating in organizations, "know-how, know-what, and dispositional knowledge". Know-how comports experienced-based knowledge that is subjective and tacit while know-what embodies task-related knowledge that is objective in nature and dispositional knowledge is defined as personal knowledge that comprises aptitudes, capacities, susceptibilities and capabilities.

2.1.1. Images of knowledge within organization studies

According to Blackler there exist a variety of approaches to knowledge within the organizational studies literature. The customary images of knowledge within organizational learning literature are clarified and distinguished by the suppositions about the location of knowledge, which is stated in bodies, routines, brains, dialog or symbols. In recent years, there has been an increasing amount of literature on the emerging importance of knowledge work which suggests that besides the intense reliance on embodied and embedded knowledge, recently the emphasis is increasingly centralizing on the knowledge that is located in brains, dialogue and symbols. Blackler (1995) defines this typology of knowledge as below:

Embrained knowledge: The knowledge which is dependent on perceptual skills and cognitive capabilities. (what Ryles 1949, termed 'knowledge that' and James 1950, called 'knowledge about').

Embodied knowledge: This kind of knowledge which is action oriented and is only somewhat explicit. Zuboff (1988) defines a contemporaneous exposition of

this knowledge as the knowledge which relies on people's physical presence, physical symptoms and face-to-face disputation, is obtained by doing, and is rooted in particular contexts.

Encultured knowledge: The knowledge which refers to the process of attaining shared conceptions which are closely related to the processes of socialization and assimilation, such conceptions depend largely on language, and since to be socially created and open to negotiation.

Embedded knowledge: This kind of knowledge inhibits in systemic routines. It is analyzable in systems terms, in the interaction among, and in emergent and transitory routines.

Encoded knowledge: Information transformed by symptoms and clues. Lately new types of encoded Knowledge that are transmitting electronically, has been added to the traditional forms of encoded knowledge, such as books, manuals and codes of practice.

These different forms of knowledge can be considered apart from each other and as previous studies have reported it is multi-faced and intricate, being both situated and solitary, implicit and explicit, distributed and personal, physical and spiritual, developing and inert and literal and encoded. So it can be concluded that knowing is mediated, situated, provisional, pragmatic and contested.

Knowing as mediated: Changes associated with the new information and communication technologies are combining with other developments, such as new economic and organizational structures and new approaches to management to transform the contexts of action.

Knowing as situated: The concept of situated knowledge avoids the problems associated with abstract,

decontextualized knowledge; it emphasizes the significance of people's interpretations of the contexts within which they act and the key role that 'communities of practitioners' play in the acquisition and development of skill.

Knowing as provisional: Knowing is, essentially provisional and developing. Activity theory suggests that developments in systems of knowing and doing will occur constantly as tensions (inevitably) emerge within them. However, changes in activity systems may or may not be planned and may or may not be fully understood or articulated by participants.

Knowing as pragmatic: Central to activity theory is the idea that collective action is driven by the conceptions people have of the object of their activities. Study is also needed of the anxiety that individuals and communities may experience in the face of significant, ongoing, and perhaps conflicting demands for changes in their work methods and priorities.

Knowing as contested: The concepts of knowledge and power are interrelated. Conflicts are to be expected within and between the new generation of symbolic analyst and problem solvers, and established professionals and managers. Beyond this, the far-reaching social, technological, and economic changes that are at the heart of the knowledge work debate indicate their issues of domination and subordination are fundamental to the development of a general theory of knowing as praxis.

2.1.2. Nature of knowledge

Knowledge may be both tacit and explicit in nature. These characteristics of the nature of knowledge, and the value ascribed to knowledge in each form have an important influence on the route knowledge is transferred within teams and organizations. There has been found three major extents distinguishing critical differences

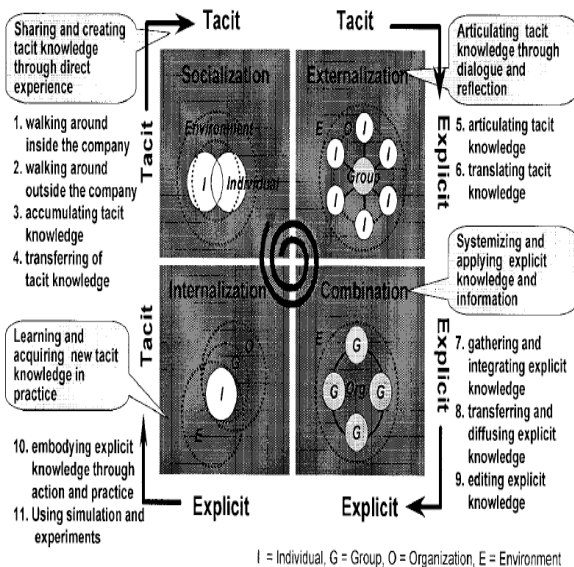
between these two types of knowledge, codifiability and transportation mechanisms, procedures for inception and cumulation, and the potential to be assembled and distributed (Lam, 2000). Tacit knowledge can be assumed as the know-how that is obtained through personal experiences (Nonaka, 1994) and tends to be gummy in nature. Hence it is difficult to codify and cannot be transferred and used without the presence of its owner. Despite of the tacit form, explicit knowledge can be easily codified, cumulated at a sole location, and transmitted across time and place absolute of individuals (Lam, 2000). Thereupon, explicit knowledge has an advantage over tacit knowledge in the field of its ability to be shared relatively easily between individuals. Though, it should not be considered that explicit knowledge is easily shared in organizations just because it is easily exchanged among individuals and contexts. Weiss (1999) demonstrates that the ability to articulate knowledge should not be considered equated to its approachability to be used by the others in the organization. To patronage his claim, he made a detachment between two kinds of explicit knowledge, one which is easy to be shared and the other which is not, by introducing the concept of rationalized knowledge and embedded knowledge in professional services organizations. Rationalized knowledge is generic, absolute, standardized, and universal, whereas embedded knowledge is context dependent, attentively applicable, individualized, and may be personally or professionally susceptible. So explicit knowledge which is embedded in nature tends to be somewhat effortful to be shared within organizations. Irrespective of whether knowledge is tacit or explicit in nature, the attached value to it also has a substantial influence on the way individuals may share it. For instant, individuals make decisions about what knowledge to share, when to share, and who to share it with, when their knowledge is evaluated as valuable assets (Andrews & Delahaye,

2002). When the knowledge is highly valued, individuals may tend to assert an emotional possession of knowledge (Jones & Jordan, 1998), which comes from the fact that in some settings, individual knowledge is directly connected to career status, professional prospects, and individual reputations (Andrews & Delahaye, 2002). Such knowledge is challengeable to share, and as Archer et al (1998) argued it may be related somewhat to the extent to which individuals appreciate themselves to be valued by their organization.

2.2. Knowledge creation process

Knowledge creation process can be considered as a logical procedure, in which a variety of contradictions are synthesized throughout active interactions between individuals, organizations, and the environment. Knowledge is created in the curved which covers apparently opposing concepts such as “order and chaos, micro and macro, part and whole, mind and body, tacit and explicit, self and other, deduction and induction, and creativity and efficiency” (Nonaka & Toyama, 2002). As Nonaka suggests knowledge is not just a part of the reality, it is a reality viewed from a definite angle. The same reality can be viewed in a different way depending on from which angle one sees it. Individuals cannot be free from their context in knowledge creation process, social, cultural, historical and educational contexts are important for individuals (Vygotsky, 1986) as they give the bases for one to deduce information and to create meaning. So, in knowledge creation process, one tries to see the whole picture of realism by interacting with the others who see the reality from various angles, that is, sharing their contexts. Giddens argues that we perform our activities with two major levels of consciousness: practical consciousness and discursive consciousness. “Tacit knowledge is produced by our practical consciousness and explicit knowledge is

produced by our discursive consciousness”. Knowledge creation process can be summarized thorough four major steps which starts with *socialization* that is the process of converting new tacit knowledge which is often time and space-specific, through mutual experiences in daily social communication. This tacit knowledge articulates into explicit one during the process of *externalization*. Now it can be shared with others to become the base of new knowledge as concepts, descriptions, metaphors and written documents. through the externalization period, individuals use their discursive realization and aim to rationalize and articulate the world surrounding them. The next step is *combination*, through which the collected internal and external explicit knowledge is joint, interpreted, abbreviated and processed to structure more intricate and systematic explicit knowledge. The recent explicit knowledge is next distributed between the members of the organization and finally converted into tacit knowledge by individuals through the *internalization* process. The last step can be considered as praxis, where the knowledge is applied and handled in practical conditions and becomes the foundation for new routines, so that it can actually become one’s own knowledge. Knowledge created throughout the SECI process can activate a new curve of knowledge creation, growing horizontally and vertically as it moves throughout communities of communication that go beyond partial, departmental, sectorial, and rather organizational boundaries and interact to create novel knowledge (Badaracco, 1991; Wikstrom & Normann, 1994; Nonaka & Takeuchi, 1995; Inkpen, 1996). Organizational knowledge creation is a continual progression that upgrades itself endlessly. The picture below is introduced by Nonaka & Toyama (2003) to illustrate the knowledge creation activity thorough SECI process in organizations:



SECI model of knowledge creation.

Figure 1: *The SECI model for knowledge creation adopted by Nonaka*

3. Knowledge sharing and organizational culture and climate

“Organizations are essentially cultural entities” (Cook&Yanow, 1993) and as a result, in spite of of what they do to handle knowledge, the influences of the organization’s culture are much stronger (McDermott & O’Dell, 2001). De Long and Fahey (2000) documented some features of organizational culture affecting knowledge sharing. They suggest that “culture shapes assumptions about which knowledge is important, it controls the relationships between the different levels of knowledge (organizational, group, and individual), and it

creates the context for social interaction". It is also culture that determines the norms regarding the distribution of knowledge between an organization and the individuals in it (Staples & Jarvenpaa, 2001). Norms and regulations that defend individual ownership of knowledge strictly hinder knowledge sharing process within organizations, as the "organizational culture orients the mindset and action of every employee" (Nonaka & Takeuchi, 1995, p. 167). Another imperative component of culture in organizations is corporate vision (Gold, Malhotra, & Segars, 2001; Barton, 1995). Gold et al. (2001) sharpened the fact that a corporate vision not only supplies a sense of principle to the organization but also assists to form a system of organizational values. Organizational values that affect knowledge sharing comprises the establishment of a sense of participation and contribution between employees (O'Dell & Grayson, 1998), the kinds of knowledge that are valued (Barton, 1995), and knowledge-related values such as trust and openness (Eisenberg & Riley, 2001; Von Krogh, 1998). De long and Fahey (2000) established that even the usefulness of a new technology infrastructure may not be enough if long existing organizational values and habits are not in response of knowledge sharing across sections. In order to help eliminate the negative effects of appreciated costs on sharing, a culture that discusses into detail trust has been obtained. (Kankanhalli, Tan, & Wei, 2005). In the same way, while cooperative team opinions aid open trust, a needed factor for knowledge sharing, an organizational condition that stress on individual competition may lead to a blockage to knowledge sharing. Ruppel & Harrington (2001) suggested that IT based knowledge management systems have a better probability of being applied by cultural highlighting innovation organizations and enabling the sharing of information through subjective ways that boost the morale of sharing (Bock, Zmud, Kim, & Lee, 2005; McKinnon, Harrison, Chow, & Wu, 2003).

Regardless of their organizational status, managers and employees socialize and communicate more frequently in organizations with supportive social interaction culture. Kelloway and Barling (2000) propose the importance of social interaction culture due to knowledge sharing, consists employees cognizant about their partner's potential for being knowledge sources, employees trusting more on their partners and consequently employees who are more inclined to exchange knowledge. Diminished status distinctions among colleagues may patronize social interaction which is thought to improve knowledge sharing. Social interaction help employees know and remember which knowledge their partners possess and need. As individuals are inclined to exchange knowledge with their friends, social interaction will improve knowledge sharing attitudes as it increases the probability of employees to make new friends. Lave & Wenger (1991) propose that existence of a community of practice which is based on common interests and problems will foster knowledge sharing process in organizations and Schepers & van den Berg (2007) revealed that cooperative team perceptions and procedural justice are related to knowledge articulation too. Chang, Liao & Wu (2017) in their recent study on the relationship between the organizational culture and knowledge sharing attitudes suggest that knowledge sharing is the mediating variable of organizational culture and innovation capability, and organizational culture has a significant positive effect on knowledge sharing. De Long and Fahey (2000) argued that, the impact of culture on the context for social interaction can be measured by three dimensions: vertical interactions with senior management, horizontal interactions with employees at the same level and special behaviors that encourage knowledge sharing and use. Within organizations, there are also subcultures which are categorized by a distinctive set of values, norms and

practices often resulting in their members considering knowledge differently from other groups in the same organization (Pentland, 1995). Subcultures and their penetrations on knowledge sharing attach even more complexity to forming practices and norms that generate the supportive environment to smooth the progress of the sharing of knowledge.

3.1. Knowledge sharing and management support

As Connelly & Kelloway (2003) suggest perceptions about management's commitment for knowledge sharing are essential for the preservation of an efficient knowledge sharing culture in organizations. Martiny (1998) argued that suspicion about leadership commitment to knowledge sharing is a key challenge in organizations. This patronage should be exhorting rather than compulsive; employees may receive suggestions about what and how to share with partners but finally they should decide on themselves. The judgment about management's patronage for knowledge sharing may be formed by looking for opportune symbols as aims, acts, intensions and interactions that evokes behaviour and plays a considerable role in organizational cultures extension and evolution. (Nonaka and Takeuchi, 1995; Pettigrew, 1979). For example the attendance of IT and ICT infrastructures in order to facilitate knowledge sharing processes may be considered as a leading symbol of management support in terms of knowledge sharing within organizations (Garcia-Sanchez et al. 2017).

Besides, as Cabrera, Collins & Salgado(2006) suggest, Creating two-way communication channels by managers may enhance knowledge sharing in terms of increasing their self-efficacy which leads to more effective knowledge sharing behaviours. Moreover, in most organizations, management controls the rewards systems, so employees must believe that the management

discerns and will reward them as they share their valuable knowledge, either by personal rewards or group level rewards. Trust in management consequences from a social exchange process in which employees explicate and compensate the proceedings of management as the primitive provider of the personified organization's actions. Mooradian et al (2006) suggests that trust in management decreases employee's fear of being betrayed, defrauded, and easily replaced or the fear of losing one's unique value. Mooradian et al (2006) also studied the relationship between trust in management and knowledge sharing and expressed that this kind of trust, assists knowledge sharing for its negative effect on fear of losing one's unique value and its positive effect on knowledge documentation. As Empson's research indicates fear of losing one's unique value is a key barrier to knowledge sharing and it serves as a mediating variable between trust in management and knowledge sharing. If employees are worried about losing in a mutual relationship, undoubtedly they will restraint from sharing their knowledge.

Employees' opinions of knowledge sharing culture has been linked directly to management support for knowledge sharing (e.g., employee trust, willingness of experts to help others). Perceived supervisor and co-workers and their like of knowledge sharing, knowledge exchange and employees' opinions of the benefits of knowledge sharing is also directly linked to top management support (Cabrera et al., 2006; Kulkarni, Ravindran, & Freeze, 2006).

3.2. Knowledge sharing and organizational structure

Undoubtedly precious knowledge may be created and inhabited in altered organizational units and divisions and establishing a supportive organizational structure which facilitates and enhances the transfer of information

cross these units is crucial in terms of knowledge sharing. Despite restricted empirical research on the impact of organizational structure on employee knowledge sharing performances, several scholars have considered its importance. For instance Creed and Miles (1996) note that the hierarchical structure of governmental organizations limits knowledge sharing attitudes between employees with each other or with their supervisors. Jones (2005) proposes that organizational structures which promote interaction among individuals and generate an open workplace, and face to face relationships enhance knowledge sharing intentions between individuals and organizational units.

3.3. Knowledge sharing and social networks

A large and growing body of literature has investigated the relationship between knowledge sharing and social networks in recent years. Swan et al (1999) emphasized the importance of social coordination and networking, both in formal and informal forms for managing knowledge and suggests that communication technologies counterpart these procedures by aggregating the ability to communicate through boundaries of time and space. Cross and Cummings (2004) suggest that ties spanning aspects of organizational structure were found important for accessing diverse knowledge and reaching more valuable ties and Hansen (1999) proposes that strong ties are more effective when necessary knowledge is complex in terms of knowledge transfer and vice versa. Besides the relationship between centrality and creativity mediated by the number of social ties outside an organizational network. When the number of outside networks is high, centrality seems to have little weight on creativity. Reagans & McEvily (2003) propose that nonequivalence and expertise overlap are indicators of common knowledge, one in the informal network and the

other in terms of formal training. Both variables affect the ease of transfer. Lei & Xin (2011) offers to establish a new flat structure and to switch traditional vertical-layer style into the new horizontal-link style in order to facilitate face to face communication and improve exchanging knowledge. While Verburg & Andriessen (2011) distinguish four basic types of knowledge networks as: strategic, informal, question and answer and online strategic networks and proposes that these different forms of establishing networks need altered technological and organizational support, Al-Saifi et al (2016) in his recent study argues that face to face social networks enhances knowledge sharing process in different ways such as: consulting, brain storming and employee rotation.

Efficient knowledge sharing has been typically specified by close junction between individuals from various organization subunits in the knowledge management studies. Certain social network researchers, as regards, suggest a different argument. According to the weak-tie theory progressed by Granovetter (1983), remote and rare relationships are much more efficient for knowledge sharing because they purvey access to exquisite and novel information by bridging detached groups and individuals in organizations, while strong ties may presumably result in superfluous information as they arise among a tiny group of agents in which everyone knows what the other ones know. Superfluous knowledge can be of two types, one which is the novel information carried to the project team about the chances created to use knowledge between sectors. The other sectors can direct to peculiar knowledge existing in sub sectors to which the main sub sector has no direct contacts. Here the project team and its sub sectors direct contacts act as bridges. The other one is custom knowledge as a software module, that the contact can supply by itself. Being directly linked to two sub sectors that individually have beneficial but

different knowledge is much better than establishing two direct contacts that can supply the same software module. This logic relies on the concept that providing direct interactions with other sub sectors is costly. People have to expend more time to establish cross unit relationships and converting received information from direct contacts. The reason for people to scarcely hold on relations with other sub sectors not to talk of holding on firm relations needing more time and energy than weak ones is due to these costs. So there are some important opportunity costs in preserving cross unit relations. People can bring up a new relation that supplies new knowledge rather than having contacts to two sub sectors which gives superfluous knowledge. For instance, a project team can look rationally expeditiously through weak inter units, strong cross unit ties can be replaced with weak ones, saving time for bringing up new weak cross unit ties or developing product tasks inside the unit. In this case, providing weak nonredundant ties across sub units will be more cost efficient and will yield search results even if strong nonredundant ties can be obtained.

In addition, there exists another reason which demonstrates weakly tied sub unit relations are more useful than the strong ties. According to Weick (1976) organizational units which are loosely coupled are much more convenient than firmly linked units because they are less restricted by the organizational system which they belong to. For two reasons strong inter unit ties restrict activity more than weak ties. The first one is that strong ties are connected with mutual sequences in which advice and aid are reciprocal (Marsden and Campbell, 1984). In a firm inter unit tie, project teams waste a considerable portion of their time helping project teams in other sub units instead of fulfilling their own job, decelerating their own duty. On the other hand, weakly tied subunits are not affected by this binding constraint because their interactions are not strongly mutual.

Even if they are mutual, they need less help to associates in comparison to strong ties. The other reason that strong inter unit ties bind more than weak ones relates to the network inertia. For example, when a project team is bringing up a new product, it may need to go beyond appointed channels that differ from available technical know-how drawn by the central sub unit and its direct contacts. A project team with strong ties tends to remain with its present network relations because they are intimate and close contacts and the team can turn easily as desires. This kind of teams rarely look for knowledge broad their existing contacts and forge new ties while searching for useful knowledge in comparison to weakly tied project teams. It is unproblematic to share highly codified and independent knowledge across either weak or strong cross-unit ties. However, to share noncodified and dependent knowledge strong ties are more efficient as they provide a reciprocal interaction between the transmitter and the receiver (Leonard-Barton and Sinha, 1993). The recipient has the opportunity to test, err and request guidance and feedback from the source of knowledge. This is important because the receiver mostly does not appreciate the transmitted knowledge completely during the first interaction and wishes more opportunities to assimilate it (Polanyi, 1966). Despite in weak inter-unit ties recipient ought to explicate and clarify such complex knowledge in the absence of alternative explanations, as the transmitter is not occupied in mutual interaction. Hence weak ties facilitate questing for beneficial knowledge from other sub-units but hinders complex (noncodified and dependent) knowledge sharing.

3.4. Knowledge sharing and trust

As Smith et al suggest the ability of organizational employees to merge, swap and exchange their knowledge verifies the rate at which new commodities and services are produced. Furthermore, as Argote et al. underlines, the

capacity to share knowledge among units aids considerably to the organizational performance and efficiency. As we know, trust in management causes higher levels of collaboration and individuals will be more eager to share knowledge and subsequently organizational performance enhances. Mayer et al term that trust is the “willingness of a party to be vulnerable” and so enhances an individual’s eagerness to share knowledge. Trust has been proven to possess a major influence on a variety of organizational phenomena, such as job satisfaction, anxiety, organizational obligation, commitment, efficiency, and also knowledge sharing. As Abrams et al suggest trust causes improved overall knowledge transmission, makes knowledge exchanges cheaper, and increases the probability that knowledge obtained from a partner is adequately understood and absorbed that the receiver can utilize it. An individual’s confidence in another’s benevolence and honesty enhances that individual’s enthusiasm to take risks by collaborating and sharing costly knowledge with others. In the sociological literature it is highlighted that trust consists both individuals’ beliefs about others and also their behaviour and eagerness to apply knowledge to influence future action. Rooted in this theory, two principal types of trust are eminent: cognition-based trust and affect-based trust. The first one is derived from individuals confidence in each other and based on “good reasons” as proof of honesty and is related to another person’s perceived competence and reliability (McAllister, 1995) and the second one is rooted in the emotional relations between individuals where the parties have care and concern for each other, worth the inherent virtue of these relationships, and trust that these emotions are mutual (McAllister, 1995; Pennings and Woiceshyn, 1987).

Available studies propose that employees tend to be fairly certain about the tacit knowledge source which they

gain information from, in the sense that whether it supplies the proper information, delivers what is accepted, and is perceived as owning valuable knowledge in the organization. In this case, it will be sensible to accept that affect-based trust has a superior influence on eagerness to share tacit knowledge, while the use of received tacit knowledge by individuals, depends largely on cognition-based trust. As mentioned above, tacit knowledge is not captured or kept by IT systems and growing venture in information technology in organizations won't be able to foster transferring and utilizing of tacit knowledge since individuals wish whether they will share and use. Hereon tacit knowledge share and use relies on the formation of both affect-based and cognition-based trust among individuals.

4. CONCLUSION

This paper has given an account of and the reasons for knowledge sharing behavior between individuals, within groups and across units in organizations. The study showed that several factors, including IT equipment, social ties between employees, organizational culture and climate, management support, reward systems and trust will impress the process. Strong IT infrastructures of the organization reinforce explicit knowledge sharing, as interpersonal trust, social benefits and deserving rewards encourage tacit knowledge sharing. Social ties, management support and organizational culture amplify both tacit and explicit knowledge sharing in organizations.

In order to establish a fairly inclusive picture of the relevant literature, we selected fifty related articles according to their citations and conducted our research based on them. Further investigation and experimentation into knowledge sharing process and the association of mentioned factors is strongly recommended.

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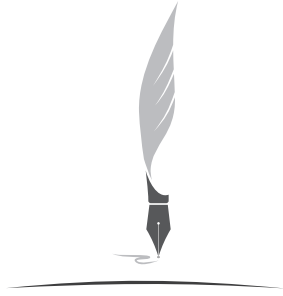
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Chapter 8

**THE CONSEQUENCES OF THE
PERCEPTION TOWARD FOOD RELATED
CERTIFICATES: A RESEARCH ON
CONSUMERS**

Arzu TUYGUN TOKLU

1. INTRODUCTION

Food manufacturers have begun to use a Food Safety Management System (FSMS) to ensure food safety with the emergence of a series of contamination-related food crises around the World in recent decades (Chaoniruthisai et al., 2018). It is clear that standards or certificates are required to communicate safety-related features and provide assurance to consumers since various food-related attributes cannot be verified (Del Giudice et al., 2018).

Consumers rely more on certified foods and they have willingness to pay more for the certified food products as they believe that these foods are safe. The certificates for food here indicate that the owner has passed the compulsory tests for the safety of food distribution required by law. These certifications contain comprehensive information on best practices of food processing, safety in heat treatment, sanitation practices, and prevention of foodborne diseases and pathogens, and their prevention (Nawi and Nasir, 2014). Reliability characteristics cover a wide range of dimensions, from health and production methods to environmental and social orientation, following the concept of food quality (Moser et al., 2011).

In addition, a hidden assumption in institutional theory is that further certification increases the likelihood of success of an initiative (Lanahan and Armanios, 2018). Certification is a way for suppliers to distinguish products and address specific consumer markets (Carter and Cachelin, 2018). Certification is a sign for consumers that a product or process meets verified standards (Grunert and Aachmann, 2016). Certificate labels are quality cues, delivering qualities such as sustainability and health (Grunert and Aachmann, 2016), so it is stated that products or brands are increasingly used to link desired environmental or social values (Brach et al., 2017).

It was pointed out that there were significant differences in some stages of the production process (product design, production planning, control, use of machinery and equipment, working and waiting times, batch size, raw material inventory) as a result of the examination of certified and non-certified enterprises (Koc, 2007). In this context, it is stated that the role of reliability features is gaining importance in ensuring product differentiation for competitive advantage in the market (Fernqvist and Ekelund, 2014). Consumers clearly value labeling schemes as defined by EU law (Gracia aand de-Magistris, 2016). Consumers have willingness to pay for traceable foods, but food safety and labeling may change the value of products according to the reliability of government agencies in China since the fact that the government is not the most reliable auditor and certification authority currently available (Liu et al., 2019). Accordingly, consumer trust is a key prerequisite for creating a market for reliable goods, especially when products are priced at high levels (Nuttavuthisit and Thøgersen, 2017).

There are many certificates that provide reputation for producers and consumers. This study in the chapter investigates the consumer perceptions toward the food related certificates (SQEC: namely Safety, Quality and Environmental Certificates) including ISO 9000 (Quality Management System), ISO 14000 (Environmental Management System), HACCP (Hazard Analysis and Critical Control Point), Good Agricultural Practices (GAP) and ÇEVKO (Foundation for the Recycling of Packaging Wastes), and their consequences. Quality is an issue that increases its importance with the intensification of competition. In recent years, it has been observed that many practices called food terrorism have emerged as a result of inspections. Careful monitoring of such practices that directly affect the life and property safety of

consumers, and raising awareness together help to prevent unfair competition in the market. Although the research subject is important and newsworthy, it has not been sufficiently studied academically. The study is important in terms of revealing the functions of certificates while examining consumer perception. The results of the research can be an added value in the strategies and action plans for stakeholders.

2. THEORETICAL BASE AND HYPOTHESES

Although the main motivation for food-related documents comes from the consumer side, it is known that there is a positive and significant relationship between certification practices (implementation, organizational commitment and planning) and operational performance (Feng et al., 2007). A certification body issuing certificates on the basis of a set of criteria can clearly provide a quality mark (Adena et al., 2019). The main purpose of certification here is to provide consumers with more information and certainty about the origin and nature of foods, as well as to distinguish them from other products that do not meet the certification requirements (Ibrahim et al., 2019). Quality certification has a positive effect even at the donation amount levels to a civil society organization with the concrete separation (Adena et al., 2019). First, food-related certificates within the scope of the research are briefly examined, and then the variables of the research are reviewed to formulate hypothesis.

2.1. Food Related Certificates (SQEC)

ISO 9000 Quality Management System

ISO 9000 family consists of a set of standards that define the basic requirements for the implementation of a quality management system within an organization. These

standards, promoted by the International Organization for Standardization, can be applied to any small, medium or large organization in the field of manufacturing or service (private or public) sector (Franceschini et al., 2018).

When an environment of change is created, for example, ISO 9000 certification can contribute to corporate performance, where it is effectively implemented, and can form the basis of a quality organization (Feng et al., 2007). There is a relationship between ISO certification and improved financial performance and even ISO 9000 certification improves productivity, product quality and quality of business life (Corbett et al., 2005). ISO 9001 Quality Management System applications have positive effects not only on food but also on the operational performance of IT companies (Adıgüzel and Aydınli, 2016). On the other hand, although ISO 9001 is a tool for certain achievements of organizations, it can be set in as a just goal for some organizations. When the system is not operated effectively, it probably becomes a cost and bureaucracy for organizations (Yeloğlu and Yumak, 2016).

ISO 14000 Environmental Management System

ISO 14000 Environmental Management System Standards include a number of systems that can be used to minimize the environmental impact of the organizations. This is an essential indicator that businesses continue their activities based on green management approaches (Gökdeniz, 2017). There are many benefits such as improved environmental performance and greater access to new markets, as well as increased access to capital, increased public image, and reduced legal fines and costs with the implementation of ISO 14001 standards (Al-Kahlout et al., 2019). Environmental consciousness increases the perceived effectiveness of green products and this leads to a positive brand attitude. In this context, the green message used can positively affects the perceived

effectiveness of a green product and the attitude towards the brand. Environmental consciousness is an appropriate personal trait and is an effective factor in many green researches (Chang, 2012; D'Souza and Taghian, 2005).

HACCP (Hazard Analysis and Critical Control Point)

As the concept of food safety expresses all the measures taken for the elimination of physical, chemical, biological and other damages that may occur in foods, it is also defined as the necessary measures to be taken in compliance with the rules during production, processing, storage and distribution of healthy and flawless food production by the experts commission of FAO, WHO and Codex Alimentarius (Ceyhun Sezgin and Artık, 2015). The HACCP certificate ensures that organizations take the necessary measures by conducting risk analysis at the control points that are critical to the entire supply chain process of their products.

Good Agricultural Practices (GAP)

Good Agricultural Practices (GAP) ensure environmental, human and animal health by aiming to secure and sustain food in agriculture while preserving nature and environment, and contributing to combating and adapting the climate change (Polat and Dellal, 2016). Despite good agricultural practices started in 2007, the major developments were recorded especially after 2013 in Turkey (Aydın Eryılmaz et al., 2019). The products of the organizations with good agricultural practices differentiate from conventional products by complying with the specified standards.

ÇEVKO

ÇEVKO (2019), as a non-profit foundation, was established to create a sustainable recovery system with the participation of industry, local government and consumers for economically and regularly recover of

packaging wastes. The foundation adopts the principles of establishing an integrated waste management system among its objectives. The foundation works to establish a system for healthy, clean recovery of glass, metal, plastic, composite and paper / cardboard packaging wastes. The foundation conducts communication, awareness raising and training activities in order to fulfill its obligations.

2.2. Consumer Perception

Consumers, as part of a community or social group, receive, share, and know what others think of a particular product (Dholakia et al., 2004). It is argued that the effect of perception on behavior is conceptualized and there is a strong link between perception and behavior (Dijksterhuis et al., 2005). Consumers move towards the product with a higher perceived value since the perceived value has an important function in the purchasing decision process (Dodds et al., 1991). Social attractiveness is effective in improving product preferences (Lee, 2008). Thus, it is desired to buy products that follow the perceptions of the society (Sen et al., 2001). One of the documents that farmers use to distinguish their products and increase the perceived value for consumers is organic certification (Liberatore et al., 2018). When consumers' perceptions of quality certified products and purchasing decisions are examined through various studies, it is found that other product features such as origin and certification in addition to traceability have a significant effect on consumer preferences (Liu et al., 2019). In addition, brand and quality certification information in Chinese supermarkets becomes increasingly important in last decade (Grunert et al., 2015).

2.3. Trust

Trust is essential in many high involvement, distinguished product markets since consumers are subject to two types of costs, namely disadvantaged choice and

moral hazard (Chiou and Droge, 2006). Trust also affects the purchase intention of low involvement products such as traceable chicken and honey. Therefore, trust in the features of the product is very important for consumer preferences (Menozzi et al., 2015). In an experimental study in which the effect of quality certificates on donations made to charities, it was found that the donations made to the charity provided with the quality certificate were about 10% higher and the same charity was found more trustable, compared to the control group (Adena et al., 2019).

Given that consumer trust in the food system can be influential in preferences and willingness to pay, the government's assurance in food safety control and the interaction between food product labels and consumers' traceable food preferences can also be assessed (Liu et al., 2019). Interestingly, considering that consumers in China have been reported to rely on the food system at low levels, organic or "green food" or "safe food" labels are used as a strategy to mitigate the risk of food consumption (Hasimu et al., 2017). Consumers with low and high trust have different preferences and willingness to pay (Muringai et al., 2017). Here, the government certificate is also important for consumers with low and high trust.

2.4. Health Consciousness

Health consciousness is the tendency of a person to focus on health issues (Kusumaningsih et al., 2019). Safety, nutrition and health are effective in consumers' willingness to pay. Factors related to environmental sustainability and their support to the Italian food system are recognized as an important topic. For this aim, organizations use certificates such as organic certificates to draw attention to the protection of health and the natural environment (Cicia et al., 2009). In addition, emphasis is placed on quality, respect for the environment, personal values and trust (Liberatore et al., 2018). Previous research

shows that unsafe food processing practices, including food preparation, transport and storage in the home environment, are a major cause of foodborne diseases (Ergönül, 2013; Young et al., 2017). Such unsafe practices include serving contaminated or spoiled food, inadequate cooking, supplying food from unsafe outlets on the market, using improper hygiene practices, and long storage times (Behrens et al., 2010; Lagerkvist et al., 2018).

2.5. Environmental Consciousness

Environmental consciousness can be defined as an individual's degree of concern about environmental problems (Zheng, 2010). Sociodemographic characteristics are effective in changes in the levels of environmental consciousness (Diamantopoulos et al., 2003). Those with pro-environmental orientation exhibit pro-environmental behaviors (Kaiser et al., 1999) and demonstrate in purchasing behavior (Roberts, 1996). Such individuals are also concerned about the disposal of the product, such as recycling, with a concern beyond the purchasing and consuming processes (Zinkhan and Carlson 1995). However, individuals with low environmental consciousness are least affected by environmental concerns in their purchasing behavior. Environmental consciousness leads to increased perceived effectiveness of green products, which leads to a positive brand attitude. A green message can affect the perceived effectiveness and brand attitude of a green product (Chen and Chiu, 2016).

On the above given theoretical basis, the perception of safety, quality and environmental certification affects consumers' trust in the product, health consciousness and environmental consciousness. Product trust, health consciousness and environmental consciousness also affect purchase intention. Accordingly, the research hypotheses can be formulated as follows.

H1. The perception of SQEC affects consumer trust toward the product.

H2. The perception of SQEC affects consumers' health consciousness toward the product.

H3. The perception of SQEC affects consumers' environmental consciousness toward the product.

H4. Trust in consumers affects the purchase intention.

H5. Health consciousness in consumers affects the purchase intention.

H6. The environmental consciousness in consumers affects the purchase intention.

H7. The perception of SQEC is different between genders.

H8. The trust in SQEC is different between genders.

H9. The health consciousness of SQEC is different between genders.

H10. The environmental consciousness of SQEC is different between genders.

H11. The purchase intention is different between genders.

The theoretical model of the research based on the hypotheses generated is shown in Figure 1. The model was tested by using the following methodology.

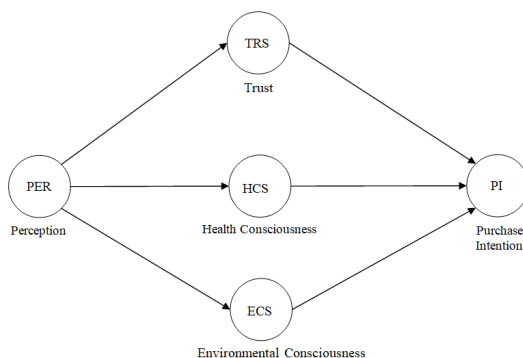


Figure 1. *The research model*

3. METHODOLOGY

The literature was used for the variables of the study. Nawi and Nasir's (2014) research was utilized for the scales of consumer perception, trust, health and environmental consciousness. The research of Chen and Chiu's (2016) was preferred for the scale of purchase intention. Five-point Likert was chosen by scoring the preferences between 1 for "I do not agree" and 5 for "I fully agree" to the questions in the questionnaire. Appendix 1 gives the variables and the items in the questionnaire form. The following questions were employed for awareness measurement with the reply options of "Yes" or "No". "Have you ever heard about ISO 9000 quality management system?", "Have you heard about ISO 14000 Environmental Management System?", "Have you heard about HACCP Hazard Analysis and Critical Control Point analysis?", "Have you heard about GAP Good Agricultural Practices or their products?" and "Have you heard about ÇEVKO foundation which is working for the recycling of packaging waste?".

After the questionnaire was prepared, a preliminary survey was conducted with 10 participants to test the intelligibility of the questionnaire. After the necessary arrangements were completed with the feedback received from the preliminary survey, the final questionnaire was reshaped. The questionnaire of the study was applied to the participants residing in Istanbul. Snowball sampling method was chosen to collect the research data. 182 people participated in the web-based survey on social media and face to face survey conducted between the dates of September 20 and October 4, 2019. The analyzes were completed by using 176 survey data obtained as a result of eliminating the missing or incorrect ones. Non-parametric SmartPLS Structural Equation Modeling, which can also work with small sample size, was used in the research since the sample size is small (Hair et al.,

2014). Hair et al. (2014) also states that it is appropriate to comply with the “ten times rule” for the smallest sample size in non-parametric PLS analysis (Toklu and Ustaahmetoğlu, 2016). On this basis, it was confirmed that the number of samples was sufficient for the research. Frequency analysis was completed by using IBM SPSS v23 statistical program.

4. RESULTS

Table 1 gives descriptive statistics of the participants.

Table 1. *Descriptive statistics*

Demographic characteristics		Frequency	%
Gender	Female	116	65.9
	Male	60	34.1
Age	<21	4	2.3
	21-30	14	8.0
	31-40	42	23.9
	41-50	58	33.0
	51-64	52	29.5
	>64	6	3.4
Marital status	Single	56	31.8
	Married	120	68.2
Education status	Primary school	2	1.1
	High school	12	6.8
	Undergraduate (2 years)	14	8.0
	Graduate (4 years)	114	64.8
	Post graduate	34	19.3
Monthly income (TRY)	<2021	16	9.1
	2021-5000	60	34.1
	5001-10000	62	35.2
	10001-15000	22	12.5
	>15000	16	9.1

65.9% of the participants are female and 34.1% are male. While 2.3% of them are younger than 21 years old, 8% are 21-30 years old, 23.9% are 31-40 years old, 33% are 41-50 years old, 29.5% are 51-64 years old and 3.4%

are over 64 years old. While 31.8% of them are single, 68.2% are married. While 1.1% of them have primary school graduates, 6.8% have high school, 8% have undergraduate, 64.8% have graduate and 19.3% have postgraduate degrees. While 9.1% of them have monthly income less than TRY 2021, 34.1% have between TRY 2021-5000, 35.2% have between TRY 5001 - TRY 10000, 12.5% between TRY 10001 - TRY 15000 and 9.1% more than TRY 15000.

Table 2. *Awareness statistics*

Question		Frequency	%
Have you ever heard about ISO 9000 quality management system?	Yes	172	97.7
	No	4	2.3
Have you ever heard about ISO 14000 environmental management system?	Yes	126	71.6
	No	50	28.4
Have you ever heard about HACCP Hazard Analysis and Critical Control Point analysis?	Yes	50	28.4
	No	126	71.6
Have you ever heard about GAP Good Agricultural Practices or their products?	Yes	86	48.9
	No	90	51.1
Have you ever heard about ÇEVKO?	Yes	142	80.7
	No	34	19.3

97.7% of the participants indicated that they are aware of ISO 9000 quality management system and the remaining 2.3% are not. 71.6% of them are aware of ISO 14000 Environmental Management System and the remaining 28.4% are not. 28.4% of them are aware of HACCP Hazard Analysis and Critical Control Point analysis and remaining 71.6% are not. 48.9% of them are aware of GAP Good Agricultural Practices or their products and remaining 51.1% are not. 80.7% of them are aware of Çevko and remaining 19.3% are not. Accordingly, it is observed that the participants have a high level of awareness about ISO 9000, ISO 14000 and ÇEVKO certificates.

4.1. Data Analysis

The analysis of the research model requires the investigation of the measurement model and the structural model. The purpose of the measurement model is to examine the relationship between observed and latent variables, while the structural model is to reveal the relationship between latent variables. The structures must be both reliable and valid for the analysis.

4.2. Measurement Model

Determining the reliability and validity of the latent variables is essential for the structural model. Both item reliability and composite reliability have to have satisfactory score levels. Convergent and discriminant validities are also reviewed in checking the status of the structural model. The square of each outer loading is computed for the item reliability. The preferred threshold value is 0.70, but the values of 0.40 and above are also convenient for exploratory researches (Hulland, 1999). The model is accepted as reliable since the value of each item fulfills the condition. Cronbach's Alpha and composite reliability are also over the threshold value of 0.70, which means that composite reliabilities are strong and healthy in terms of internal consistency. Convergent and discriminant validities are essential for the validities of the model. Average Variance Extracted (AVE) value is computed for the convergent discriminant, which has to be higher than the threshold value of 0.5 (Bagozzi and Yi, 1998). The AVE values of the model fulfill the condition. Table 3 confirms item loadings and reliabilities, Cronbach's Alpha, composite reliability and AVE.

Table 3. *The measurement model assessment*

Latent Variable	Item	Loading	Item Reliability	Cronbach's Alpha	Composite Reliability	AVE
Perception	PER1	0.840	0.706	0.893	0.918	0.651
	PER2	0.816	0.666			
	PER6	0.816	0.666			
	PER7	0.813	0.661			
	PER8	0.743	0.552			
	PER9	0.807	0.651			
Trust	TRS1	0.851	0.724	0.885	0.916	0.686
	TRS2	0.823	0.677			
	TRS3	0.889	0.790			
	TRS4	0.811	0.658			
	TRS5	0.761	0.579			
Health Consciousness	HCS1	0.882	0.778	0.913	0.938	0.792
	HCS2	0.866	0.750			
	HCS3	0.912	0.832			
	HCS4	0.899	0.808			
Environmental Cosciousness	ECS2	0.874	0.764	0.859	0.914	0.779
	ECS3	0.874	0.764			
	ECS4	0.900	0.810			
Purchase Intention	PI1	0.962	0.925	0.918	0.961	0.924
	PI3	0.961	0.924			

Fornell and Larcker (1981) analysis is applied for checking discriminant validity of the model. The diagonal values in bold demonstrate the AVE’s square root. The each diagonal values have to be higher than its corresponding row and column values (Toklu, 2019). Table 4 summarizes the result of the analysis. The last column in the table confirms if the variables fulfill the discriminant validity.

Table 4. *Fornell-Larcker criterion analysis*

	HCS	PER	PI	ECS	TRS	Yes/No
HCS	0.890					Yes
PER	0.710	0.807				Yes
PI	0.678	0.446	0.961			Yes
ECS	0.687	0.618	0.644	0.883		Yes
TRS	0.822	0.722	0.670	0.758	0.828	Yes

4.3. Structural Model

First, the perception (PER) of SQEC explains the change in trust (TRS) in consumers with the value of $R^2 = 0.521$ (R^2 Adjusted = 0.516). Second, the perception (PER) of SQEC explains the change in health consciousness (HCS) in consumers with the value of $R^2 = 0.504$ (R^2 Adjusted = 0.499). Third, the perception (PER) of SQEC explains the change in environmental consciousness (ECS) in consumers with the value of $R^2 = 0.382$ (R^2 Adjusted = 0.376). The last, the change in purchase intention (PI) is explained by trust (TRS), health consciousness (HCS) and environmental consciousness (ECS) with the value of $R^2 = 0.529$ (R^2 Adjusted = 0.514).

When f^2 effect sizes were examined, it was revealed that perception had effects on health consciousness, environmental consciousness and trust with the values of 1.016, 0.619 and 1.089, respectively. Opposite to that health consciousness, environmental consciousness and trust had no effect on purchase intention with the values of 0.077, 0.063, 0.019, respectively (Cohen, 1988). These results confirm that the structural model has sufficient explanatory power.

T-statistic was used for statistical significance of the paths / relationships in the model. The path between the perception (PER) of the SQEC and trust (TRS) in consumers was found to be significant ($t = 13.247$; $p < 0.000$). The path between the perception (PER) of the SQEC and the health consciousness (HCS) in consumers were found to be significant ($t = 11.718$; $p < 0.000$). The path between the perception (PER) of the SQEC and the environmental consciousness (HCS) was found to be significant ($t = 8.580$; $p < 0.000$). The path between the consumer trust (TRS) and the purchase intention (PI) was found insignificant ($t = 1.241$; $p > 0.000$). The path between the consumer health consciousness (HCS) and

the purchase intention (PI) was found to be significant ($t = 2.753$; $p < 0.01$). The path between the environmental consciousness (ECS) and the purchase intention (PI) in consumers was found to be significant ($t = 0.014$; $p < 0.05$). Table 5 summarizes the hypotheses and T-statistics results of the study.

Table 5. *Hypothesis results*

Hypothesis	Std β	Sample Mean	Std. Dev.	T Statistics	p values	Result
H1: PER \rightarrow TRS	0.722	0.725	0.055	13.247	0.000	Supported
H2: PER \rightarrow HCS	0.710	0.715	0.061	11.718	0.000	Supported
H3: PER \rightarrow ECS	0.618	0.622	0.072	8.580	0.000	Supported
H4: TRS \rightarrow PI	0.188	0.187	0.151	1.241	0.215	Not Supported
H5: HCS \rightarrow PI	0.340	0.340	0.124	2.753	0.006	Supported
H6: ECS \rightarrow PI	0.268	0.272	0.109	2.459	0.014	Supported

In addition to that, T test was used to find out whether the variables differ as per gender. Accordingly, the perception of the SQEC was found insignificant between genders [$t(172) = 0.129$; $p > 0.05$] in the hypothesis H7. Trust in related to the SQEC was found insignificant between genders [$t(172) = -0.471$; $p > 0.05$] in the hypothesis H8. Health consciousness related to the SQEC was found insignificant between genders [$t(172) = -0.457$; $p > 0.05$] in the hypothesis H9. Environmental consciousness related to SQEC was found insignificant between genders [$t(172) = 0.601$; $p > 0.05$] in the hypothesis H10. Finally, the purchase intention between the genders was found insignificant [$t(172) = 0.995$; $p > 0.05$] in the hypothesis H11.

Figure 2 shows the revised structural model based on the results

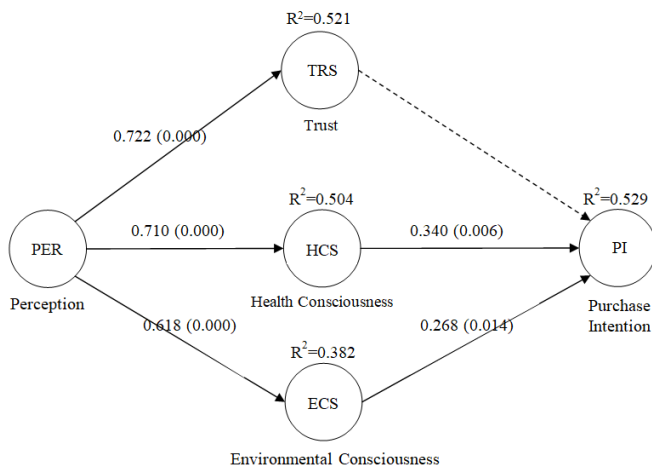


Figure 2. *The structural model results*

5. DISCUSSIONS

The effects of consumer perception on food-related certificates were examined on trust, health consciousness and environmental consciousness in the study. In addition, the effects of them were also examined on purchase intention for products with the certificates. The food-related certificates were defined basically as safety, quality and environmental certificates (SQEC) in the study. The scope of the certificates was limited to ISO 9000 (Quality Management System), ISO 14000 (Environmental Management System), HACCP (Hazard Analysis and Critical Control Point), Good Agricultural Practices (GAP) and ÇEVKO (Foundation for Recycling of Packaging Wastes). Such certificates fulfill important functions from the production of the products to the end user usage and even beyond. Although the establishing, operating and making them sustainable of such systems for businesses involve significant costs with the standards set out, organizations can benefit from it both by improving themselves and offering additional value to consumers.

A high level of percentage in the participants are aware of ISO 9000 quality management system, ISO 14000 Environmental Management System and ÇEVKO foundation. Meanwhile, a moderate level of percentage in the participants are aware of GAP Good Agricultural Practices or their products. But, very small percentage in the participants are aware of HACCP Hazard Analysis and Critical Control Point analysis.

According to the results of the study, the perception of the certificates affects trust. It is stated that consumers' trust in food system is important in product preferences. The result is consistent with the literature (Adena et al., 2019; Hasimu et al., 2017). However, the hypothesis that the trust is significant in purchase intention is not supported here. The purchase intention is triggered by many factors. The trust generated by the certificates may need to be investigated in this sense. Low levels of awareness about HACCP and GAP among the findings obtained in the study may be a factor in getting this result. Even if awareness is high, the low level of trust in consumers in the food system (Hasimu et al., 2017) may be effective in this finding like as in China. It is certain that trust, which is one of the basic tasks that certificates must provide to consumers, is an issue that must be surely developed.

The perception of the certificates affects health and environmental consciousness. It is observed that organizations use certificates such as organic ones to emphasize the importance of health and to draw attention in protecting the natural environment (Cicia et al., 2009). In addition, it is pointed here the quality, respect for the environment, personal values and trust (Liberatore et al., 2018). It is stated that health and environmental consciousness are developed among consumers in developed countries, and the similar trends have also started to be observed in the developing countries.

Increased consciousness raises health and environmental concerns among the consumers having certain level of income. This directs the organizations to change in this way. Here, while pro-environmental oriented individuals exhibit pro-environmental behaviors (Kaiser et al., 1999), it is clear that they also demonstrates this tendency in purchasing behavior (Roberts, 1996). The deterioration of the environment poses a lot of problems on public health. Accordingly, the results are consistent with the literature. In addition, it was found that perceptions, trust, health consciousness, environmental consciousness and purchase intention did not demonstrated difference between the genders in relation to the certificates. Having almost the same demographic characteristics may be effective in getting the same results.

Together with the level of development and consciousness, societies become more sensitive to the changes around them. Such certificates can impact sensible consumers. Communication efforts to raise awareness of the certificates could have positive outcomes for public health. Certification bodies are required to take steps to branding themselves correctly. Technological advances have made it easier to monitor all stages of the production process. Traceability along with the digital age has also facilitated consumer tracking. Safer, healthier and environmentally sensitive products can take their rightful place among consumers with the effective supervision of the certifying institutions. It is a necessity for the next generation to be healthier and to increase the awareness and use of certificates as a preventive activity for diseases such as cancer or obesity. Productions along with the supply chain must be certified to prevent the contamination of soil, water and air.

The research has some limitations. One of them is the fact that it was carried out by means of a non-parametric sampling method with a very limited number

of participants in a specified region. A research with consumers with different demographic characteristics in different regions may yield different results.

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APPENDIX 1. VARIABLES AND ITEMS IN THE RESEARCH

Perception

PER1. SQEC ensures the cleanliness of the food product

PER2. SQEC ensures food product safety

PER3. *SQEC ensures that the food product is not contaminated*

PER4. *It is easier to export food product with SQEC*

PER5. *SQEC can increase consumer trust*

PER6. SQEC ensures that food product is kept in good condition

PER7. Food with SQEC does not contain prohibited additives

PER8. SQEC can prevent fraud in food ingredient

PER9. Food products with SQEC are correctly labeled

Trust

TRS1. I feel more confident in purchasing food products with SQEC

TRS2. I believe that SQEC food products are produced in environmentally friendly conditions

TRS3. SQEC food products are produced without polluting the environment

TRS4. Food products with SQEC have better storage facilities

TRS5. Quality standards are followed in the production of food products with SQEC

Health Consciousness

HCS1. Food products with SQEC are healthier

HCS2. Food products with SQEC are of better quality

HCS3. Food products with SQEC are hygienic

HCS4. It is safer to consume food products with SQEC

Environmental Consciousness

ECS1. Food products with SQEC do not harm the environment

ECS2. Food products with SQEC are produced well without affecting the environment

ECS3. Eco-friendly packaging of food products with SQEC is better

ECS4. Food products with SQEC are green products because they concern the environment

Purchase Intention

PE1. I usually purchase products with SQEC logos on the packaging

PI1. Even if I trust the performance of a product with SQEC, I do not pay above a certain price level

PI2. I prefer to purchase products with SQEC

** Excluded from analysis due to low factor loading*

SQEC stands for the Safety, Quality and Environmental Certificates



Chapter 9

SOCIAL ENGINEERING AS A MEDIATOR FOR INFLUENCING THE PHILOSOPHY OF LIFE BY LEISURE-TIME ACTIVITIES: A THEORETICAL INVESTIGATION

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INTRODUCTION

Today, leisure time has become a philosophy of life. Therefore, it is imperative to produce various programs and projects in order to increase leisure time activities and expand the range of leisure activities. In this respect, leisure activities create their own philosophy and support the individual's psychological, social and physical values. Active or passive activities help individuals to be involved in society and make their lives better by including efforts that affect the individual's philosophy of life within the field of activity (Ardahan, 2016: 163).

Political authorities have played important roles in improving the participation in leisure activities. Ensuring the spare time of employees; providing investments and incentives to allow leisure time; education of recreational activities, dissemination to society through publicity; facilitate the participation of people in leisure activities. Political authorities encourage people to engage in tourism and recreation by giving them loans in various branches and holidays. Long-term employees are given holiday loans to help them relax and live a healthy life (Karaküçük, 1997: 108). Consistent leisure time planning should reflect the common interest of people with different curiosities, abilities and values. However, first of all, the necessity of such a planning should be accepted by the society and the managers. The planning of leisure activities is planned with the actions of living and working as in the developed countries. As a matter of fact, urban and regional planning is done according to this understanding (Çubuk, 1984 nar. from Karaküçük, 2008: 163).

Today, the competitive environment and technological developments brought about by the new economy affect the working lives of people and thus the leisure and income that enable them to participate in tourism activities (www.bilgiyonetimi.org). According to Tek (1999: 198),

the increase in leisure and leisure time with income, sports, holiday, camping products, time-saving, electric, microwave, automatic dishwasher, fast-food (fast-food) restaurants etc. increase. Increasing the importance given to health, aerobic, regime meals, natural foods, gyms and so on. products. Studies are defined by the centralization of theoretical knowledge and the increase in the share of services in the economy, accompanied by a dominant class of professionals, engineers, technicians and scientists of the post-industrial society. Today, the emergence of new bureaucratic and expert classes, information and organization-based new business trends and leisure activities are defined by a programmatic society (www.bilgiyonetimi.org).

THE RELATIONSHIP BETWEEN LEISURE-TIME, THE PHILOSOPHY OF LIFE AND SOCIAL ENGINEERING

According to the International Association of Tourism Experts (AIEST)'s leisure time definition, it is defined as the amount of time that can be spent after meeting a person's needs for existence, work or work. Leisure is the time when one gets rid of all the necessities or connections both for himself and others and will engage in an entertaining and relaxing activity of his choice (İnce, 2001: 11). A leisure activity is any activity in which a person voluntarily activates her creative capacity to relax, get away, or increase her knowledge and participation in society, except for work, family and social obligations (Kraus, 1971: 256). Although new recreational activities are on the agenda every day, these activities can be gathered under some main activity areas Dumazedier (1974), grouped as follows recreational activities (Karakucuk, 1999: 83):

1. Artistic (cinema, literature, theater, music, painting, photography, etc.) activities,
2. Intellectual activities (books, conferences, radio, TV, etc.),
3. Social (family, parties, meetings, etc.) activities,
4. Practical activities (horticulture, crafts, handicrafts, etc.)
5. Physical activities (sports, hiking, hunting, fishing, etc.).

According to Hazar (1999), in the classification of leisure activities, space, purpose, function and so on. critics play a role. Some recreation activities fall into more than one group. For example; recreation in the form of television watching “passive recreation, cultural recreation, home recreation” falls into more than one group. Activities such as golf, skiing; both “open recreation” and “sport recreation” group. The reason for this is that the recreation is multifaceted. Therefore, it is quite difficult to make exact classification. Recreation types in terms of spatial open space recreation, indoor recreation; recreation types according to the nationality of the participants; national recreation, international recreation, recreation types according to individual’s participation in activities: active (active) recreation, passive (passive) recreation, functional recreation types; commercial recreation, aesthetic recreation, social recreation, health recreation, recreation types according to the age of the participants; It is possible to classify child recreation as third generation recreation. recreation types according to the number of participants; individual (individual) recreation, group recreation, physical recreation, cultural recreation, touristic recreation, (Hacıoğlu et al., 2015).

According to Aydoğan (2000: 150), participation in recreational activities varies according to the life philosophy and time usage of individuals. The philosophy of life is a mental framework conceptually to understand

how the world works and how we fit into the world (Anderson, 2016). The concept of philosophy of life, which Weber uses to examine the cultural structure of society in a meaningful manner, requires that each person who is a member of a special status group must be personally bound to the predicted patterns of behavior and materialized as well as idealized goals, and by exhibiting these values through behavior among people. it requires participation in social life as an actor of the action (Akalin, 2009: 161). Life philosophy or opinion is an important factor in individuals' choices about their participation in leisure activities in their lives.

In the studies of Gültekin and Onsekiz (2005: 138-142), the formation and change process of entertainment spaces and their interaction with the city are examined in four different periods on the Republican Ankara City. With the Westernization movements started with the Tanzimat, the elites' habits of living and entertainment have changed. With the leadership of the palace, Muslim women and men were invited to dance and dance together, the establishment of the palace theater, the introduction of Western opera-operetta, cultural change, the first reflections on the concept of entertainment and venues (Berkes, 2002: 521). In the first years of the Republic, the increase in the population of the city with the function of capitalism and the proliferation of new cultural activities brought a more intense movement to daily life and the accompanying zoning activities created a dynamic city phenomenon that completes this change. During the 1930-1950 period, solutions for the rapid creation of new spaces for recreation, entertainment and cultural activities (such as patisseries, pavilions, cinemas and theaters) with contemporary patterns were developed with development plans and activities after 1930s. While public life developed with the participation of radio and cinema in the 1940s, the first cinemas and bookstores were opened

in Ulus. Law No. 5441 was adopted in 1947 and the State Theater was established for the first time. In the 1950-1960 period, while the capitalist blessings and inflationary policy increased consumption in the country, it decreased the old material power of the bureaucracy, introduced new models in the field of economic gain and consumption and increased consumption (Nalbantoğlu, 2000: 287-300). In the 1950s, most of the tea gardens turned into drinking casinos (Tekeli, 1994: 28). In the 1970s, fast food places were replaced by sandwich makers and hamburgers. In the same period, most of the tea gardens and restaurants turned into pubs or drinking casinos (Bilgen, 1985: 2-3). With the technological developments in the 1970s, cinema and later television became the focus of entertainment (Cengizkan, 2000: 66-79). After 1980, popular culture has become a mass culture, and the scale of entertainment has tended to be standardized or multicultural in the world. This trend - video, electronic gaming devices, etc. - has been supported by the intensive use of technological development in the entertainment field (Bademli, 1994: 161-169). In the 1990s, with the changes in consumption, new social organizations, production and specialization areas and business centers started to take place in the city (Heath, 1998: 23-40). With the industrialization, important changes and even breaks have occurred in the structure of societies since the 19th century. The traditional social structure of thousands of years has undergone fundamental changes from daily life relations to the whole social institutions. While some social, economic, legal and political elements from ancient times have survived by changing, new elements specific to the industrial age have started to be effective in social life (Çelik, 2018: 78). While the social / cultural change brought about by the industrialization and rapid urbanization of today's people is realized in the desired direction and balanced, there is no problem, and when this change is not realized in

the desired direction, negative results arise. This rapid change leads to fundamental transformations in social institutions, forms of organization, cultural structure and the system of values connected to them (Tolan, 1996 as cited in Kılbaş, 2010: 67).

A THEORETICAL FRAMEWORK FOR THE RELATIONSHIP BETWEEN LEISURE-TIME, PHILOSOPHY OF LIFE AND SOCIAL ENGINEERING

Theoretical studies of leisure time approach the subject in terms of working relations-free time dilemma. The central role of the work in human life and the organic contact of the work with rest, fun, relaxation leads to free time to deal with the work. While the exaltation of work is regarded as a prerequisite for the continuity of the capitalist order, social engineers emphasize the importance of free time as much as work (Çelik, 2018: 78). The concept of social engineering The sociology literature of industrial society has been found to exist in detail, where engineers are involved in the production process or management as representatives of science and technique, and beyond that, engineers have projects related to society. Ideology, which is defined as social engineering, argues that engineering can be done in social subjects as well, that the rationality brought by engineers to production level can be extended to the whole society scale (<https://www.cevremuhendisleri.net>). A social engineering agenda (Ooi, 2002: 701) includes a clean and green environment for a community refined by leisure activities, and plans to contribute to the development of the general heritage. They are beneficial for the physical and emotional health of societies and ensure the solidity, order and loyalty of society.

Human engineering tries to put an end to the inertia by making changes and corrections in the human, social engineering in the society and system engineering in the system. In terms of the direction of the process; community engineering top to bottom; human engineering from bottom to top; system engineering initiates change from the center of the structure. The source of inertia and failure; human engineering searches for individuals, community engineering managers, systems engineering systems (Sekman, 2017).

Evaluation form of holiday and leisure in Turkey, are seen as the efficacy of the group rather than individual characteristics. Family, age, culture, socio-economic factors, gender and religion are among the factors affecting the leisure activities of individuals in social life. SPO in Turkey (SPO) 'leisure time in activities of the Turkish people, according to a study by the made "Watching TV", while outside the home in the activities of men "go to the coffee" is the most referenced leisure activities. Survey of Family Structure in Turkey (2011) according to the results of operations by the Turkish families watch TV most often, the latter relatives. go, and the third is to go to the cinema or theater (Family Structure Survey in Turkey (2011) 's age group, according to the results seen an increase in the proportion of grows ever not in the habit of doing sports. In terms of gender while 75.7 % of women, while men % 61.2 stated that there is no habit of doing sports (Paşlı, 2014: 140-145). Political authorities have played an important role in ensuring recreational participation in society. It is the duty of the political authorities to ensure the free time of the employees, to provide the investments and incentives that will allow the utilization of the free time, to promote the leisure activities in the society by means of education, promotion, and to participate in the leisure activities (Karaküçük, 1997 nar. from Hacıoğlu et. al., 2015). Turkey in development plans and government

programs in the lacking free time only youth limited to the evaluation of the event, community workers, working, reading, women, men, and be concerned for each segment, such as the disabled reveals a significant shortcoming (Karaküçük et. al., 2016: 522). According to Sevil (2012: 155), leisure time activities can prevent new generations from developing negative trends, acquiring bad and harmful habits, and working out due to busy working conditions and traffic, environment and noise pollution (Hazar, 2014: 93).

The spread of the park where the sports equipment, which rapidly spread in Turkey, the opening up of the number of sports facilities to increase fitness, yoga, pilates, step, boxing, generalization of activities such as karate leisure in Turkey has a positive effect on participation events (Paşlı, 2014: 153). It is seen that people who have spare time and who do not have the opportunity to spare time tend to exhibit anti-social behaviors and isolate themselves from society. In this context, leisure professionals have a lot to do. This need is met by the state, non-governmental organizations and commercial organizations in an organized way. These people, who can be called leisure managers, play a role in increasing the degree to which people benefit from leisure opportunities (Çakır, 2017: 29).

Leisure consumption varies from society to society. American consumers, home-based activities for leisure time consumption are among the most popular activities of Americans. Watching TV, listening to music, reading books, cooking and home-based hobbies are top of the list (Shivers & deLisle, 1997: 123-130 nar. from Kaya, 2013). According to Zorba et al. (2005), in the planning and organizing of recreation activities in the USA, Federal Government, American State participation, States, Municipalities, people, private organization organizations, churches, commercial enterprises,

employees in various institutions, military, college and universities are taking part in a great race to control and practice free time (Baştuğ, 2017: 3897). According to Atus (2018), according to the 2018 report on leisure and recreation activities in the United States, Americans in an average day, everyone aged 15 and over (96 percent) performed some kind of leisure activity such as watching TV, socializing or exercising. Men spent 49 minutes more time per day than women (5.7 hours compared to 4.9 hours) (<https://www.bls.gov/news.release/pdf/atus.pdf>). According to Zorba (2005), outdoor recreation activities are carried out especially in German society. Germans mostly enjoy outdoor recreational activities and sports (Baştuğ et al., 2017).

Japanese pre-war bureaucrats have begun to make political directions on modern European and American leisure activities. The Japanese encouraged tourism and travel, forcing the government to understand Japanese leisure time and allowed standard national leisure activities (Leheny, 2000: 171-183). In study of Yin (2005: 176-181) stated that along with reform and outward opening, the Chinese people changed their values within the scope of their leisure time consumption and adopted a more modern and western lifestyle. In China, urban households have discovered that leisure activities such as watching TV, reading books or newspapers, listening to the radio, playing Majiang, chatting with family members are the most popular leisure activities in China. (Kaya, 2013). According to the results of the research conducted by Açıkkada and Ergen (1990), the participation rate in leisure and recreation activities in European countries was 23.55% in Germany; In Belgium, 70%; In Denmark, 45%; 33% in the Netherlands and 42% in the UK. In Turkey is 0.88% in a survey conducted in 1985 (Gül, 2014: 16). Between 2005 and 2012, total household expenditures increased by 14.1% and per capita expenditure reached 14,600 Euro.

Leisure and recreation expenditures accounted for 8.7% of the total final consumption expenditure of households in 2012. Among the household expenditures in 2012, Luxembourg is the country with the least amount of leisure and recreational activities (same as 1.8-2005%) (Şimşek, 2018: 37-38). According to Zorba (2005), in England in the 1870s, churches encouraged people to protect themselves from sins and bad habits such as alcoholism and football and cricket sports. 19 National Playgrounds “was established in 1925 to spread the sport and outdoor leisure activities to the country. In 1964, the “Leisure Center Değerlendirme was opened as a unit for planning national and international sports and leisure activities (Baştuğ et al., 2017). Per capita leisure and recreation spending by Canadians by state and territory averaged \$ 3700 in 2004. Approximately one quarter of this was made for home entertainment systems, computer equipment and photographic equipment (Şimşek, 2018: 37-38).

According to the Financial Tribune (2017), an Iranian family spends \$ 360 a year for outdoor recreation (restaurants, hotels or travel). This figure has quadrupled in Western Europe and the US. In the last decade, the rate of spending for staying in hotels, going to restaurants and doing outdoor entertainment activities has increased 10 times (Şimşek, 2018: 37). William and Mason (2003: 35-44) ‘s based on their research, Egypt, studied the location of leisure time in Iran and Turkey. The results suggest that leisure is important in all three countries. In these countries, traditional culture and religion shape leisure behavior (Kaya, 2013).

Ekmekçi (2010) states that in Australia, the Council of the Ministry of Sport and Recreation (SRMC) is the main mechanism that regulates activities related to recreation and sports activities and provides bridges between federal government and state governments (Baştuğ et al., 2017).

Zorba et al. (2005) states that the federal government in Australia, which complies with national fitness policy, provides financial support to local governments and groups living in the country every year in line with the “social recreation and sports facilities program her. The programs that serve the recreation and fitness assistive strategies, Network Neighborhood Network Project için are designed to create a suitable environment for the individual, to develop regular physical activity among the neighbors, recreation for the disabled, Aboriginal recreation, social cohesion of indigenous people, education and contribution to production, uss Aussie sport Eglenceli fun sports activities for children, up Its up to youth ”projects are aimed at youth in rural areas (Baştuğ et al., 2017). Leisure and recreation expenditures of countries such as BRIC (Brazil, Russia, India and China) increased by 30% in real terms between 2008 and 2013 and reached 233 billion dollars. BRIC households spent \$ 287 for leisure and recreation (Şimşek, 2018: 39).

EVALUATION AND SUGGESTIONS

Nowadays, with the development of technology in the evaluation of leisure time, individuals have become curious about not only their own lives but also the lives of others. Instagram, Facebook and so on in virtual environments. Leisure activities to follow other people on sites, writing comments from these environments has become a recreational entertainment. However, in our country in recent years, museums, theaters, cinemas, trips and so on. activities are also increasing significantly.

Participation in these leisure activities has increased considerably and the concept of knowledge and aesthetics has come to the forefront in the expectation of leisure time. When the Museum and Historical Site Statistics of the Ministry of Culture and Tourism are examined, the total of 2018 is 28.169.615. In the previous year's 2017,

it was 20.509.746. It can be said that interest and interest in art and museums are gradually increasing (<http://www.dosim.gov.tr>). All these results clearly show that our state is increasingly investing in the institutions where leisure and recreational activities are carried out. In this study, a theoretical evaluation on leisure time, philosophy of life and social engineering was carried out. Suggestions have been tried to be developed for tourism sector, government and non-governmental organizations. Tourism sector, government, local governments, non-governmental organizations, such as leisure time managers, as well as individuals who manage, plan, organize community engineers as one of these recommendations for leisure professionals by implementing one or more of the participation of individuals to increase tourism activities, more It can be argued that they can prevent anti-social behaviors with more realization.

RECOMMENDATIONS FOR STATE AND LOCAL GOVERNMENTS;

- *Different provinces of the park where the rapidly expanding sports equipment in Turkey to ensure even spread in the district,*

- *Opening of sports facilities in different branches and free use of these facilities,*

- *Local governments and government agencies should support and program leisure activities that are of interest to the public,*

- *Organizing tournaments and competitions within the scope of sport between local governments and state institutions to organize leisure programs; crafts covered wood painting, marbling art, handicrafts and so on. opening courses; personal development activities include home economics, infant and child nutrition, accounting, photography, opening language courses; nature walks,*

cycling tours; Fitness activities include swimming, jogging or fitness activities, fitness exercises and yoga.

Within the framework of the Tenth Development Plans (2014-2018), it is planned to establish Olympic Sportsman Camp Training Centers and to establish Sports Health Centers in order to train successful athletes and make sports a lifestyle. It is planned to increase the R & D activities in this field by expanding the use of technology in every field of sports and by providing cooperation between federations and the private sector (Karaküçük et al., 2016: 507-508).

- *To actively engage in at least one year from a club through Student Clubs in order to eliminate the habits of smoking, alcohol and substance use of the university youth; or*

- *It can be achieved by developing a social responsibility project and not being able to graduate without completing this project.*

SUGGESTIONS FOR TOURISM SECTOR;

- *Sector representatives and the state can jointly organize cultural trips and trips to city museums. Today, it is full of many people who die without seeing the museums / museums in their hometown. These trips should start with our children and young people first.*

- *Tourism business managers can recommend cycling or hiking to employees whose short distance between home and workplace is encouraged to promote healthy living.*

- *Holiday package, pool, aqua park, themed or amusement park experiences can be offered to employees with high performance levels,*

- *Tourism business managers can help employees to participate in a small recreational activity (such as gifting a movie ticket).*

RECOMMENDATIONS FOR CIVIL SOCIETY ORGANIZATIONS;

- Organizing visit programs to orphans, elderly and juvenile detention centers within the scope of corporate social responsibility projects,

- Visiting to nursing homes for the disabled, orphans and the elderly, organizing programs within the scope of entertainment and music concerts in nursing homes,

- In addition, it may be possible to feed stray animals and provide winter / summer clothing and textile products to those in need.

Nowadays, the transition from industrial society to information society has accelerated. Information society; it can be defined as a society that produces all kinds of information, connects to information networks, accesses ready-made information, can easily disseminate and use this information in every sector (Kesici, 1993: 66). As a result of advances in technology in the information society, the increasing weight of automation in production and the increase in people's spare time have been caused (www.bilgiyonetimi.org). Many electronic devices, robots and other new materials, artificial intelligence applications, life-simplifying software, etc. are produced for entertainment and leisure. develop new areas of employment, mainly in education, health, research, engineering, architecture. As a result, technology and artificial intelligence applications will fundamentally change the way of doing business, leisure and recreation habits, leisure time and the way they evaluate leisure time.

This study carried out a theoretical examination of the relationship between leisure time, philosophy of life and social engineering. At the end of the study, different proposals were developed for state and municipalities, representatives of tourism sector and non-governmental organizations. It can be argued that the study will contribute theoretically to the field. Future research may empirically investigate the contribution of the leisure sector to the tourism sector in terms of social engineering and to determine the extent to which it is applied.

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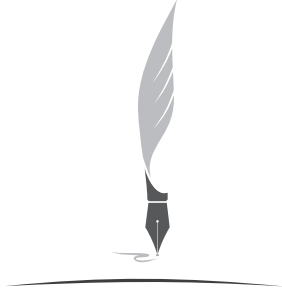
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Chapter 10

PUBLIC RELATIONS BETWEEN REALITY AND HYPERREALITY¹

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- 1 This study is a reviewed, summarised and reworded version of the paper prepared by Zuhal Akbayır under the counselling of Prof. Dr. Filiz B. Peltekoglu, which was submitted and approved in 2014 at the Department of Public Relations, Institute of Social Sciences, Marmara University under the title “The Relationship between Hyperreality in Public Relations and Internet: A Research on Social Media”.
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INTRODUCTION

Public relations should serve the functions of managing the communication of an organization with its target audience in line with accurate and genuine information and leading the individuals to make rational decisions. Thus, public relations create a value towards the construction of a good future for the society. In practice, though, it is possible to come across some examples that can break off the individuals' bonds with reality, ignoring the social utility. Also described as black public relations in the literature (Cook, 2006) and aimed at building the own realities of those who manage the communication, these practices manipulate the target audience in line with the interests of the resource and set ground for the adoption of hyperreality.

Theory of hyperreality/simulation refers to the idea of creating other realities, instead of the facts, by utilizing signs and symbols (Baudrillard, 2005).

The study discusses the relationship between the practices of black public relations and the theory of hyperreality and emphasises the positive role undertaken by Public Relations in the audience's search for the reality. Formation of hyperreality in black public relations will be addressed within the context of historical development process and along with the communication approaches, with a special focus on the factors that form the hyperreality.

Reality and Public Relations

The question "What is the Reality?" has been one of the subjects for which the philosophers and distinguished thinkers sought an answer from the ancient Greek to the present day. While the famous philosopher Heraclitus stated that reality was concealable, Parmenides Elea claims that the reality remains entirely unchanged, but

the changes or what actually changes are just an illusion that says things (Mattessich, 2003: 444). Plato models the concepts of reality and realism by means of the Allegory of the Cave. To him, the people who are condemned to sit inside the cave with their backs facing the exit door from the very first day they are born perceive the shadows of other people and the things they carry as the reality and do not believe that reality exists outside the cave (The Allegory of the Cave, 2019).

Indeed, it often gets difficult for us to discern in daily life, what is real or what is unreal, due to numerous messages coming from all around us. Just like in the allegory of cave, each individual builds his/her own cave and sometimes accepts the messages sent by the family, society, environment and mass media in his/her cave, to be real, even without questioning them most of the time.

Jean Baudrillard states that, in the communities where the perception of perception is disrupted, the social energy decreases, its authenticity disappears, becomes anonymous and the communities are bound to transform into the masses, silent and unresponsive majorities (Baudrillard, 2013a: 24). Public relations, as a source of news, have a significant impact on socialization. They allow that the agenda is set in the course of the creation of news and during the production stage, by way of methods such as columns, press conferences, press visits, press releases, and event creation, etc. Besides, public relations ought to manage its function as a source of news, on the basis of trust and accurate information. It is also required as part of the ethical codes of public relations that an organisation should not deviate its communication from the principles of fairness and reality while managing its mutual relations with the society. In practice, however, it is sometimes possible to come across examples that go beyond the purpose of Public Relations, which is to show what is true and real. Owing to the artificial realities

produced, a universe of simulation can be created and the realities lying behind what is visible can be concealed.

Reproduction of Reality: Hyperreality and Public Relations

“The derivation of truth through the models lacking a ground or a reality” is how Baudrillard defines the simulation (Baudrillard, 2005: 14). Simulation, i.e. hyperreality eliminates the reality both as a system and a sender, raises it to the model level and destroys it. (Baudrillard, 2013a: 70). In this universe of simulation, the simulacra is defined as “the aspect intended to be perceived as a reality”, while simulation means “to offer something which is not real, as real and to try to show it as real”. According to Baudrillard, simulating goes even beyond “pretending to be” and aims to eliminate the difference between what is “real” and “fake” as well as what is “real” and “imaginary. Hyperreality wraps and embraces thoroughly the order of reanimation which it turns into a simulacra (Baudrillard, 2005: 16).

Baudrillard argues that the reality has corrupted today and been replaced by “hyperreality” and thus, the era of simulation has been entered. This age of simulation is also a reanimation order and the media plays an important role in the creation of this system. While less meaning is produced in the face of more and more news and information, the masses remain unconcerned with the meaning. Communication simulation is responded in the form of reverse simulations, by means of approaches like “I know they’re lying, but I guess it is not that much” (Baudrillard, 2005:115-119). Thus, hyperreality repeats itself in an animation order in which both the news receiver and the source of news take part voluntarily (Baudrillard, 2005: 56).

In the historical process, some practices that include exaggerated or unrealistic information have had an adverse effect, even if not knowingly and wilfully, on the relationship between public relations and reality. Some of the practices of Phineas Taylor Barnum who lived between 1810-1891 make a good example at this point. For example, Barnum grabbed the attention as he sent to the media the news that an Englishman named Dr. Griffin came to New York with a mermaid named Fiji. But, what he described as a mermaid was nothing but a monkey head and a fish body fitted (sewn) to each other. And the person whom he introduced as Dr. Griffin was a friend of Barnum's, Levi Lyman (Levi, 1977: 151-152). Public relations practices performed by Barnum remind the Baudrillard's statement, "The exchange which is changed at the level of what is shown has always prevented the understanding for what the demonstrator serves" (Baudrillard, 2013b: 12). P.T. Barnum took advantage of people's interest and diverted their perceptions with the manipulative news he produced, and showed not the facts but rather made them see what he wanted to show, and in this way, he gained reputation and commercial gain.

In the early 1900s, the practitioners of the public disclosure model would usually prefer to write good news about their organizations, only. J. Grunig states that practitioners of the model could not perform a dialogue in a real sense since the information about the organisation is used selectively even though it is "true" or "real" (Grunig and Grunig, 2005: 312). Ivy Lee, one of the practitioners of the model, was the first to underline the importance of giving accurate and complete information to the public in public relations, by addressing the importance of enlightening the public with quick, true and real information, upon "the Declaration of Principles" which he announced during the Anthracite Coal strike in 1902, and he convinced the administration

to tell the truth to the members of the press as regards the Atlantic City accident that claimed the lives of 53 people in 1906. Nevertheless, Ivy Lee came under criticism as he disobeyed the principle of enlightening the public in the light of “true and complete”, namely “real” information, which he published himself and makes up of the cornerstone of Public Relations, although he managed to turn Rockefeller’s image as a penny pincher old man into an elderly charitable campaigner in the communication campaign he ran during the Colorado Coal Strike (Balta Peltekoglu, 2018: 111).

Grunig and Grunig state that only the two-way symmetric model among the four models in the historical process of public relations is not intended to manipulate the public for the benefit of organizations and has the basic characteristics of excellent public relations programs. The practical assumptions of two-way symmetric model include telling the truth, sharing the information, and caring about the opinions of the employees and stakeholders by the management and vice versa. However, it is seen that not all but only some of the public relations practitioners carry these assumptions into practice (2005: 311). On the other hand, in practice, real participation based on symmetrical communication requires proper economic, social and political conditions and ensuring a real democratic participation. Nevertheless, with the Behavioral Public Relations approach, it is possible to change the attitude and behavior using the real –“accurate and complete”- information. That’s because Behavioral Public Relations is based on the fact of ensuring the individual to make rational decisions in the light of the information shared in all aspects. (Balta Peltekoğlu & Akbayır, 2019:833)

It is crucial to scrutinize primarily the effect of public relations on social life and business life, in order for the weight of the public relations to be understood in

the context of hyperreality. Public relations are strategic communication management performed on the objectives of the organisation, intended to create common ground with the target audience and the backbone of which comprises the communication (Balta Peltekoglu, 2018: 8). Considering the professional codes of ethics specified by IPRA (International Public Relations Associations) regarding the profession of public relations, the qualification that public relations practitioners include the rules such as honesty, mutual communication, avoiding conflicts, loyalty to the confidentiality of information, avoiding inaccurate and misleading information, avoiding the habit of giving and taking bribery, to name but a few. There are rules such as avoiding giving behaviour (IPRA Codes, 2011). Given the examples of practice in the Public Relations, the philosophy of which consists of fairness and reality, it is seen that this understanding is disobeyed at times. Developing the statements that replace the reality by way of knowledge manipulation and devising the communication strategies in line with the aims and objectives of dominant ideologies are included in this scope. These realities, which are created by way of public relations, turn into hyperreality and replace the facts.

Public Relations between White and Black Practices: Expression of Reality? or Production of Hyperreality?

The fact of hyperreality in public relations should not involve a criticism aimed at discipline and all practices. In order to better exemplify the relationship between public relations and the fact of hyperreality, it will be good to mention Baudrillard's image-specific steps in the formation stage of hyperreality. These steps make it easy to identify what is hyperreal and what is real. The steps in question refer to: 1-the image as a reflection of

a deep reality, 2-the image that changes and conceals a deep reality, 3-the image that conceals the absence of a deep reality, 4-the image with no relation to any kind of reality, which is its own pure simulacrum. According to Baudrillard, the image in the first case has a positive quality and refers to the reflection of reality. In the second case, it has a negative feature and conceals unless it changes the reality. In the third case, the image tries to replace a view and pretends to show the non-existing one as if it really exists. In the fourth case, the image is now something about the simulation order; it has completely destroyed and replaced the reality (Baudrillard, 2003: 20).

In this respect, the activities that also deal with the field of behavioral public relations, such as informing, teaching, educating the public about a problem they face and leading the public in terms of the solutions to problem, are some of the communication examples at expected/ desired level, in the Public Relations. Therefore, a Public Relations acting in line with the social responsibility and democratic action plans exemplifies the stage of image as a reflection of the reality contained in the first step, from a Baudrillardian perspective. However, the practices of the institutions and organizations that take actions in a way to conceal or ensure the ignorance of the truth can be discussed within the scope of image-specific steps #2, 3 and even 4.

Thus, as in other fields of communication and disciplines, hyperreality is an ethical problem that can be encountered in the field of Public Relations and blurs the boundaries between the concepts of reality, fairness and honesty. Professional codes of ethics have been specified by a number of public relations organizations in an effort to prevent unethical practices that may be encountered in practice, to prevent the pollution of perception about what the profession is about and to protect the reputation of the profession,. It will be fair to define the ethical practices

which develop trust-based relations with target audience, based on these ethical codes, embraces the democracy and prioritize the social interests, as “White Public Relations”. This field comprises ideal public relations strategies. On the other hand, perceptual problems related to public relations are mostly called “Gray Public Relations. For example, organizing free trips for press members and conducting some research on, like, “why doctors prefer chocolate over chewing gum” for marketing purposes, can be considered in this context. Gray Public Relations are selective, without prioritizing the fairness. Black Public Relations, on the other hand, strictly refuses the delivery of the right information in order for the people to make rational decisions (Cook, 2006).

Black Public Relations are used as a coercive force within the society and damage the true information by denying it. What play the major role in the formation of hyperreality in black public relations are the black public relations activities. As Zompetti and Moffitt suggest, Hill&Knowlton’s Kuwait Crisis reveals how PR professionals have used the media to create the reality (2009: 278).

In order to understand the current state of hyperreality in Black Public Relations, it is important to assess how the profession of Public Relations have positioned the hyperreality in the historical development process.

Channels in Constructing Hyperreality

In Public Relations practices, public opinion leaders, media, internet environments and public relations practitioners have a role in conveying the reality and affect the individuals to make rational decisions for themselves and the society as well. However, the same actors can also lead to the formation of the simulation universe in black public relations practices, depending on the purpose and

can build hyperreality. Spin doctors create the hyperreal reality they desire by manipulating the communication environment in which they are involved, by means of unethical methods ignoring the public interest, whereas Reality Engineering involves conversion of the components in the real-world into impressive visual and audio images via different software. -While these images can sometimes be seen as entertaining and impressive virtual content for the receiver of the message, they sometimes play a role in the construction of a new reality.

Media: Baudrillard states that the means of communication is about producing the truth. According to him, new realities can be constructed at any time by means of the media and mass communication technologies (Baudrillard, 2013a: 69). There are some factors affecting the role of media in the production of a new reality. Herman and Chomsky (2012: xi) define these factors that play a role in news production, as “filters”. Due to the financial dependence of the media on the representatives of the government, business world and power, hyperreality can be created in line with the approaches such as agenda-setting and framing since the news rely on the information supplied by these resources. When the media, as the primary communication channel in the public relations, abandons its social duties and responsibilities, it is likely to transform into an influential actor in building the hyperreality.

Public Opinion Leaders: In his work propaganda, Bernays mentions invisible rulers who control the fate of millions. To him, it is not even possible to comprehend the extent to which the movements and words of a public opinion leader led by people hidden behind the screens can spread ([1928] 2005: 61-62). Public opinion leaders inform and raise the public awareness as a reliable and respected resource in public relations and have a positive impact on communication. On the other hand, when

considered among the actors forming the hyperreality, as Chomsky and Herman (2012: xi) stated in the “propaganda” model, it is fair to say that they can serve as a filter that reflects and even advocates the viewpoint and interests of the source, and prevents the media from conveying what is actually real, objectively.

Public Relations Practitioners: Chomsky and Herman (2012: 91-93) argue that Public Relations Practitioners, whom they describe as powerful sources of news, can use their personal relationships, threats and rewards because of their interdependence with the media, and the media makes this situation acceptable in order to avoid ruining their close relations with the sources of news. Powerful sources of news prevent the criticisms from appearing in the media, set a private agenda or manage the media through framing. On the other hand, a study was conducted by Baylor University in 2013 on 30 Public Relations experts with a view to evaluate the viewpoints of the Public Relations practitioners on the subject of ethics. The respondents stated that Public Relations experts have the responsibility to criticize a decision which they believe is wrong within the political organizations or their own institutions, but it takes some guts to call out that they disagree with the opinion of the institution manager or the customer on such unethical issues (Baylor University, 2013). Because of such concerns, Public Relations practitioners can sometimes play a role in the formation of hyperreality as a mediator of their relations with ethics and sometimes the culture of the institutions they represent, and may carry their efforts into the field of practices of Black Public Relations.

Internet and Social Media: The internet and social media tools and methods contain favorable conditions in terms of the formation of hyperreality for such reasons as non-obligation for the source of news to be open at all times, conducting the communication in a virtual environment,

etc. The websites and social media environments such as the websites, Facebook pages, Instagram, Twitter and LinkedIn, in addition to the Internet, are now included among the means used by the public relations due to the reasons such as the expansion in the areas of practice of the public relations, internet that has become a low-cost communication environment, elimination of time limit, and providing more people with the opportunity to access. Widespread use of digital communication tools as well as the characteristics of internet and social media as a virtual communication medium, on top of a manipulative Public Relations approach, facilitates the construction of hyperreality.

Reality engineering: Reality engineering is the perception that images sent through the mass media and thought to be the reflection of reality create a new reality. It especially aims to shape also the social reality perceptions of the consumers through creative media studies in the field of marketing (Solomon and Englis, 1994: 3). When the reality engineering is considered in terms of hyperreality and Public Relations, the new reality created through effective images can lead the individuals to purchase a product or service they do not need at all, or make it possible to create new perceptions of reality.

Spin Doctors: Spin is what is called the efforts to divert or manipulate the reality (Fall, 2006: 4789). Spin Doctors are the titles given to the practitioners of this work, and they form the hyperreality as they filter the content of the news they prepare and the information that suits the interests of the institution. Spin doctors create these images by means of techniques such as telling a lie and exaggeration in line with the aims they have determined, and even resort to communication techniques that ensure the production of consent in the most important matters relating to the national and foreign politics.

The actors mentioned as the media, public opinion leaders, internet, public relations practitioners and reality engineers, which serve major functions in the construction of reality, can also play a role in the construction of hyperreality, as well. It should be noted that the actors in question can shape the relationship between the public relations approach and hyperreality, depending on the communication objectives of the resource.

CONCLUSION

Even though Public Relations, as communication management, has the function of delivering the true and real information to the public, the existence of the samples of manipulative practices in which the reality is ignored by way of the practices of black public relations, draw the attention. The way an organisation handles the Public Relations is closely related to its corporate culture. For this reason, it is important to evaluate the public relations with a holistic approach so that the criticisms against the Public Relations can be realistic.

The understanding, which regards the meaning of public relations only as the art of manipulating the public opinion, and the practices of public relations in which social utility is ignored, lead to the formation of hyperreality. Hence, the practices of black public relations see the target audience as a tool in order for the source to achieve its purpose. Moreover, the artificial environment that the internet and social media channels have due to the statement and visual characteristics accelerates the formation of hyperreality and extends the coverage whereof.

It is possible to encounter some examples reflecting the construction of hyperreality in the examples of public relations practices both in the present day and in the past.

Hyperreality is built in the practices of Public Relations by virtue of the engineering of consent, manipulative communication approach, framing technique that diverts the news from reality, and artificial agendas set with the institutions and organizations that have become ideological apparatuses in the repressive political regimes. The concept of media that abandons the duty and responsibility of informing the public, public relations practitioners who do not adopt the ethical values, public opinion leaders who assume the function of serving as a filter, the representatives of reality engineering, and those who manage the communication in the internet and social media environments can be influential actors in construction of hyperreality.

However, conscious and active target audience and public activism in the public relations will play a significant role in the creation of social reality, too. Holthausen and Voto (2002: 61) advocate the activist role of public relations practitioners in the reconstruction of social order. The researchers point out that public relations practitioners play an increasingly more role in social activism, although not as much as desired.

On the other hand, the extent of the level of education of a society is parallel with the sensitivity of that society to the reality. In this context, it is also possible to reduce the reach of hyperreality by increasing the quality of education, paying attention to media literacy and public relations literacy.

While the fact that Behavioral Public Relations programs, which aim to raise awareness about social problems and receive the support of the media, find place in the public policies (Balta Peltekoglu and Akbayir, 2019: 842), ensure that the individuals can make rational preferences in the light of the real information, it will make it difficult to construct a hyperreality.

On the other hand, the fact that PR practices remain distant from hyperreality can be possible if the actors playing a role in the management of communication remain responsible for the society and when the media acts with the sole mission of enlightening the public. Only then can the public relations make the necessary contribution towards the construction of utopia which expresses the concept of ideal society thereby which the reality is positioned against the dystopia, which expresses the repressive social order dominated by hyperreality.

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Chapter 11

**INFLATION NEWS AND EQUITY
RETURNS: EVIDENCE FROM BORSA
ISTANBUL**

Deniz İkizlerli

1. INTRODUCTION

Inflation news is one of the most important news that financial market participants closely follow. The importance of inflation for financial markets is also suggested by the amount of private sector resources devoted to forecasting future inflation. Private forecasts of future inflation are produced by almost every large corporation having investments in the financial markets. This interest is not surprising, since many studies document significant effects of inflation announcements on asset prices. (see for example; Fama and Schwert (1977), Jain (1988), and Adams, McQueen, and Wood (2004)).

Early studies start with questioning the Fisher's well-known hypothesis. This hypothesis states that expected rate of an asset return equals to a "real" return plus the expected rate of inflation. The real return does not change systematically with the rate of inflation. In this context, nominal asset returns are expected to move one for one with the inflation rate. Thus, investors are expected to be fully compensated for decrease in their purchasing power. On this base, Fama and Schwert (1977) investigate whether assets were good hedges against the inflation rate during the 1953-1971 period in US. They find a negative relationship between equity returns and expected and unexpected inflation rate and conclude that equity returns are not a good hedge against inflation.

Several explanations have been suggested to explain the observed relationship. One hypothesis, suggested by Fama (1981), Nelson (1979), and Geske and Roll (1983), claim that the positive relationship between equity returns and future economic activity is the main source of this negative relationship. In this sense, inflation is thought to act as a "proxy" for expected future economic activity. Thus, the relationship is found to be weak since it is spurious.

For example, French, Ruback, and Schwert [12] document an evidence that is consistent with the hypothesis of Fama (1981), Nelson (1979), and Geske and Roll (1983). That is, the negative response of equity returns to positive unexpected inflation is found to reflect a downward revision in expected future economic activity.

Second hypothesis, advocated by Modigliani and Cohn (1979), states that investors do not correctly evaluate the real value of a firm's outstanding debt. With this perspective, firms which are net debtors should benefit from an unanticipated increase in inflation. However, from another perspective, Feldstein (1980) argues that the observed negative relationship between equity returns and unanticipated inflation is actually due to nominal contracts. When the contracts are written in nominal terms net present value of future cash flows should be negatively affected from unanticipated inflation.

As a last, Fischer (1993) suggests the policy anticipations hypothesis. This hypothesis states that we need to consider the possible macroeconomic policy responses and the likely impact of those responses on long-run company earnings and, hence, stock prices. For example, consider possible policy responses to bad news: in the face of higher than expected inflation (i.e. bad news on inflation), policymakers may seek to reduce future aggregate demand (for example, through an increase in interest rates or a tightening of fiscal policy). Since aggregate demand is likely to impact on company earnings in the long-run, *ceteris paribus* we would expect to see a negative response for stock prices to higher than expected inflation announcements (ikizlerli et al, 2019).

When looking at the empirical studies, evidence on the relationship between inflation surprise and equity returns is mixed. For example, Schwert (1981) who investigates the daily response of the S&P 500 index to a

measure of unanticipated inflation documents only weak market reactions.

According to the basic assumption of efficient market theory, only new and unanticipated part of the information can affect asset prices. Failure to distinguish between expected and unexpected part of the announcement would tend to bias the news effect on stock prices. Early studies which take this issue into consideration begin with Pearce and Roley (1985), who use survey expectations data provided by Money Market Services (MMS) for the expected portion of these macroeconomic announcements, while investigating the daily response of S&P 500 index to macroeconomic announcements to examine whether the result supports the efficient market hypothesis. The study finds little evidence of association between stock prices and surprises in inflation. Additionally, the study finds that anticipated portion of the inflation announcements have no or very little effect on stock prices that supports efficient markets view.

By contrast, later event studies document significant relations between equity returns and inflation announcements. For example, Jain (1988) extends Pearce and Roley (1985) work by employing hourly stock return data for US market to obtain more precise estimates for equity price responses. He finds that inflation related announcement surprises have significant effect on stock prices which was found to have no effect on equity prices in the study of Pearce and Roley (1985). He also comments that equity prices fully capture new information about inflation within one hour.

Above studies find little evidence of correlation between surprise component of inflation news and stock prices. In previous studies the response of stock prices is assumed to be the same over different states of the economy. However investors can consider the same type

of news to be bad in some stages of the business cycle and good in others, therefore it may not be possible to obtain the unbiased estimates of the impact of the surprise component since it is expected to bias toward zero. Therefore, McQueen and Roley (1993) investigate the daily response of S&P 500 to macroeconomic news over different states of the economy. Response of stock prices is allowed to vary over different stages of the business cycle to be able to provide unbiased estimator and identify good news and bad news across different states of the economy. Thus, these results suggest that inflation surprises have differential impacts in different economic states.

Finally, Adams, McQueen, and Wood (2004) extend Jain's (1988) hourly analyses by using high-frequency minute data and document significant evidence for both PPI and CPI news. They find that equity returns, especially those of large firms, are significantly affected by inflation surprises.

In this article, we employ inflation announcement surprises with intraday stock prices to address the following questions: i) does inflation news (unanticipated part of the announcement) affect equity prices in Turkish stock market? ii) Does the relationship between stocks and inflation surprises vary with the state of the economy and the direction of the news?

The choice of Turkey is not arbitrary. A longstanding specific characteristic of the Turkish economy is a persistent high inflation. Turkey has undertaken a series of disinflation programs so far, but all of them failed in bringing down the inflation rate to an acceptable level. Although the last government had some success in reducing the inflation rate (the inflation rate declined to one-digit levels from the two digit levels), nevertheless there is still an increasing concern among financial market participants about the government's willingness to carry

out the disinflation program. For the last 50 years, all governments in Turkey so far have given the impression that they could choose to follow expansionary policies due to election concerns. Therefore, investors have been trying to protect themselves against unanticipated increases in inflation. As a result, in Turkish financial markets, few events are watched by economic agents with more interest than the inflation announcements.

Our article is structured as follows: Section 2 presents the data. Section 3 outlines the methodology and address whether equity prices respond to inflation announcements. Section IV investigates whether the relationship is state dependent and Section V summarizes the main conclusion.

2. Data

Each month, Turkish statistical institute announces general price levels (Monthly percentage changes in the Consumer Price index (CPI)) through out the country. The central issue of concern is how stocks respond to the unexpected component of inflation news announcements. To determine the surprise element of inflation announcement we must first have a measure of the expected value of the announcement. We obtain this from survey data and use the median of analysts' expectations as our estimate of the market's expectation of the upcoming inflation announcement. Our expectations data is from the Bloomberg News Service. Bloomberg is a consistent source of data on macroeconomic announcements for various countries, which is widely used by investors, analysts and traders. Bloomberg surveys commercial and investment banks on their expectations for a wide range of macroeconomic announcements including inflation. Bloomberg calendars of events are published on a regular basis and are available to a broad investor community. Therefore, the dates of these announcements are known

months in advance. Investors do not know what the new price levels will be, but they know there will be news. Bloomberg News service also provides the date and time of the inflation announcements. CPI announcements are released when the market is open. Thus, we can easily measure the immediate response of stock prices to inflation surprises. We calculate the surprises in inflation announcements as the difference between the actual data value at announcement and the median value of the most recent analysts' expectations prior to the announcement.

We measure stock returns in terms of calendar time (15-minute horizons, for example). For the stock return, we use the BIST 100 index which includes all companies listed on the BIST 100 except investments trusts. Market returns are computed by taking the first difference of the log intraday closing values of the BIST 100 index. BIST provides detailed high frequency intraday price data after January 2010. Before 2010 we come across many missing observations. In order not to deal with missing observations we choose our data to start from 04.01.2010 and end in 03.03.2018.

3. Methodology

We test for the relationship between inflation news and BIST 100 index returns with the following econometric model:

$$r_t = \alpha + \beta \times \Pi_t^u + e_t \quad (1)$$

where r_t is the return for the BIST 100 index in the interval (minute) around the inflation announcement and Π_t^u is the unanticipated portion of the inflation announcement made at time t . We also search for whether there are other macroeconomic announcements releases which they coincide with the inflation announcement and don't find any systematic macroeconomic releases which

coincide with the inflation announcement. Thus, we don't include any control variable in our regression.

As a preliminary analysis, we run regression equation 1 for different intervals (1 minute, 5 minutes, 15 minutes, 30 minutes and 60 minutes). The results are qualitatively similar. Therefore, similar to other studies (see for example, Adams, McQueen, and Wood 2004) we use 15-minute and 30-minute horizon results, as reference points.

3.1 Descriptive statistics

Before moving to regression results it will be useful to take a quick look at the summary statistics. Table 1 presents summary statistics for all series used in our regression analysis that includes four main variables namely; 15 minute horizon returns, 30 minute horizon returns, CPI announcement news computed with month over month (Mom) method and CPI announcement news computed with year over year (Yoy) method.

“Month over month” method computes monthly changes in Consumer price index level with respect to the previous month and “year over year” method computes changes in Consumer price index level during the past twelve months.

Investors follow both two indicators due to the following reasons. First, looking at the changes in levels with year on year method can remove the effects of seasons. Second, looking at the changes in levels with month over month method can provide useful insights for detecting hidden problems in a given month. Thus, we report both CPI (Mom) and CPI(Yoy) results.

Table 1: Summary Statistics for Announcement news and BIST 100 Index Returns for different horizons on Announcement Days (January 2010–March 2018)

	<u>Mean</u>	<u>Median</u>	<u>Std.Dev</u>	<u>Minimum</u>	<u>Maximum</u>
15 min. horizon returns	−0.00033	−0.00013	0.00297	−0.00799	0.0068
30 min. horizon returns	−0.00029	0.00023	0.00349	−0.01274	0.00567
CPI News (mom)	0.00049	0.0005	0.00395	−0.0094	0.0142
CPI News (yoy)	0.00058	0.0008	0.00435	−0.01	0.0148

Table 1 shows summary Statistics for two different CPI Announcement news and BIST 100 Index returns for two different horizons on Announcement Days for the period beginning in January 2010 and ending in March 2018. “Mom” denotes month-over-month which shows monthly changes in Consumer price index level with respect to the previous month. “Yoy” denotes Year-over-year which shows changes in Consumer price index level during the past twelve months.

CPI announcements are released at 10: 00 am. Since the stock market is open at the time of the 10: 00 CPI announcements, our 15- minute and 30- minute returns are not based on the last trade of the prior day as is the case for USA stock markets. Thus, our first 15- minute return and first 30- minute return are truly 15-minute and 30-minute window returns since they don’t include overnight returns.

When looking at the Table 1 we see that the means of the 15-minute and 30 minute horizon returns are negative on the average during our observation period on CPI announcement days. Unlike returns, we find that the mean and median of the CPI announcement surprises (computed with both methods) are positive showing that inflation announcements released to the market during

our observation period was bad news for inflation on the average.

3.2 Results

Table 2 shows inflation response coefficients, β , and p -values from a series of regressions of BIST 100 index returns on inflation surprises (eq.[1]). The table shows calendar return horizons for 15 minutes and 30 minutes as reference points.

For each regression, we test for an equity response to inflation surprises against null hypothesis 1 ($H_1: \beta = 0$). We expect negative estimates for β , since unexpected inflation is suggested to be bad news for equities. Our preliminary analysis, for high frequency equity returns from 2010 to 2018, does not provide any evidence for the presence of heteroskedasticity and/or autocorrelation. Thus, we do not need to correct our test results for heteroskedasticity or autocorrelation.

Table 2 provides an important insight for Turkish stock market. We document a clear strong negative correlation between equity returns and inflation surprises computed with both “yoy” and “mom” methods (H_1 : is always rejected at both 5% and 1% significance levels). A CPI (Mom) surprise of 1 percentage point leads to a stock market response of -0.259% and -0.357% in the first 15 minutes and 30 minutes of trading respectively. In a similar vein, a CPI (Yoy) surprise of 1 percentage point is associated with a stock market response of -0.229% and -0.313% in the 15 minutes and 30 minutes of trading respectively. All CPI results in these four regressions are significant at the 99% confidence level.

Table 2: Responses of BIST 100 Index to CPI announcements

Horizon	Cpi (mom)	Cpi (yoy)
15 minutes	-0.25887 (0.000)**	-0.22875 (0.001)**
30 minutes	-0.35706 (0.000)**	-0.31329 (0.000)**

Table 2 shows Beta Coefficients with *p-values* in parantheses from a regression of BIST 100 index returns on CPI surprises using fifteen and thirty minute horizon Returns. Estimated resgression is as follows:

$r_t = \alpha + \beta \times \Pi_t^u + e_t$. The sample period includes 99 announcement day observations for each CPI news from January 2010 to March 2018. * and ** indicate significance at the 5 and 1 percent levels, respectively.

4. Is the Equity Response State Dependent?

While testing hypothesis 1, the state of the economy can also be of certain relevance to investors. Macroeconomic announcements affect asset prices if announcement has new information that impacts discount rates or future dividend expectations. However, the same type of news can be considered bad in some states and good in other states. For example, McQueen and Roley (1993) find that an unexpected increase in industrial production leads to a decline in stock prices in high state of the economy due to fears of an overheating economy. In contrast, the study documents a different sign for the response coefficient on the same macroeconomic news in the low state of the economy. Similarly, while an unexpected decrease in unemployment is found to decrease stock prices in high state of the economy, the study documents an increase in stock price for the same news in low state of the economy.

For the reasons stated above, it would be useful to investigate whether the stock response is same around macroeconomic announcements over different states of the economy. To test the hypothesis that the stock response to inflation news varies across different states of the economy, we use the OECD defined periods for the state of the economy (recession / expansion) for Turkey.¹ Coefficient stability is tested across high and low economic state with the following regression.

$$r_t = \alpha_{Rec} \times Rec + \alpha_{Exp} \times Exp + \beta_{Rec} \times Rec \times \Pi_t^u + \beta_{Exp} \times Exp \times \Pi_t^u + e_t \quad 2$$

Where Rec and Exp are zero-one dummy variables for recessionary periods and expansionary periods respectively. Rec = 1 if the economy is in a recessionary state at time t, and zero otherwise; Exp = 1 if the economy is in an expansionary state at time t, and zero otherwise.

α_{Rec} and α_{Exp} are coefficients for the two economic states. All other variables are defined as in Equation (1). Table 3 shows the economic state coefficients along with F statistics

which tests the null hypothesis of ($H_2 : \beta_{Rec} = \beta_{Exp}$).

Table 3 provides new insights into the relationship between inflation and stock returns. What is interesting to note is that the coefficient in the low state of the economy is not significantly different from zero. To the contrary, the coefficient in the high state of the economy is found to be statistically significant. During a strong economy, for an unexpected 1% increase in the CPI (Mom) index, equity prices decrease by 0,31% and 0,42% in the first 15 minutes and 30 minutes of trading respectively. Similarly, for an unanticipated 1% increase in the CPI (Yoy) index, stock prices are found to decrease by 0,28% and 0,39% in the first 15 minutes and 30 minutes of trading respectively. However, two state-dependent coefficients

1 See <https://www.oecd.org/sdd/leading-indicators/oecdcompositeleading-indicatorsreferenceturningpointsandcomponentseries.htm>

are not found to be statistically different from each other for any case we analyzed ($H_2 : \beta_H = \beta_L$ is not rejected with 5% significance levels). We have four different test cases namely; CPI (Mom) for 15 minutes, CPI (Mom) 30 minutes, CPI (Yoy) for 15 minutes and CPI (Yoy) for 30 minutes.

Table 3: Responses of BIST 100 Index to CPI announcements during high and low states of the economy

	15 minutes	30 minutes
Announcements CPI (Mom)		
<i>High growth (boom)</i>	-0.30859 (0.00)**	-0.41977 (0.00)**
<i>Low growth (recession)</i>	-0.06721 (0.67)	-0.11496 (0.58)
<i>H₂ : F - test</i>	1.86 (0.17)	1.76 (0.18)
Announcements CPI (Yoy)		
<i>High growth (boom)</i>	-0.2805 (0.00)**	-0.388 (0.00)**
<i>Low growth (recession)</i>	-0.0422 (0.76)	-0.044 (0.81)
<i>H₂ : F - test</i>	2.26 (0.13)	2.79 (0.09)

Table 3 shows Beta Coefficients and corrected *p-Values* in parantheses from a Regression of BIST 100 index returns on CPI surprises using fifteen and thirty minute horizon Returns. Estimated resgression is as follows:

$$r_t = \alpha_{Rec} \times Rec + \alpha_{Exp} \times Exp + \beta_{Rec} \times Rec \times \Pi_t^u + \beta_{Exp} \times Exp \times \Pi_t^u + e_t$$

. * and ** indicate significance at the 5 and 1 percent levels, respectively. At the bottom of the related CPI announcements null hypotheses of

($H_2 : \beta_{Rec} = \beta_{Exp}$) tests whether BIST 100 Index responses to CPI announcements in the high state are different from the responses to CPI announcements in the low state. Corrected p -values of related Wald F statistics are also reported in parantheses.

Stocks responses to the unexpected component of inflation announcements are likely to be different depending on whether the news is seen as positive or negative (see for example; Grinblatt, Titman, and Wermers (1995), Domian, Gilster, and Louton (1996), Conrad, Cornell, and Landsman (1999), and Adam, McQueen, and Wood(2004)).

We test the stock response conditional on the sign of the news. In order to test the hypotheses a definition of good and bad news is required. Consistent with the standard macroeconomic view we treat as bad news higher than expected inflation and good news as being the opposite of this.

We extend our basic model (eq 1) allowing equity responses to depend on whether the news surprise is good or bad. Details are set out in Equation (3). We specify the reaction to economic announcements conditional on the sign of the news as below:

$$r_t = \alpha_{Bad} \times Bad + \alpha_{Good} \times Good + \beta_{Bad} \times Bad \times \Pi_t^u + \beta_{Good} \times Good \times \Pi_t^u + e_t \quad 3$$

Bad and Good are zero-one dummy variables for bad news and good news respectively.

Bad = 1 if the surprise at time t is ‘bad’(higher than expected inflation), and zero otherwise; Good = 1 if the

surprise at time t is ‘good’(lower than expected inflation), and zero otherwise. α_{Bad} and α_{Good} are coefficients for signs of the news. All other variables are defined as in Equation (1). Table 4 shows the sign coefficients along with F statistics which tests the null hypothesis of $(H_3 : \beta_{Bad} = \beta_{Good})$.

Table 4: Responses of BIST 100 Index to good and bad Inflation news

	15 minutes	30 minutes
Announcements CPI (Mom)		
<i>Bad News</i>	-0.3354 (0.045)*	-0.5092 (0.00)**
<i>Good News</i>	-0.1459 (0.33)	-0.3456 (0.13)
$H_3 : F - test$	0.72 (0.39)	0.32 (0.57)
Announcements CPI (Yoy)		
<i>Bad News</i>	-0.3373 (0.025)*	-0.5011 (0.00)**
<i>Good News</i>	-0.0469 (0.70)	-0.1836 (0.29)
$H_3 : F - test$	2.19 (0.14)	1.68 (0.19)

Table 4 shows Beta Coefficients and corrected p -Values in parantheses from a Regression of BIST 100 index returns on CPI surprises using fifteen and thirty

minute horizon Returns. Estimated regression is as follows:

$$r_t = \alpha_{Bad} \times Bad + \alpha_{Good} \times Good + \beta_{Bad} \times Bad \times \Pi_t^* + \beta_{Good} \times Good \times \Pi_t^{**} + e_t$$

. * and ** indicate significance at the 5 and 1 percent levels, respectively. At the bottom of the related CPI announcements null hypotheses of H_3 tests whether BIST 100 Index responses to bad CPI announcements are different from the responses to good CPI announcements. *p-values* of related Wald F statistics are also reported in parantheses.

We expect stock returns to be more sensitive to bad news compared to good news which is consistent with previous findings. Surprisingly, we document some interesting results. We find that good inflation news has no impact on stock prices. The good news coefficient is not statistically different from zero. However, we find strong evidence that bad news affects stock prices. The bad news coefficient is statistically different from zero. Our econometric model suggests that a 1% unanticipated increase (bad news) in the CPI (Mom) index is associated with a significant 0,34 % and 0,51% decrease in the stock prices in the first 15 minutes and 30 minutes of trading respectively. Similarly, for an unanticipated 1% increase (bad news) in the CPI (Yoy) index, stock prices decrease by 0,34% and 0,50% in the first 15 minutes and 30 minutes of trading respectively. We also find that the difference between good and bad news responses is not significant (is not rejected with 5% significance levels) for any of the four cases stated previously.

5. Conclusion

In this article we have examined the intraday response of stock prices, in the period of 2010 to 2018, to inflation announcements in Turkey. We use intraday stock returns and choose a rather short event window of 15 minutes

and 30 minutes around inflation news announcements to minimize the noninflation news.

The question of interest to us is whether inflation news has an impact on equity prices. Our answer is yes. We find that unanticipated increase in the CPI (bad news) causes equity prices to fall. The next question then arises as to whether the relationship between stock returns and inflation is state dependent. Our answer to this question is also yes. We find that inflation news has significant impact on stock prices during a strong economy, whereas we find no evidence that inflation news affects stock prices during a weak economy. Our last question is whether the stock response varies with the direction of the news. Our answer is again yes. We document a significant stock-inflation relationship when the news is bad, but provide no evidence of stock-inflation relationship when the news is good. In other words, while investors are sensitive to bad inflation news, this is not the case for the good ones.

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Chapter 12

THE ROLE OF TRADE LIBERALIZATION AND GDP ON TEXTILE & CLOTHING EXPORT: THE CASE OF JAPAN

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1. INTRODUCTION

Textile & clothing industries are so significant in terms of economic development of any country and indispensable for production economics. It plays a vital role in the early period of industrialization in Japan, Great Britain, and North America in terms of export oriented development of countries. Besides, Taiwan, Hong Kong, and the Republic of Korea place reliance on textiles & clothing, as a result, they had increased their export volume from 1950 to at the end of 1980. Especially, for the last twelve years, so many Asian economies, including China have become major exporters and producers of textiles & clothing market. Main South Asian countries, concerning, Sri Lanka, India, Bangladesh and Pakistan, have arisen as an important textile & clothing exporter economies in the 1990s as well (Yongzheng and Chuanshui, 1998).

The United States' textile & clothing market fall into dramatic changes due to intense worldwide competition. Textile & clothing trade volume has been raised sharply while the United States' local production capacity has demonstrated a drastic fall in 1990. Taking into account this fact, the majority of the USA's companies has shifted to low wage economies such as Asian countries. Heavy competition in local industries and exportation has ended up in a dramatic shift in the USA compelled firms to carry out major strategic movement and changes in terms of new management systems, manufacturing technologies and effective relationships with clients and suppliers. The fate of trade liberalization has changed due to fierce competition conditions. For instance, the Caribbean Basin Initiative (CBI) ensured unlimited access to the United States' industry and market, if clothes made by specific fabrics which is produced in USA. Both tariffs and quotas were partially reduced, especially on textiles & clothing and apparel produced from materials made in partner countries under the NAFTA. Quotas originating

textile outputs were phased out in 2003. FTA agreements in textiles & clothing expedited transnational production networks of clothing manufacturing among the relevant countries and USA. It allows the relocation of United States' textile plant facilities to Mexico to obtain the fabrics to the growing amount of clothing producers as well (Seyoum, 2007).

The Heckscher-Ohlin theory defines observed specializations and carries out optimum allocation (after trade openness) to markets in which essential inputs in developing economies, including permanent assets and or incapable workers outweigh in terms of trade activities. In this context, when the developing economies decrease tariffs and quotas on the imported items, the Heckscher-Ohlin theory estimates that the fall in the cost for the import induced market will adversely influence the factor of production that performed comparatively intensively in the manufacturing of the imported products (capable workers in developing economies) and take advantage of the factor of production performed intensively in the export market (incapable workers in developing economies). In addition, removing trade barriers ensure a better macro-economic policy that is connected to have an effect on market performance. Nominately, challenging conditions of competition cause to rule out insufficient manufacturers in the market. Thus, difficult conditions of competition have a positive impact on industrial performance. Lowering tariff and non-tariff barriers may decrease profit-seeking opportunities and boost competition among local manufacturers facing imported products. Besides, in raising the level of competition to which local goods are subject in domestic industries, imports ensure incentives for companies to push forward their operations. In addition, in response to the competition in external industries, exporting companies try to reach to modern technology to sustain or insure their market

position. Therefore, it ensures an opportunity to raise its qualification (Mouelhi and Ayed, 2007).

Yirmibesoglu (2015) states that globalization is a process which is driven by new technologies and new commercial relationship. Besides, this process is a political sphere involving governments, international companies, business and civil society. Globalization ensures sustainability in the context of international trade in goods and services, the free movement of capital and labor between countries, and the reproduction and dissemination of technology. Yirmibeşoğlu (2015) also specifies that the process of liberalization in trade is one of the most important facts of globalization such as westernization and modernization. The influence of this parameter on trade beyond borders is complemented by media imperialism and consumption culture. In the light of this information, consumption culture is repressed Japan to purchase more cheap textiles and clothing products from China. Thus, China has won the trade war.

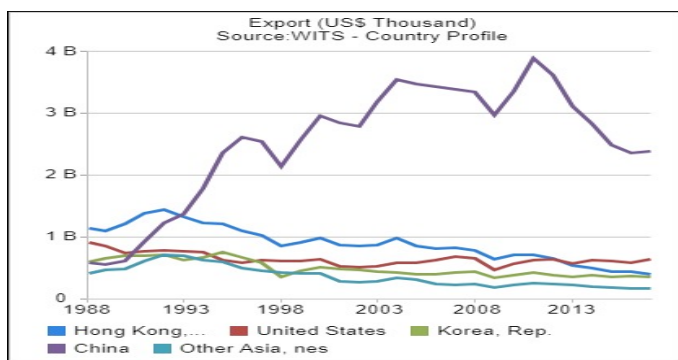


Figure 1: Japan Textiles and Clothing Export to By Country and Region in US\$ Thousand 1988-2017. Source: World Integrated Trade Solution

According to Figure 1, Japan textiles and clothing exports were mostly performed in China after Hong Kong. Therefore, Japan's most significant trade partners

are China, Hong Kong, United States and the Korea Republic. According to both of figure 1 and 2, the most important trade partner of Japan is China in terms of import and export. Especially after 2008, the textiles and clothing export declined dramatically from China to Japan. However, it decreased sharply due to trade barriers which were intervened by the Japanese government. For this reason, the same trade policy was performed by the Chinese government, which can be expressed as retaliation. Consequently, textiles and clothing trade volume decreased sharply among Japan and China resulting from trade restriction.

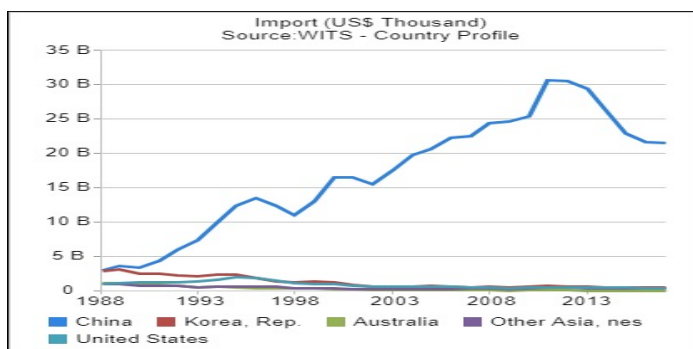


Figure 2: Japan Textiles and Clothing Import from By Country and Region in US\$ Thousand 1988-2017.

Classical trade theories including, Adam Smith's absolute advantage, Mercantilism and David Ricardo's comparative advantage were taken into account when correlating the variables of trade openness, GDP and export volume of textiles at the conclusion part of this manuscript. According to mercantilist; the state should intervene in economic activities to maximize national wealth. It advocates an interventionist and protective state and prohibits the export of raw materials. It also restricts imports by imposing quotas on customs duties. However,

China's course cannot be stonewalled because of its cost leadership strategy in terms of exportation. Today's economic historians acknowledge that the first step in the economic differentiation of particular geography from other geographies has taken place on the European continent, especially since the mid-15th century. This is the beginning of the mercantilist movement.

The theory of comparative advantages was introduced by David Ricardo (1823) about 40 years after the Theory of Absolute Advantage and remained a convincing theory. Characteristics of Comparative Superiority Theory; (1) there is an exchange of goods instead of money. (2) The goods are compared with the labor force and compared with the number of units. (3) The goods have homogeneous properties. For example, Japan able to buy only half $\frac{1}{2}$ food product for 1 textile product within its borders. However, when compared to China, when it gives 1 textile product, it buys 2 food products. On the contrary, Japan can buy 2 textile products by giving 1 food within its borders, while China able to buy half textile products for 1 food. International trade was firstly discussed scientifically in Adam Smith's (1776) book *The Wealth of Nations*. As it will be clear from the name of the theory, countries should concentrate more on the products they are good at in production while trading with each other and specialize in this field and advocate for lowering costs and doing mutual trade.

This manuscript is organized as follows: Section 1 gives general information regarding the theoretical background of the subject and its content. Section 2 concludes the summary of the literature review regarding textiles and clothing import in terms of liberalization and empirical results of researchers. Section 3 represents the findings and analyzing results. Finally, section 4 concludes this manuscript by providing opinion and recommendation in terms of Japan's textile sector.

2. LITERATURE REVIEW

There are several works regarding the short and long-run relationship between trade liberalization (trade openness), economic growth (GDP), textile & clothing export and their influences to domestic and foreign industries from an input (raw material) to output in the academic literature.

Free Trade Area (FTA) would deepen the changes in production capacity of the markets brought regarding by the Uruguay Round except for two markets. As in the case of the Uruguay Round, the chemical and the agricultural markets would demonstrate the huge rises while the nonmetal mineral market would experience the worst shrinkage. However, the exceptions are the mining and textile markets. In these markets, the product would revive under the Free Trade Area from the levels contracted in the Uruguay Round. The changes in clothing product in the Uruguay Round would turn into positive in the Free Trade Area. Thus, the negative effects of the phase out of the Multifibre Arrangement would not occur at all in the Free Trade Area, the further trade openness would expediently influence the clothing market (Hosoe, 2001).

When international trade barriers are decreased, this policy has significant consequences for the export capacity of developed and developing countries. Therefore, a country can gain some advantages or can suffer from current account deficit. Trade liberalization leading towards more exports and appropriate utilization and distribution of resources can speed up the growth by attracting more FDI (Chaudhary and Amin, 2012).

Wumi and Rutaihwa (2010) express that there is a crucial effect of trade liberalization on employment performance for textile & clothing industry in Tanzania. There is a long-run relationship between export & import

and demand for labour in the industry in Tanzania from 1980 - 2007. Busse and Gröning (2012) defend that FTA ensures low increases in total export volume if specific sectors are foreclosed or if local companies cannot overcome a rise in demand. Jordan's commercial treaty with USA, has allowed a massive rise in exports to the USA. Since the increase has been limited to the clothing market with a slight rise in value-added for Jordan, the advantage of a greater increase in export volume can be problematical.

Mehar (2007) examines that the Japan, Switzerland and United States will be ultimate beneficiaries of the free trade because these countries' structures of economy ensure them with the opportunity to re-export the imported goods at optimum price. The trade liberalization will not ensure many advantages to Thailand, Turkey, China, Korea and Indonesia.

Khandelwal, Schott and Wei (2013) point out that China's clothing and apparel exports before and after the elimination of externally imposed export quotas. They find that fall in export costs following quota removal is driven by net entry, and demonstrate that this dominance is inconsistent with performing of a productivity-based distribution of quota licenses by the government of China.

Anwar Shaukat and Hussain (2010) is implemented co-integration test from 1971 to 2008 as annual data for Pakistan. The quantitative test demonstrates that international trade policies (liberalization & trade openness) have a crucial impact on the export of textile & clothing for Pakistan. Taking into account this fact, further reforms are required by performing the liberal trade policy, decrease export & import volume restrictions to stimulate the economy.

Table 1. Summary of Literature Review Regarding Textiles and Clothing Import In terms of Liberalization and Empirical Results of Researchers

Authors	Years (Data Interval)	Applied Methods and Regions	Conclusion
Dadakas, and Katranidis (2010)	1976 - 2000	Multi Market Analysis for Greece	Multifiber Agreement (MFA) were not reached its goal which is proved empirically. Trade liberalization, sealed the fate of the MFA at Uruguay Round in 1986. Changes in the pattern of imports protection, which were decided with the signing of MFAs, influenced unfavourably the transfers to cotton producers.
Wumi and Rutaihwia (2010)	1980 - 2007	Johansen Co-integration test is used for Tanzania	The research results demonstrate that there is a significant impact of trade liberalization on employment performance for textile & clothing industry in Tanzania. There is long-term stable relationship among export & import and demand of labour in the industry of Tanzania.
Anwar Shaukat and Hussain (2010)	1971-2008	Co-integration test is implemented for Pakistan	The quantitative test indicates that international trade policies (liberalization & trade openness) has a crucial impact on export of textile & clothing for Pakistan.
Mouelhi and Ayed (2007)	1996-2003	Region: Tunisia, Applied Test: GMM Method	Removing the tariff and non-tariff barriers has no effect on manufacturing growth in terms of textile & clothing and employment growth.
Nawaz , and Kalim (2014)	1980-2011	Johansen Co-integration test is used for Pakistan	There is a stable long-run relationship between revealed comparative advantage of textile, geographic concentration, world real per capita income, exchange rate and export performance for Pakistan.

Busse and Gröning (2012)	1980 - 2007	Region: 137 Countries, Applied Test: PPML-Estimator	Free Trade Area ensures low increases in total export volume if specific sectors are foreclosed or if local companies cannot overcome a rise in demand. Jordan's commercial treaty with USA, has allow a huge rise in exports to the USA. Since the increase has been limited to the clothing market with a slight rise in value added for Jordan, the advantage of greater increase in exports volume can be problematical.
Shetty, Kiran and Dash (2013)	100 textile and clothing exporting firms (2013)	The data is gathered from a sample of 100 textile and clothing exporting firms located at Bangalore city, implementing a structured questionnaire	The findings of their work demonstrate that the primary influence of quota removal on the exporters is increases the clothing and textile exports volume and widening their sector and profit margins as well. Therefore, it brings a lot of marketing challenges, such as delivery, quality standards, pricing, and production capacity, notably influences the smaller actors. It is greatly the bigger actors that have capitalized on quota removal.
Chandran (2009)	1970-2003	Granger Causality Test and ARDL Model are used for Malaysia	There is a long-run relationship between trade openness and manufacturing value-added between 1970-2003. The unimportant coefficient of short-term Granger causality might demonstrate that high trade openness growth does not require to generate economic growth in the short-term.
Siddiqi, Ahmad, Khan and Yousef (2012)	1971-2009	OLS, Johansen Co-integration test is used for Pakistan	World income is the main component of export demand as it indicates high coefficient of income for export volume of textile & clothing market while trade openness is other main parameter of export demand which is the part of the model as the proxy of trade barriers as well. Rest of the parameters also indicates their crucial contribution in determining the export demand. Finally their manuscript also finds out the long term relationship among export demand and trade openness.

Gatawa, Aliyu, Musa (2013)	1985-2005	Fixed Effects Regression Model (FEM) is used for Nigeria, Kano	Liberalization (trade openness) as measurement of globalisation has a negatively vital effects on textile production in two models. Finally, as the level of exports rises it is expected that economic growth through imports decreases clearly.
Musila and Yiheiyis (2015)	1982-2009	OLS regression for Kenya	it was founded that negative lagged linkage among trade openness, level of investment and economic growth. In addition, the negative influence of trade openness may occur when trade policies, although they may enlarge the trade which causes a rise in the cost of intermediate materials of manufacturing in Kenya throughout the period of structural adjustment programs. Besides, at the beginning of the Kenyan market to foreign competition witnessed the bankruptcy of companies in the textile and automobile markets as they could not compete with the cheap imports. Similarly, agricultural market was under similar stress due to foreign competition as well.
Binici, Cheung and Lai (2012)	1970-2008	Regions: Japan, USA, Denmark, Austria, Italy, Belgium, Canada, Finland, Norway, Germany, Netherlands and UK. Applied method: Dynamic panel data estimation methods.	Trade liberalization influences inflation via changes in high industry competition and productivity. Besides, the sector of textiles, textile products, footwear and leather are most open product to import competitiveness. Trade openness and market competitiveness changes can all vary substantially across sectors even within the same local market.

3. METHODOLOGY AND DATA ANALYSIS

In this chapter, econometrical methods are used to clarify the effects of trade liberalization and GDP and GDP square on clothing and textile export in Japan from 1988

to 2017. Data is derived from Worldbank's (2019) and WITS's (2019) official website as annual data (30 years) to make it a parametrical test. The first major goal is finding out the long-run relationship among variables and impact of independent variables on the dependent variable as well.

Table 2. Results of Unit Root Test

Variables	Phillips Pearson (PP)	
	<u>I(0)</u>	<u>I(1)</u>
GDP	-2.246 [0.195]	-4.181* [0.003]
GDP2	-2.031 [0.272]	-4.497* [0.001]
Trade_lbr	-0.589 [0.858]	-6.064* [0.000]
Textile_cloth	-1.798 [0.373]	-3.394* [0.019]

Before implementing FMOLS, DOLS, and CCR Analysis for Japan (1988 – 2017), the structure of series are examined in terms of stableness. According to results of Phillips Pearson (PP) unit root test, the series are not stationary at I(0) and after taking first-order difference, I(1), Phillips Pearson (PP) unit root test is used again. The results indicate that all series become stationary, which means that FMOLS, DOLS, and CCR Analysis for Japan test is applicable at present (see Table 2).

Table 3. FMOLS, DOLS, and CCR Analysis for Japan (1988 – 2017)

Variables	Dependent variable: Textile_clothing Export					
	Fully modified least square (FMOLS)		Dynamic least square (DOLS)		Canonical co-integrating regression	
	<u>T-statistics</u>	<u>P-value</u>	<u>T-statistics</u>	<u>P-value</u>	<u>T-statistics</u>	<u>P-value</u>
GDP	3.158131	0.0041	1.570193	0.1387	3.481707	0.0018
GDP2	-2.210680	0.0364	-1.124580	0.2797	-2.366876	0.0260
Trade_lbr	9.209088	0.0000	5.407357	0.0001	8.774190	0.0000
C	-3.972658	0.0005	-1.872875	0.0821	-4.497317	0.0001

The main research question of this manuscript is the impact of trade liberalization and GDP on Textile & Clothing export and their long-run relationship in Japan from 1988 to 2017. According to results of FMOLS, DOLS a CCR model there is a stable long-run relationship among variables and trade liberalization affects textile clothing export which demonstrates that removing barriers of the trade such as customs and tariffs increases trade capacity notably at clothing industry in Japan (see Table 3).

In econometrics, the generalized moments method (GMM) is a general method for estimating parameters in statistical models. Generalized moments method (GMM) is a form of statistical analysis that combines the observed economic data with the information of population moment conditions to estimate the unknown parameters of the economic model. After having these parameters, it should be examined at the probability values to make inferences about the fundamental questions.

(GMM) the equation of linear relationship between variables;

$$gt(wt, \delta_0) = xt \varepsilon t = xt (yt - zt \delta_0) \text{ is first equation.} \quad (1)$$

$$yt = zt \delta_0 + \varepsilon t, t = 1, \dots, n$$

$$zt = L \times 1 \text{ descriptive variables vector}$$

$$\delta_0 = L \times 1 \text{ unknown coefficients vector}$$

$$\varepsilon t = \text{random error term}$$

Instrumental variables are;

$$E[gt(wt; \delta_0)] = E[xt \varepsilon t] = E[xt (yt - zt \tau \delta_0)] = 0. \quad (2)$$

$K \times 1$ Instrumental Variables xt assumed as a vector.

zt includes part or full of components

$wt, \{yt, zt, xt\}$'s represents the vector of the unique and non-constant elements. $\{wt\}$ is assumed to be a static

and ergodic stochastic process. Time series may have self-relationships, and it can be said that this can lead to false results and endogeneity problems. GMM technique has been applied to minimize the internality problem. Different TSLS (Two-Stage Least Squares), White and HAC, were applied by applying different GMM methods by choosing TSLS method. The analysis results of GMM is demonstrated below.

Table 4. GMM Root Mean Square Error Results

GMM Methods Errors Comparison	Root Mean Square Error (RMSE)
GMM/TSLS	5.39
GMM/White	7.05
GMM/HAC	5.46

Table 5. GMM (Generalized Method of Moments)

Dependent Variable: Textile_cloth (Textile & Cloth)				
Applied Method: GMM				
Sample Size: 1988 - 2017				
Observations: 30				
Estimation weighting matrix: TSLS Two Stage Least Squares				
Standard errors & covariance computed using estimation weighting matrix: C D(FDI) D(External Debt) D(Energy)				
<u>Variables</u>	<u>Coefficient</u>	<u>Std. Error</u>	<u>t-Statistic</u>	<u>Prob.</u>
C	-70662350	14744676	-4.792398	0.0001
Trade_lbr	940287.4	87443.37	10.75310	0.0000
GDP	3003.593	26.8375	3.632628	0.0012
GDP2	-0.027513	0.011291	-2.436721	0.0220
AR(1)	-0.721346	0.274685	-4.032217	0.0034
AR(2)	-0.629566	0.236715	-1.736236	0.1473
R-squared	0.243350	S.D. dependent var		2.560588
Adjusted R-squared	-0.007800	Sum squared resid		142.0789
S.E. of regression	2641066.	J-statistic		0.140000
Durbin-Watson stat	1.650911	Prob(J-statistic)		0.000000
Mean dependent var	1.074572			

Table 4, the lowest root mean square error is found in the GMM-TSLS methods. Therefore, GMM-TSLS method is chosen for the analysis. According to GMM-TSLS analysis (Table 5), there is no validation problem since the t-statistic value is more than 0.05. AR (1) is significant, and AR (2) is meaningless.

Therefore, the correlation between the parameters of the time series and the parameters leading to or behind by a fixed amount of time in terms of these parameters has been confirmed clearly. Furthermore, when taking into account the Generalized Moments Method - TSLS (Two-Stage Least Squares) model, there is no autocorrelation problem since the Durbin Watson value (1.65 - see Table 5.) is close to 2.

Instrumental variables are added to the analysis as well. For the periodic intervals, three dummy variables are also used. The first dummy variable is FDI, which indicates Japan's total foreign investors for the years 1988-2017. Another dummy variable indicates the overall external debt of Japan for the years 1988-2017. Energy consumption for Japan is used as the last dummy variable.

In the Generalized Moments Method, the liberalization process (trade openness), GDP and GDP square affect the textile & clothing export of Japan. Therefore, these empirical findings are considerably significant.

4. CONCLUSION

Japanese companies, widely use in-house strategy, for adaptation of imported inputs' technology at 20th century for locating technology with high capacity of production growth by implementing Porters' Generic Strategies cost leadership. However, it is remarkable that productivity may have affected by trade reform, and any short-run fall in production capacity may be solely temporary. For

this reason, the main reforms seem to be necessary if the potential advantages of liberalization are to be completely achieved. In fact, according to FMOLS and CCR model (see table 3), there is a stable long-term relationship between trade liberalization and (economic growth) GDP. Taking into account this fact, further reforms are required by applying non-liberal, increase import restrictions to stimulate the economy. Otherwise, the most important textile trade partner China (see figure 1 and 2) will repress to get a market share by low-cost mass production. Thus, after 2008, the textiles trade export declined sharply from China to Japan. However, it declined dramatically due to trade barriers which were intervened by the Japanese government. According to Generalized Moments Method (GMM), trade openness, GDP and GDP square influence the textile & clothing export of Japan. Therefore, these empirical findings are considerably significant. The study suggests that the Japanese government should remove trade restrictions completely Except trade relations with China.

Adam Smith's absolute advantage, Mercantilism and David Ricardo's comparative advantage theories are considered as theoretical framework of this research. From a mercantilist point of view, China has achieved maximum benefits considering the trade relations with Japan. Because, China has made more and more times export to Japan rather than Japanese exports to China. Especially after 2008, the textiles and clothing trade export decreased dramatically from China to Japan. However, it decreased sharply due to trade barriers which were intervened by the Japanese government. For this reason, the same trade policy was performed by Chinese government which can be expressed as retaliation.

From a mercantilist point of view, comparative and absolute advantage theories Japanese government should develop a strategy to concentrate more on automobile

industry compared to textile sector. To sum up, determined policies could facilitate transitional costs by taking into account the reallocation process. These policies that restrain the reallocation process of the industries and its operations which can be postponed or even avoid a country from full advantage of trade. In order to perform its trade integration work influentially for development and high value-added product exports, Japan should take a further step in terms of structural reforms, a strategic plans to better growth and total exports by enhancing productivity and conditions of competitions.

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Chapter 13

SUCCESSFUL AGING^{1*}

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1 * This study was produced from the thesis entitled “Analysis of the Effects of the Acceptance and Use of the Technology of the Elderly on Successful Aging: Case of Adana” which was approved by Hacettepe University Department of Family and Consumer Sciences in December 2019.

INTRODUCTION

With the developing technology, the number of elderly population in the world population is increasing day by day. The increase in the elderly population has led to the development of the aging area. This increase has revealed the importance and interest of the elderly. Social adaptation, cognitive and physical function problems, psychological perceptual and behavioral problems emerge with age (Katz et al., 1970). The fact that the researches are in the center of the decline in physical functions, psychological and social status reveals the importance of successful aging for these issues. The perception of commitment to life, being positive in the assessment of the situation in terms of physical, cognitive and social relations, and the perception of coping with difficulties are important indicators for successful aging (Gabriel and Bowling, 2004). The level of being positive in an individual's self-assessment of aging is important to see his view of life and aging. Successful aging of an individual who is positive for aging depends on the harmony with her/his environment. Environmental factors are significantly affected by technology. Thanks to rapidly developing technology, social, physical and cognitive adaptation can be achieved (Chen and Chan, 2014b). What kind of technology needs the elderly person will have in the way of successful aging is possible by examining the effects of technology acceptance and use behaviors on successful aging. It is possible to determine the effects of technology acceptance and use behavior, which are influenced by many factors such as social impact, expectations, price, habit, cognitive behavior on healthy lifestyle or struggle with problems, by determining the relationship between successful aging and technology acceptance and use (Miller et al., 2004).). For these reasons, successful aging and technology acceptance and use behavior will be able to make the old person's view of life and old age-positive

(Schulz and Heckhausen, 1996), provide social cohesion (Baltes and Baltes, 1990), physical (Rowe and Kahn, 1997), cognitive and psychological. (Ryff, 1989).

Trocchia and Janda (2000) have demonstrated that physical problems (visual, hand trembling, etc.) of elderly individuals may have a positive and negative effect on internet use. McMellon and Schiffman (2000) suggested that internet users with limited mobility outside the place could spend more time outside the home than individuals with less mobility as a means to compensate for the deteriorating physical and social conditions. The use of assistive technology and the internet increases the mental stimulation of elderly individuals, improves their social relationships and contributes to their independence (Kerssens et al., 2015). In this case, the quality of life of the elderly increases with the use of technology (Hein et al., 2015; Lazarou et al., 2016; Vergados, 2010). The use of the internet reinforces the psychology of elderly individuals by enabling them to mobilize their self-confidence by overcoming the feeling of loneliness (Eastman and Iyer, 2004). Studies have shown that the use of technology and the Internet reduces the level of depression (Cotten et al., 2014), providing social networking support (Zhang and Kaufman, 2015) and increases life satisfaction and well-being (Heo et al., 2015). It was determined in a study that the use of information technologies was associated with high levels of perceived health status and subjective well-being, low level of chronic disease and depressive symptoms (Chopik, 2016). All these studies show that the use of technology positively affects the aging process of an individual.

In this chapter, the conceptual and theoretical framework of successful aging will be drawn, successful aging approaches will be clarified together with the studies in the literature and the issues related to successful aging will be examined.

CONCEPTUAL FRAMEWORK

The aging population has been the subject of interdisciplinary academic research at both the individual and social levels. Aging is a global demographic phenomenon and a politically important issue. Quality of life and successful aging, psychological, social and physical aspects is an issue that needs to be investigated (Baltes and Baltes, 1990; Havighurst, 1961). Marketing research on consumers; With the aging population, studies on consumers have increased gradually (Drolet et al., 2010). The interaction of developing technology and changing social life with the aging population leads to changes in quality of life perceptions (Dagger & Sweeney, 2006). The change of perception in terms of the elderly, changing environment, developing medical and social opportunities indicate that subjective well-being and successful aging have a multidimensional structure (Diener et al., 1998; Ostrom et al., 2010).

The term *yaş* successful aging *hastalık* is used in terms of avoidance of diseases, high physical and mental functionality, active participation in life, absence of disease in biomedical sense, psychological well-being, life satisfaction, financial security, positive view of life (Bowling and Dieppe, 2005, p. 1549). According to Rowe and Kahn (1998), successful aging is a positive mental and physical competence. Low-risk status in terms of disease is one of the symptoms of successful aging (Rowe and Kahn, 1998, p. 38). Pachana and Laidlaw (2014) describe successful aging with general health, cognitive status, activity, emotion, physical health (Pachana and Laidlaw, 2014, p. 930). Araujo et al. (2016), on the other hand, described successful aging with the status of the elderly in terms of physiological, cognitive, well-being and social sphere. The concepts as effective aging, healthy aging, good aging, productive aging, ideal aging, optimal aging, positive aging are used as an alternative

to successful aging which is clarified with many factors (Luo&Chui, 2016; Baltes, 1994; Curb&diğerleri, 1990; LaCroix,&diğerleri, 1997).

FACTORS AFFECTING SUCCESSFUL AGING

Successful aging is mainly influenced by three main factors: physical, cognitive and psychological, and social.

Physical Factors

Physical health refers to the lack of a health barrier to successful activities that require healthy aging, not being a disability, and activities that require physical action (Bowling et al., 2003). Pain is an important factor that can limit daily activities and decrease the pleasure of life. Physical barriers create problems in daily activities such as walking and social participation (Cabedo and Escuder-Mollon, 2013).

Autonomy refers to the individual's health, physical, psychological, financial or social independence. The belief of the elderly individual in his / her ability to succeed in a subject considered as a target is also evaluated within the concept of autonomy (Murphy & Topel, 2006). Self-efficacy, independence provides predictions about the autonomy and quality of life of an elderly individual (Åberg et al., 2005). However, in addition to this, gerontechnological devices assist autonomy, walking aids, health, physical, psychological, financial or social obstacles that alleviate or eliminate situations that contribute to the successful aging and quality of life of the elderly individual (Donoghue et al., 2003).

The idea of pathological aging is based on the idea that aging is co-existing with the disease and that it includes age-related disease symptoms and the decline process (Rowe and Kahn, 1987). Weakening of the bones

due to aging and increased fragility, loss of functions of the organs caused aging to be seen as a kind of chronic disease. Pathological aging is an aging process that is determined by medical science and disease syndromes (Baltes and Baltes, 1990, p. 8). Elderly dementia, forgetfulness, and memory loss are the most common disease syndromes in this process.

Aging causes loss of muscle mass and strength, called sarcopenia, and increases in fat mass ratio. It has been shown that these changes are due to some extent to hormones, deterioration of physical functions and movements, increase of dependence on external factors and increase the risk of mental problems and death (Doherty, 2003, p. 1717). Besides, it is a well-known fact that individuals who participate in regular daily activities and perform physical movements have better health standards (Guadalupe-Grau et al., 2016, p. 1; Vermeulen et al., 1999, p. 13).

Healthy aging refers to the absence of disease in the biomedical model and the preservation of physical and mental functions. The psychosocial model focuses on life satisfaction and social participation. In the status model, success and contribution to life gain weight. When all three approaches are considered together, it can be said that health, psychological factors, social role, relationship, and activities and neighboring factors are the key factors on healthy aging (Wilkie et al., 2013, p. 2).

Aging is not only manifested by an increase in health problems. According to normal aging, aging is not directly related to health problems but is associated with the risk of these problems. Therefore, to differentiate the aging process from the pathological aging process, the idea of normal aging has been proposed (Busse and Maddox, 1985, p. 5). Aging compared to normal aging is not a result or cause of health problems. Aging other than

the science of mental and biological disease is expressed as normal aging (Baltes and Baltes, 1990, p. 7). Ordinary aging refers to a process in which individuals do not have symptoms of the disease, but some physical and cognitive losses may occur, in short, no pathological signs of aging (Palmore, 1970; Rowe and Kahn, 1987).

While the fact that aging is not only related to health problems contributes to the literature, the inability to explain the effects of external factors on aging has been the unsuccessful aspect of normal aging. Negative effects of workplace stress, sadness, and anxiety on human health were not seen as a risk factor in normal aging (Rowe and Kahn, 1987).

Cognitive and Psychological Factors

Psychological health is an important factor that affects the perception, emotions and cognitive system of the individual and affects the quality of life and successful aging (Diener et al., 2003). As a reflection of the effects of positive psychology on humanity, psychological health is an important factor that will increase self-esteem and improve the ways of being happy by giving positive perspective (Pavot and Diener, 2013). The positive perception and directing of the living environment, the current situation and the events experienced by the elderly individual will contribute to the successful aging and quality of life (Reboussin et al., 2000).

Positive aging is an extension of positive psychology. Some specific behaviors have been showed to mediate the deteriorating effects of aging on the current condition. The ability to mobilize hidden or undiscovered forces, flexibility in thought and behavior, decision-making style that supports individual well-being, and an optimistic view of age-related decline/downfall is called positive aging characteristics according to Hill (2011). Hill and

Mansour, 2008, pp. 311). Hill (2011) stated that the main features of positive aging are the ability to mobilize their ability to cope with hidden or undiscovered difficulties, flexibility in thought and behavior, an optimistic view on regression, and decisions that confirm personal well-being (p. 70). The Positive Aging Measure (PAM) The positive aging scale consists of four dimensions: flexibility, optimism, mobilizing resources, affirmative decision making (Hill, 2005, Hill, 2008, Hill, 2011). Flexibility refers to the capacity of an individual to resort to new and unconventional strategies in behavior and thinking to demonstrate the best fit (Hill, 2011, p. 71).

Optimism refers to looking at life positively, focusing on alleviating negative symptoms caused by problems, and striving for happiness. Optimism is not only a personality trait but can be learned by individuals (Seligman, 2011). Human is a social entity that is sensitive to its environment. As a result, cultural and social factors have an impact on optimism.

Mobilizing resources is the discovery of hidden potential. Physical regression that occurs with old age may push the individual to social regression. This can push the individual to use external resources, for example, social communication through the network. The need for social support, resulting from aging, limited physical and mental activity features enables the individual to mobilize internal resources such as awareness, recall, and self-reflection (Angle and Perry, 1981). Mobilizing resources also affects individual well-being (Slagle, 2011, p. 24).

Affirmative decision making is an internal choice of how an individual sees himself / herself. Activities such as medical care, cultural values, healthy living, and personal care are examples of taking positive decisions in order to protect and hold on to the negative factors affecting the quality of life (Hill, 2011, p. 72).

Social Factors

Family and social support, relationships with friends and neighbors, and personal relationships constitute the social relationships of the elderly individual (Diener et al., 2003; Amerigo and Aragones, 1997). Social relationships allow the individual to think that he or she is valued and to develop relationships with the social environment (Stroebe, 2000; Arber, 2004). Human factors such as disrespectful behavior, good neighborly relations; functional factors such as local government services, transportation problems; physical factors such as noise pollution, proximity to transport vehicles, parks and green spaces affect social relations and quality of life (Keysor et al., 2006; Bonaiuto and Alves, 2012; Noreau et al., 2002).

The concept of efficient/productive aging reflects the challenge posed by the possibility that older people will consume increasing amounts of social resources in terms of retirement, health and long-term care services and related public services (Luo and Chui, 2016, p. 27). The concept of productive aging was first proposed by Robert Butler at the Salzburg Conference to overcome the growing concern over the dependence on aging and the social burden of the aging population (Luo and Chui, 2016, p. 28). Efficient aging is related to the field of economics, but the production of marketable products and services refers to the factors that will ensure the sustainability or failure of a high quality of life (Curb et al., 1990, p. 827).

Acceptance of Gerontechnology

Chen and Chan's (2014a) 10-point Likert scale on 1012 (256 males, 756 females) Chinese adults living in Hong Kong aged 55 and over, with three main sections of gerontology, health and talent characteristics, demographic characteristics It was found that personal attitude, age, and gerontechnological self-efficacy are strong indicators.

In this study, it is tried to present suggestions about how future technology should be developed according to individuals with various competencies.

Chen and Chan (2014b) researched the acceptance of information technology by older people, which factors affect the acceptance of information technology by older people, which of these factors are more important for the elderly? what is the relationship between the intention to use information technology and these factors? questions were sought answers. According to the results, it is revealed that four main factors are affecting the acceptance of information technology in older people: need for satisfaction, availability of support, perceived usability, social acceptance. The need for satisfaction and the availability of support is very important for the elderly according to perceived usability and social acceptance factors.

Wang et al. (2011), in a study conducted to reveal the level of acceptance of information technologies by elderly individuals, showed that satisfaction needs and perceived usability were significantly dependent on the intention to use information technologies (Wang et al., 2011).

In a study conducted by Czaja et al. (2006) to compare the use of the Internet and technology among young and elderly, it was found that the use of gerontechnology in the elderly was less likely than the youth, and that cognitive competencies, computer self-efficacy, and anxiety mediated the relationship between age and technology compliance (Czaja et al. (2006).

Chen and Chan (2014b) conducted a study with 1012 participants to demonstrate acceptance behaviors of elderly individuals towards gerontechnological instruments and found that elderly individuals' use behaviors for health technology were generally positive (Chen and Chan, 2014b). According to the same study,

gerontechnology self-efficacy, anxiety, facilitating conditions provide predictive behavior. Findings reveal that personal characteristics such as technology self-efficacy and anxiety and facilitating conditions are more determinative in the elderly than perceived benefits of the use of gerontechnology. The results of the study support the positive and significant effect of perceived ease of use on usability and ease of use and usefulness attitude towards use. The questionnaire consists of three main sections: the use of gerontechnology, attitudes, and perceptions towards gerontechnology, demographic characteristics (Chen and Chan, 2014b). Mitzner et al. (2010) found that older individuals use technology mainly for communication, support for daily activities and entertainment.

CONCLUSIONS

Various researches have been conducted on successful aging abroad using different models. Hsu (2015) found that successful and healthy aging was highly affected by life satisfaction, physical and cognitive function, depressive symptoms, and life satisfaction in a study conducted on the effects of multiple turbidity on trajectories and successful aging.

Wilkie et al. (2013), in a study conducted to detect healthy aging, found that with the spread of healthy aging in elderly people, widespread musculoskeletal pain occurs. Rowe and Kahn (1997) found that success in the aging process occurs with the prevention of disease and disability, commitment to life, high cognitive and physical function. Parslow et al. (2011) found that factors that measure mental and physical health and social support significantly and independently contribute to successful aging, health behaviors, the degree of physical exercise, and the relationship between non-smoking and physical health contribute to successful aging.

Kohout et al. (1993) demonstrated the effects of advanced, normal and impaired functions of elderly, male and female elderly people on successful aging by applying a multislice survey of people aged 65 years and older, with two short forms of the Center of Epidemiological Research Depression (CES-D) symptoms index. Reker (2009) applied the scale obtained by the literature research on elderly individuals to prevent disease and weakness, to have high cognitive and physical function, commitment to life, choice, optimization, compromise, primary and secondary control, and psychological well-being. In conclusion, a healthy lifestyle, adaptive coping and commitment to life were found to be effective on successful aging. Bowling and Iliffe (2006) in their study with 999 elderly individuals over 65 years of age to measure the quality of life with the 7-point Likert scale questions were asked. According to the results of the study, the multidimensional successful aging model was found to be a more powerful tool in determining the quality of life of individuals.

In the literature, successful aging is explained with physical, cognitive, psychological, social and technological dimensions. A successful aging scale is recommended for future studies. Due to the increasing number of elderly population and medical innovations, the average age is gradually increasing in developed countries. To increase the elderly population in developing countries, studies on successful aging should be increased.

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Chapter 14

EVALUATION OF GALLIPOLI HISTORICAL SITE IN THE SCOPE OF INTERNATIONAL BATTLEFIELD TOURISM

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INTRODUCTION

Wars, which are a modern security issue, have long-term social effects. These effects are separated before, during and after the war (Smith, 1998: 202). Battlefield tourism, which is an important component of National and International Tourism, has taken place in the lives of people since the day humanity has existed and has caused radical changes in the process both on individuals and societies (Basarın, 2011: 4). The two great world wars in the 20th century witnessed huge losses and suffering on people. These areas where Great Wars took place attract the attention of millions of people today. This movement towards the battlefields led to an important tourism activity that started with the commemoration ceremonies and called the “Battlefield Tourism” (Atay and Yeşildağ, 2012). Generally, the battlefield tourism; Contributing to world peace is important within the framework of developing positive relations in the field of people and international relations.

In Turkey, the most important battlefields are located in Canakkale especially Gallipoli Historic Area. Having a rich heritage in terms of historical elements, Çanakkale is a well-known battlefield destination worldwide. In terms of Turkish history, and laid the foundations of the Republic of Turkey where the first recognition of the important personalities of the place and staff, including Mustafa Kemal Atatürk primarily performs the War of Independence it has been in this region. When the Republic was declared on 29 October 1923, the majority of the Senators who established the Republic and formed the first assembly consisted of officers who successfully managed the Çanakkale Naval / Land Wars (The Gallipoli Campaign) and the Liberation War (Avcı, 1994: 717-719).

Considering the results of the war in terms of the World History, soldiers from different nations, races and

geographical regions that formed the forces of discovery of the British, French and Colonial Soldiers under the name of the Mediterranean Expeditionary Force, could not reach their targets as a result of bloody battles lasting eight and a half months. During this period, they were able to hold on in the terrestrial area they landed and evacuated the battlefield with great losses. At the end of the war, the independence movement had started and established states. As Australians and New Zealanders acquired national consciousness in this geography, so that thousands of Australian, New Zealand and other nation citizens visit here in April every year to commemorate their ancestors (Benazus, 2007: 9-14). When the literature on battlefield tourism is scanned, there are domestic and foreign studies on Çanakkale Wars. The purpose of this study is to reveal the expectations and experiences of foreign visitors who come to visit Gallipoli Battlegrounds and their ancestors within the framework of the researches.

BATTLEFIELD TOURISM

Tourism is travels to a country or a region for purposes such as seeing, resting, having fun and getting to know it whereas all of the economic, cultural and technical measures taken and efforts to attract more masses to such areas (Hacıoğlu, 2006: 3).

The battlefields are where wars occurred in the past, and wars had multiple effects on the lives of societies. Two great World Wars, especially in the 20th century, witnessed enormous suffering. Wars have affected people's lives throughout history and even changed the fate of all humanity from time to time. As a result of this multi-faceted interaction, battlefield tourism, which is a kind of tourism, has emerged. The contribution of wars especially to tourism activities is military and attraction. Today, such areas are protected by various

legal frameworks. The most effective way to protect and transfer the battlefields to future generations was by declaring the protected area a national park. These areas are geographical differences, but they will be transferred to future generations, and where natural heritage and cultural heritage are also protected. This movement, which first started with commemorative ceremonies, led to the birth of an important tourism product, which can be called “Battlefields Tourism” (Aliagaoglu, 2008: 89). The concept of battlefield tourism, which has developed rapidly within the scope of culture-based special interest tourism, has gained importance since the mid-1990s (Hacioğlu, 2006: 5).

With the article entitled “Guided by the dark: From thanatopsis to thana tourism”, Seaton first used the concept related to the battlefields in 1996 and referred to this phenomenon as “ThanaTourism” and “Dark Tourism”. These concepts were referred to Turkish as “Dark Tourism”, “Disaster Tourism” or “Grief Tourism”. It means traveling to the aforementioned areas, seeing them and visiting the places mentioned by death attract people. Derived from the word “Thanatos”, an ancient Greek word for personalizing death, defined as a type of tourism associated with dark tourism, but more prominently towards wild deaths. Seaton names this phenomenon as Grief (Thena) Tourism and divides it into 5 groups (Seaton, 1996: 240-242):

- Travels to the fields of execution and gladiatorial fights in the past,
- mass death and massacres like Holocaust Camps II. Camps where millions of Jews gathered during World War II and Jewish genocide took place,
- cemeteries, tombs and war monuments,
- museums where war materials are exhibited,

- organizations and ceremonies in which those lost in the war are remembered.

Stone and Sharpley explain the concept of “Dark - Grief Tourism” in detail on the deep results axis of wars on families (Stone and Sharpley, 2008: 574). Foley and Lennon defined the same subject as “Dark Tourism”, describing the presentation and consumption of real and commercialized elements of death and destruction (Foley and Lennon 1996: 198). On the other hand, by Bloom, the touristic movements that affected people and where deaths took place were called “Affliction-Distress Tourism” (Morbid Tourism). Rojek has defined it as “Black Tourism” as a form of tourism that includes the grave areas called “Black Spot”, and travels to places where famous or many people are exposed to sudden and violent death. In another definition, these trips, war areas where pride and emotional effects of emotionality on individuals or societies are seen, are explained by the concept of “Sadness Tourism” (Kılıç & Sop, 2011: 9). Although all these concepts (dark tourism, thanatourism, pilgrimage tourism and secular tourism) point to approximately the same meaning and content, no agreement has been reached on a single concept. On the other hand, Taş and Koç called as “Battlefield Tourism” that visits to the battlefields as war tourism, and because of the characteristics of this subject related to wars (Taş and Koç 2014: 9). Accordingly, it can be said that thanatourism is more extensive and also includes the battlefield tourism.

FEATURES OF BATTLE TOURISM

According to the studies conducted, a place should have important features in order to be taken as a battlefield tourism destination and to be attracted by itself. These features; physical wars in the region in a certain period of time, hosting the places and items used during the war such

as trenches, positions, headquarters and hospitals to be the tourism element of the region to be taken as a battlefield, showing interest and protection to the battlefields by the states, love of the battlefields of the homeland is to contribute to spiritual values such as the consciousness of being a nation. People visit on the battlefields under the influence of great emotions make their visits with a certain respect and care. In this sense, individuals and institutions that research, design, operate and manage these spaces are also expected to have the same sensitivity while performing their knowledge generation, design, construction, operation and maintenance tasks (Hall and Basarın, 2009; Atay and Yeşildağ, 2010).

When it comes to battlegrounds, castles, naval ports and military museums come. There are battlefields in many parts of the world. Among the battlegrounds in the world, the main tourist attractions are; The Western Front is located in Waterloo in Belgium, Culloden in Scotland, in the United States, Pearl Harbor and Gettysburg. The Battle of Canakkale in Turkey as the most visited battlefield comes to the fore. There are various reasons that lead people to battlefields and the most obvious of these reasons are; Interest in history is known as visiting a particular grave, cemetery and being grateful to the sacrifice made (Seaton, 1998: 151).

Sinop Prison, the August 17th earthquake area, Dolmabahçe, Çanakkale Wars Gallipoli Historical Area and Chief Commander Historical National Park are examples of battlefield and thana tourism in the Republic of Turkey (Kozak and Bahçe, 2012: 155). In the region of the Gallipoli Historical Area Presidency, there are Anzac (The Australia and New Zealand Army Corps) Cemeteries and Monuments completed between 1919-1930 with the rights granted by the Treaty of Lausanne (Özdemir, 2011: 82).

ÇANAKKALE WARS GALLIPOLI HISTORICAL SITE

On 18 March 1915, the allies, who understood that Çanakkale could not cross the sea directly in the sea wars, turned to the idea of securing the sea passage from the land with a land operation (Hatip, 2015: 174). The British and the French, who failed to cross Çanakkale with navy over the sea, started a land operation on April 24, 1915 from 6 different points of landing on the historical peninsula. The occupation forces evacuated the Northern Group, the Conkbayırı range and the Anafartalar region first after the war, which lasted 236 days between 19-20 December 1915. After this withdrawal by the occupation forces, the divorced divisions were directed to the Southern Group, but the Alliance side, which accepted defeat after 256 days, withdrew from the war with a great loss on January 8-9, 1916. The Çanakkale War, which lasted for 256 days, ended with a great Turkish victory (Nihad, 2017: 79-81).

On the Dardanelles front, Turks gave a total of 57,263 officers and martyrs in land and sea battles. The casualty amount is around 210,000 and this number; Includes martyrs, injured people, casualties, prisoners, and those who died of various illnesses. England, of the Allied Powers, lost 205,000 and France 47,000 casualties. 7,594 soldiers died from the Australian army and 2,431 soldiers from New Zealand (Mütercimler, 2005: 666).

The planned tourism activity in Çanakkale Battlegrounds is first encountered in Australia. Çanakkale Wars is as important for the Anzacs as the Turks. Charles Bean is an official historian and researcher writer who has been to Gallipoli many times during the war years. Bean mentions that Australians ambitiously collect souvenir remains from the battlefield (Bean, 1979). “The Consciousness of Australian Nation Hood was Born”, with the opinion that Australian nationality was born on

April 25, 1915, gave Bean the idea that a war museum should be established in Australia, when the “Australian War Record” was established in London. , Bean and his entourage organized collection centers on the Western Front to collect war remains. Australian troops collected about 25,000 residues from the post-war Çanakkale Battlegrounds (Bean, 1979).

The region, which was filled with traces of the First World War after 2015, is called the Gallipoli Peninsula Çanakkale Wars History Field Presidency. This area within the borders of Çanakkale province in the western part of the Marmara region is located at the extreme point of the southern part of the Gallipoli Peninsula. Gallipoli Peninsula Historical Area is located on the south side of the part connecting the Saros Bay and Akbaş Pier.

It covers a large area of 33,000 hectares. There are 1 District (Eceabat) and 8 villages within the boundaries of the region. Eceabat and its villages are Büyük Anafarta, Küçük Anafarta, Bigalı, Kocadere, Behramlı, Alçıtepe, Seddülbahir and Kilitbahir villages. In the region, which was declared a National Park in 1973 and has an area of 33,490 hectares, it resembles an open-air museum with Turkish Martyrs and Monuments, Foreign Cemeteries and Monuments, War Remnants (Tables, weapons, trenches, wrecks), Archaeological and Historical Sites, Museums (Atay, 2008: 169).

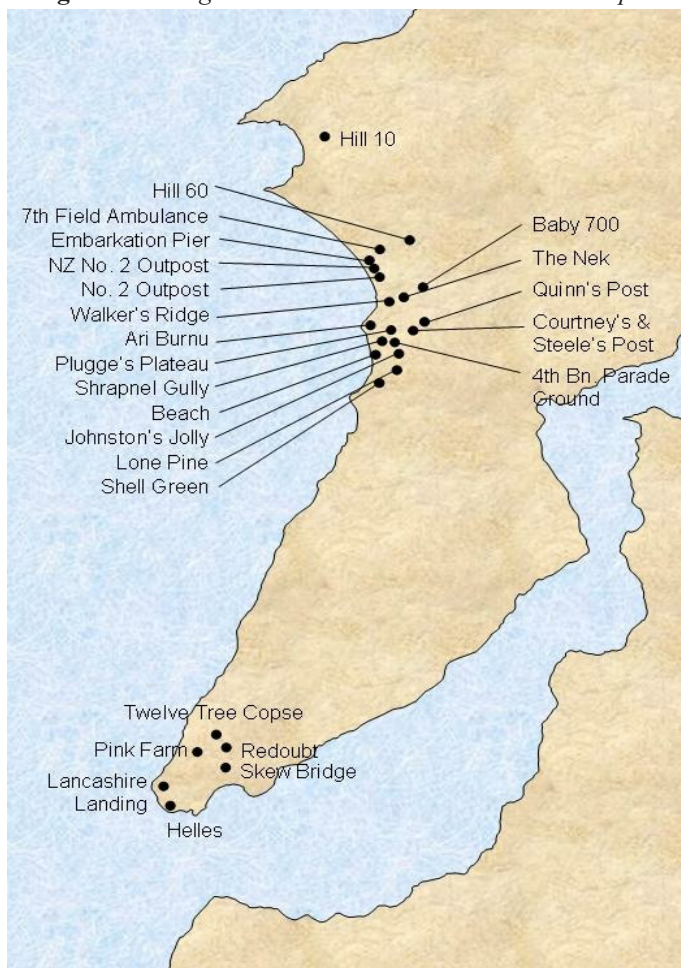
The protected area in question was affiliated to the Ministry of Culture and Tourism and entered into force on 19.06.2014 under the Law No. 6546 on the Establishment of the Çanakkale Wars Gallipoli Historic Area Presidency; With the establishment of Çanakkale Wars Gallipoli Historical Area Presidency, a new period has started in terms of legislation and approach in the field of conservation in our country with the “historical area management”. Çanakkale Wars Gallipoli Historic Site

Presidency was established and the boundaries of the area were determined (catab.gov.tr, 2019) There are 56 local Monuments, Reliefs and Martyrs on the Çanakkale Wars Gallipoli Historical Site Presidency area, and the current number increases with the discovery of new cemeteries from year to year (Kaya, 2006 : 61).

Following the 1918 Mondros Armistice and the rights granted under Article 129 of the 1924 Treaty of Lausanne, the construction of foreign monuments and cemeteries was started by the British Commonwealth War Graves Commission (CWGC). 35 monuments and cemeteries have been built within the Gallipoli Peninsula of Çanakkale Wars as of today, including the French Cemetery built by the French government and under the responsibility of the New Zealand government and the Conkbayırı New Zealand monument and cemetery, which are under the responsibility of the CWGC (Özdemir, 2011: 80).

In 1915, British built Colonel Douhty Wylie ‘Grave, Redoubt, Skew Bridge, Lancashire Landing, V Beach, Pink Farm in Seddülbahir; Hill in Suvla, and the 7th Field Ambulance cemeteries in the Greater Anafarta Region. In the place called Anzac Region in Arıburnu, tombs and monuments, whose identities are not fully identified, were built. These cemeteries built are; Baby 700, The Beach, Canterbury, Courtneys And Steels, Embarkation Pier, 4th. Battalion Prade Ground are Johnston’s Jolly, Lone Pine, The Nek, No.2 Out Post, New Zealand No.2, Out Post, Plugge’s Plateau, Quinn’s Post, Shell Green, Hill 60, Shrapnel Valley and Walkers Ridge. The monuments or tombs made during the war were surrounded by things made of wood, wire mesh, stone wall, bush (Bozkurt, 2012: 62). Figure 1 shows the distribution of foreign cemeteries in the region.

Figure 1. *Foreign Monuments and Cemeteries in Gallipoli*



Source: *British Commonwealth War Graves Commission (2019).*

RESEARCH ON BATTLEFIELD TOURISM AND GALLIPOLI

There are some researches on visitors motivation on battlefield tourism. For instance, Dunkley et al. (2011), explain arising from pilgrimage, personal or social memories, the purpose of verifying what really happened historically, and the curiosity of battlefields as three reasons for the motivation of visit to battlefields.

In Turkey, Gallipoli Historical Site Presidency is the most important battleground in terms of battlefield tourism in Turkey. According to Doğaner (2006) remaining outside history and historic ruins of battlegrounds have begun to disappear in Turkey except Gallipoli Peninsula. He claims that battlefields are an option for diversification of tourism and stated that it would be appropriate to evaluate the battlefields in this context like İnönü, Sakarya and Commander-in-Chief. When the literature on Gallipoli Peninsula is examined, it is seen that there are studies on the expectations and experiences of domestic and foreign visitors. Kılıç, Kurnaz and Sop (2011) investigated the impact of Çanakkale's attractiveness factors on the choice of destinations of local tourists and revealed that the Gallipoli Peninsula Historical Area is the most important attraction for Çanakkale.

In their research, Cavlak and Cop (2019) examined the emotional customer experience dimensions of aesthetic, entertainment and escape of domestic and foreign tourists coming to Gallipoli. They found that foreign visitors' the average of emotional customer experience is lower than the domestic visitors. According to the study conducted by Lee (2016), it has been determined that the emotional experiences of the visitors to the battlefield tourism have an impact on the cognitive experience and the cognitive experience on behavioral intent.

Akbulut and Yakın (2018), stated that the highest provincial battlefield tourism potential of Turkey is Gallipoli Historical Peninsula. According to the researchers, the wars in the past are revived through movies, series and games, and so the demand for these areas is increasing. Moreover, the emotional experience of visitors would become satisfied better.

Kaya (2006), who conducted a research on the tourist experience of visitors in Gallipoli Historical Site that revealed that “a curiosity for the region”, “desire to learn about history of the region” and “symbolic meaning of the region for visitors” are main motives for tourists. Kurnaz, Çeken and Kılıç (2013), who conducted a similar-purpose research, found that individuals’ motivations for visiting Gallipoli Peninsula Historic Area are primarily due to personal curiosity and interest motivations.

In another study, visitors stated that they made their visits with the motivation to have a cultural experience and that their experiences contributed significantly to their cultural accumulation. They stated that they recall their sadness and sorrow with their emotional and sad words, they navigate the pages of history with their historical and magnificent words, they enjoy and are proud (Kozak & Bahçe, 2012). There are “cultural”, “enlightening”, “reminder”, “informative” and “historical” adjectives “in the vocabularies that summarize the Çanakkale travels of the participants (Bittner, 2011; Birdir et al., 2015). Birdir et al. (2015) also stated that the participants were influenced by Turkish culture and Çanakkale with the words “sincere people”, “good food”, “memorable” and “friendly”. It is possible to say that tourism on the role of tourism is seen as an activity that is important for peace. They found that, after their visit, foreign visitors broke their prejudices against Turkish people and knew Turkish culture better. From here, it was found that visitors obtained learning experience. In addition, it has been

determined that environmental regulations, infrastructure and superstructure should be improved.

It may be possible to say that this finding was revealed with the finding that “feeling the importance of freedom and peace”, which is among the aims of participating in sadness tourism, in the study of Bittner (2011) increases the feelings of “being against the war”. It is seen that this experience is a priority in terms of the motivation of visitors to Çanakkale during the Gallipoli Peninsula Historical Site visits (Kılıç & Akyurt, 2011).

CONCLUSION AND RECOMMENDATIONS

Today, millions of people visit the battlefields for different reasons. Although the causes of these visits differ, spiritual and national feelings are generally observed. Every society wants to convey important events in history to future generations. For this, it is important to observe the places where the events take place and to visit the historical places such as Gallipoli Historic Site.

Battlefield tourism has turned into a tourism movement that started with the memorial ceremonies organized in the 19th century to commemorate the soldiers who lost their lives in the American Civil War, and mobilized masses over time. Commemoration ceremonies organized on the battlefields that strengthen the awareness of the nation and visits to the battlefields are also intensely supported by the relevant governments.

Many studies conducted about Australian and New Zealand visitors who show respect for the soldiers who lost their lives or injured in the battlefield in the Çanakkale Wars Gallipoli Historical Site where thousands of local and foreign visitors come every year. The reasons for visiting a battlefield, understanding and remembering history are

among the important reasons to visit the battlefields (Hall & Başarın, 2009).

The reason for Australia and New Zealand citizens to visit Çanakkale every year is not only to see Çanakkale. The reasons for travel to the battlefield are cemetery touring, experience, gratefulness and respect for their ancestor who died in war, respect for the city, national consciousness and the transfer of this consciousness to the next generations. Guests who come with this will have a desire to experience a spiritual purification (Kılıç & Sop, 2011).

On the other hand, it is the primary reason for visiting the purpose of understanding the Çanakkale War when the local visitors arrive at the Gallipoli Peninsula Historical National Park. Domestic visitors include the It can be said that the elements of visiting a famous cemetery, visiting a particular cemetery, experiencing the battlefields, and celebrating our victory are among the top priority of the visitors.

As a result of the research, studies show that the main reasons visitors coming to the Çanakkale Wars Gallipoli Historical Site is to have spiritual satisfaction. The following recommendations can be listed regarding the Çanakkale Gallipoli Wars Historical Site:

- It is to ensure that foreign visitors, while visiting the Gallipoli Peninsula Historical area, are made only by professional guides who have been trained in this field and the new hiking routes that will be created outside the usual visiting areas.

- The restricted and damaged roads to the local and foreign cemetery areas in the Anafarta region will be opened to public as soon as possible and announced by social media means that more foreign visitors will come to the area.

- Increasing the quality and number of places that serve food during the trip in order to increase satisfaction and the number of visitors.

- Encouraging the people in the villages living in the historical site to join tourism activities in context, increasing the quality and diversification of the products in the gift stands will increase visitor satisfaction.

- The number of visitors will increase with the activation and promotion of museums in the historical site. The Çanakkale Wars Promotion and Simulation Center, where visual and audio elements come to the fore to increase visitor satisfaction and opened to visitors in 2012, will increase the number of visitors. Making effective presentations with historians and guide narrators to be assigned in these centers will increase visitor satisfaction.

- Counting and statistics of incoming visitors with the entrance turnstile system established in certain places and measuring the satisfaction after the visit and studies should be done by considering the thoughts about the historical area.

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Chapter 15

ENERGY IN THE EASTERN MEDITERRANEAN: A SHAPING FACTOR FOR REGIONAL SECURITY OR INSECURITY?

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INTRODUCTION

The Eastern Mediterranean have significantly increased in importance since the hydrocarbon discoveries. The massive exploration of energy resources, particularly the natural gas has made clear that the region sits for the world's most important sources of natural gas. According to an US Geological Survey report the Eastern Mediterranean basin contains at least 122 trillion standard cubic feet of natural gas (Stocker, 2012, p. 579).

The hydrocarbon discoveries were argued to be a shaping factor for regional security and stability since the transfer of energy needed a secure environment; on the contrary the exploitation of natural gas has proven to be a catalyst in the increase of tensions between the regions of the countries. Despite there are ongoing conflicts such as the Israeli-Palestinian conflict and the Cyprus problem, it would not be wrong to argue that the region has become more heated over the past years. The Arab Spring, the Syrian civil war, the emergence of ISIL, the deterioration of Turkish-Israeli relations has complicated the inter-state relations at the regional level as countries disputed over the ownership and distribution of the gas and oil.

The gas reserves might be a source of conflict but also a source of stability and security. To better understand why the energy has been securitized among the regions of the state, the foreign policies of the states in the Eastern Mediterranean regarding the energy resources and their exploitation should be analyzed. Within this background, this study would examine the regional security relations of the Eastern Mediterranean via the analytical framework of regional security complex theory (RSCT) developed by Barry Buzan and Ole Waever. The study embraces the Eastern Mediterranean as a sub-regional security complex (RSC) and defines Turkey, Israel and Egypt as the pivotal regional powers in this RSC and argues that the foreign

policies of these states vis-à-vis natural gas discoveries and its exploitation have culminated with the securitization of the issue of energy and that this securitization act has paved the way for a new polarity in the region as RSCT envisages.

The analysis proceeds in three steps. In the first section, the analytical framework is laid out. The RSCT is elaborated and whether the Eastern Mediterranean abide with the theory discussed. In the second section, the main energy fields in the Eastern Mediterranean is introduced. The exclusive economic zones (EEZs) that the countries of the region have announced individually are examined and the continental shelf issue is discussed. In the final section, how the gas finds have become securitized is analyzed and the impacts of those finds on the pivotal regional states are examined via the hypotheses of the RSCT theory.

Analytical Framework: Regional Security Complex Theory

As one of the conceptualizations of Copenhagen School, regional security complex theory (RSCT) was first introduced by Barry Buzan in 1983. Buzan defined the regional security complex as “the group of states whose fundamental security concerns are close and whose national securities are interrelated” (Buzan, 1983 , p. 106). The definition was widened in 2003 by Buzan and Waever and non-state actors and the other security sectors were included along with the military sector (Buzan, Waever, & Wilde, *Security: A New Framework for Analysis*, 1998). This widened definition of the regional security complex theory included “a set of units whose major processes of securitization, de-securitization, or both are so interlinked that their security problems cannot reasonably be analyzed or resolved apart from one another” (Buzan & Waever, 2003, p. 44).

According to RSCT regional security dynamics are based on power relations and patterns of amity and enmity. Hence the powers that do not confront directly with each other might take part in the same network of relations. RSCT defines the powers according to their capacities and their positions at the systemic level; so there are super, great and regional powers. Superpower states are the ones which reach global levels in terms of military and economic capacities and they are involved in processes of de-securitization in almost all regions of the world, whether as threats, guarantors, allies, or interveners. They need to see themselves, and be accepted by others in rhetoric and behavior, as having this rank. United States (US) is the only superpower in the current international system. Great powers are the states which need not to project power in all regions of the world. What distinguishes great powers from merely regional ones is that they are responded to by others on the basis of system level calculations about the present and near-future distribution of power (Buzan & Waver, 2003, pp. 34-35). Russia, China, Japan and the European Union (EU) keep the great power status. Regional powers are those states that define the polarity of any given regional security complex, such as Egypt, Iran, Israel and Syria in the multipolar Middle Eastern RSC. Their capabilities loom large in their regions, but do not register much in a broad-spectrum way at the global level (Buzan & Waver, 2003, p. 37).

The ideational background of the RSCT lies in the Buzan's opinion that the conflicts in the international system would not occur because of the clash of civilizations as Samuel Huntington predicted; rather the conflicts would take place within the axis of regions due to the security interactions realized within the sub-systems in the regions (Şir, 2014, p. 346). The central idea in RSCT is that, since most threats travel more easily over short

distances than over long ones, security interdependence is normally patterned into regionally based clusters; security complexes (Buzan & Waver, 2003, p. 4). In those complexes, the security of a state is dependent to the others states' security. Thus, as mentioned above, regional balance of power and amity-enmity becomes the main pillars of the RSCs. Buzan refers to social constructivism when he cites amity-enmity relationship between states since the pattern of amity and enmity is normally best understood by starting the analysis from the regional level (Buzan & Waver, 2003, p. 45). For social constructivism, the states have certain roles which determine their relations in the international system. The level of relationship is defined as friend or foe according to those roles; alliances are shaped via those roles as well. Thus, the regional security complexes are formed vis-à-vis the roles that the states have acquired in the international system as a result of the interaction processes. RSCs are durable rather than permanent patterns. As substructures, they can have mediating effects on relations between the great powers and the local states as well as on the interactions of states in the regions (Buzan & Waver, 2003, p. 50).

Hence, the essential structure of an RSC embodies four variables:

boundary, which differentiates the RSC from its neighbors

- anarchic structure, which means that the RSC must be composed of two or more autonomous units;
- polarity, which covers the distribution of power among the Units

social construction, which covers the patterns of amity and enmity among the units (Buzan & Waver, 2003, p. 53).

In the international relations discipline, the post-Cold War period has enhanced the salience of regionalism and the regional security relations. With the end of the super power rivalry between US and Soviet Russia, the pursuit of penetration in other regions of the world was over as well. Moreover, the public opinion in the super power states began to disapprove the military operations and interventions realized by their countries in the conflicting regions. Due to these developments, regional states have found the opportunity to pursue their own policies independent from the superpowers' penetration (Buzan & Waver, 2003, pp. 10-11).

Besides, most states historically have been concerned primarily with the capabilities and intentions of their neighbors. Processes of securitization and thus the degree of security interdependence are more intense between the actors inside regional security complexes than they are between actors inside the complex and those outside it. Security complexes may well be extensively penetrated by the global powers, but their regional dynamics nonetheless have a substantial degree of autonomy from the patterns set by the global powers. (Buzan & Waver, 2003, p. 4). Thus, the security relations of the states within a regional complex develop according to various issues as the distribution of power, historical relations, border disputes, ethnic relations, common culture and etc. These issues might lead either to amity or enmity. If the security interactions of the actors that form the regional security complex are interrelated, then there is a regional security complex in the area in question; in other words a regional security complex need to harbor its own securitization or de-securitization dynamics (Kaya, 2019, p. 59).

Hence, in order to trace the connection between the securities of the states in a RSC, three patterns are required. First, a successful securitization of an issue by any actor in the RSC is mandatory. After the issue is securitized

successfully, this action needs to be echoed significantly or the security action needs to impinge on the security of the other actors in the RSC. In the end, these chains might be collected as a cluster of this interconnected security concerns (Buzan & Waver, 2003, p. 73).

Can the regional security complex theory outlined above be applied to the relations in the Eastern Mediterranean? Does this geographic delineation fit to the regional security complex definition as the Middle East, Asia or Americas as mentioned in Buzan and Waevers' analysis? The authors argue that the Eastern Mediterranean can be analyzed via RSCT but with little change in the method of the classical approach. Thus, the main argument is that the Eastern Mediterranean is not a single security complex; rather it might be taken as sub-regional security complex in the Middle East and North African security complexes. In this way, the security connectedness between pivotal regional states in this sub-regional security complex could be elucidated and whether the gas findings in the area have become an issue of securitization or de-securitization could be better analyzed in a micro-dimensional setting.

Recent Gas Findings in the Eastern Mediterranean Region

The Eastern Mediterranean Region has begun to get attraction as a result of hydrocarbon exploration in the region in recent years. Eastern Mediterranean's oil and gas reserves have significant importance on the energy security of the countries in the region.

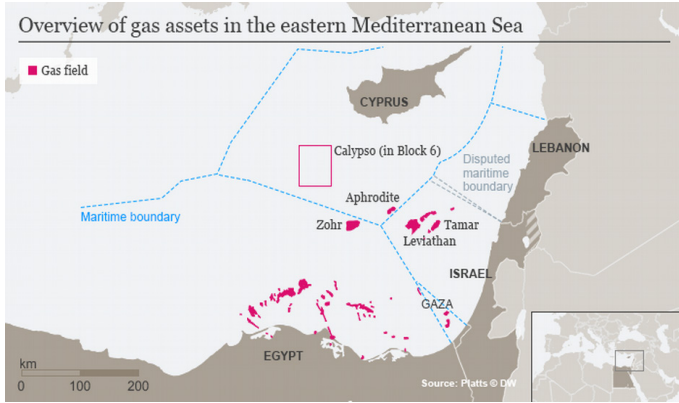
Current researches show that total energy reserves including oil, natural gas and LNG in the Eastern Mediterranean Region is approximately 30 billion barrel and 1.5 trillion US Dollars (Encümen, 2016).

In order to draw a general framework for understanding the recent tensions in the region; there is a need to define the region geographically. Turkey, the Turkish Republic of Northern Cyprus (TRNC), Lebanon, Libya, Egypt, Greece, Syria, Israel and Greek Cypriot Administration surround the energy-rich Eastern Mediterranean. In addition to those regional actors, there are extra-regional actors such as the U.S., Russia, the U.K., France and Italy aiming to follow active policies in the Eastern Mediterranean region. The Eastern Mediterranean reserves are estimated as 1.7 billion barrels of oil and 3.5 trillion cubic meters of natural gas (Enverus, 2017). Moreover, since the region is getting more attraction from all over the world, both international and local energy companies are currently operating in the region such as ExxonMobil and Noble Energy of the US, Total of France, Eni energy company of Italy, Kogas of South Korea, Qatar Petroleum, British Gas, Turkish Petroleum Corporation (TPAO) and Delek Drilling and Avner Oil of Israel (Alexandrova-Arbatova, 2018).

The natural gas and oil fields in the Eastern Mediterranean are divided into 13 research parcels according to the claims of Southern Cyprus. According to this division, in the northern part, there are parcels of 1, 2 and 3. In the middle, there are parcels of 4, 5, 6, 7, 8, 9 and 13. In the southern part, there are parcels of 10, 11 and 12. Among those parcels, parcel 10 and 11 are the ones leading to a conflict between Turkey and Southern Cyprus due to the Exclusive Economic Zone (EEZ) the Southern Cyprus unilaterally announced. Besides, other parcels are not compromised yet as well (Dilaver, 2018).

Within those 13 parcels, Eni and Kogas firms have shares to operate in the parcels 2, 3 and 9. Eni and Total have joint license to operate in Parcels 6 and 11. The Parcel 8 is operated by Eni. Likewise Parcel 12 is jointly operated by Delek Drilling, Noble Energy and British

Gas. Finally, parcel 10 is operated by ExxonMobil and Qatar Petroleum. No company has licensed remaining parcels yet (Alhas, 2019).



Source: DW

Historically, the systematic searches for hydrocarbon exploration in the Eastern Mediterranean region started in 1950s on the coast and in the deep waters in the 1970s and 1990s. Finally, the natural gas was began to be extracted beginning from the end of 1990s although the gas extracted was not enough even for Israel.

However, the initial problems emerged in 2002 when Southern Cyprus gave permission to the research vessel Northern Access from Norway for making a seismic survey. The vessel was sent away by the TGC Giresun frigate coming from Aksaz military base in Turkey. In 2004, Southern Cyprus made efforts to determine EEZ and Turkey sent a notice to the United Nations in order to defend Turkey's interests in the region. In 2007, Southern Cyprus called for international tender to search for oil and gas reserves in the region (Güldağ, 2019).

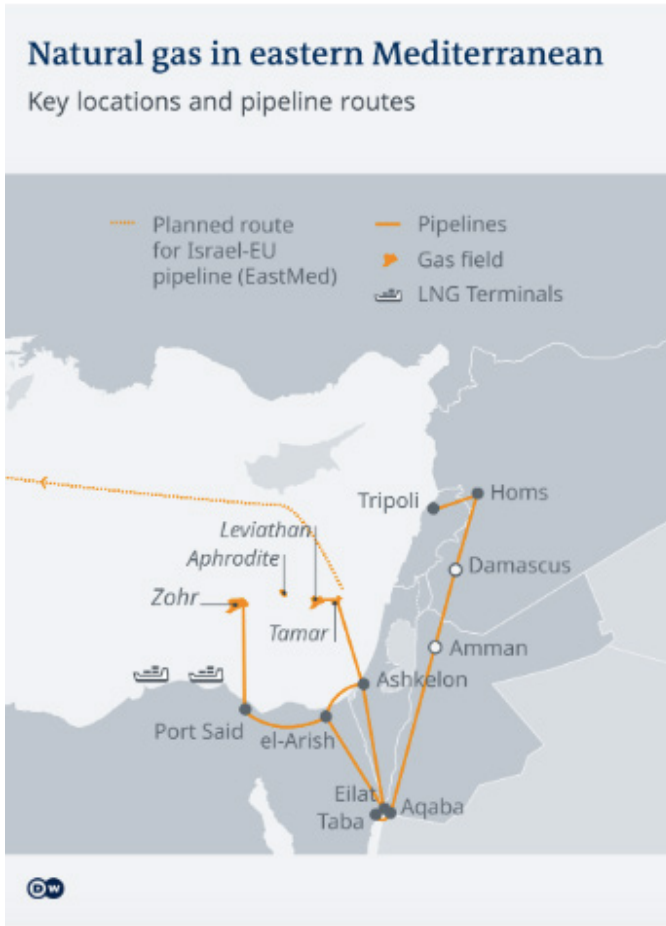
The year of 2009 when first major natural gas exploration was realized has been the turning point for the future of hydrocarbon reserves. Approximately 80

billion cubic meters of natural gas was explored in Tamar gas field within the Israeli EEZ. Second major natural gas exploration, which was even bigger than the field found in Tamar was realized in 2010, in the Leviathan region, which has 622 billion cubic meters of natural gas. It is estimated that the amount of reserve could be equal to the 40-year need of Israel (Güldağ, 2019). This discovery would result with the agreement between Southern Cyprus and Israel over maritime borders. However, Turkey would announce the agreement as invalid as it was violating TRNC's rights.

In 2011, Noble Energy that was making search in the name of Israel found natural gas in Aphrodite field. Aphrodite field was the first natural gas field of Southern Cyprus with a capacity of 129 billion cubic meters. In 2012, the tension over jurisdiction rights in the Eastern Mediterranean region increased. While Turkish side claimed that Turkey's EEZ as 145 thousand square kilometers, Greek side introduced a map that demonstrated the region as 41 thousand square kilometers. As a result, in the same year, Turkey took an action and licensed Turkey Petroleum Corporation (TPAO) for hydrocarbon exploration activities in the region.

Egypt entered to the game in the region in 2015 when discovering the largest natural gas reserve in the region. ENI found the reserve in Zohr field with a capacity of 850 billion cubic meters. In 2018, Egypt also explored Nur field which has probably similar capacity with Zohr field. (Seznec & Mosis, 2015). In the same year, Southern Cyprus made its second natural gas reserve discovery called as Calypso field. ENI has not announced the amount of reserve yet, however the estimated capacity is almost 170- 225 billion cubic meters. In February 2019, ExxonMobil and Qatar Petroleum partnership discovered a natural gas field and named it as Glauco-1 with a capacity almost 140-200 billion cubic meters. Southern

Cyprus claimed that this is the largest reserve of Cyprus (GEO ExPro, 2019).



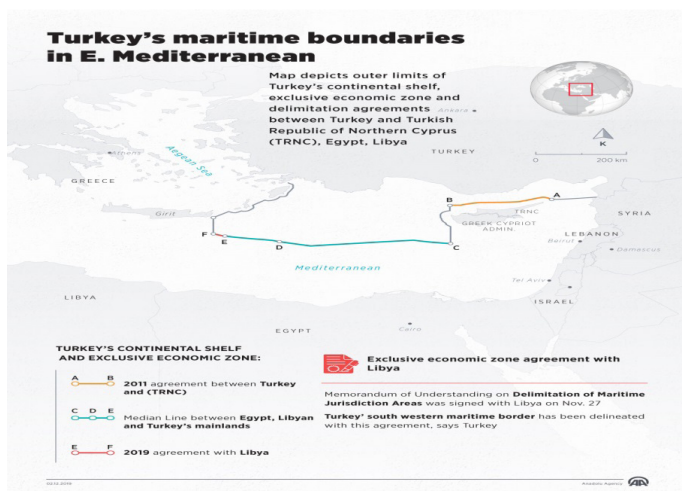
In March 2019 The Eastern Mediterranean Gas Forum was announced by Israel, Southern Cyprus, Greece, Italy, Jordan and Palestine in Cairo. The aim of the Forum was defined as energy cooperation in the region. However, Lebanon, Syria and Turkey did not participate into the Forum (Geopolitical Features, 2019).

Until this Forum, Turkey was maintaining that Turkish Cypriots and Greek Cypriots have equal rights over the hydrocarbon resources. Besides, Turkey always announced that Turkish Government would not accept the EEZ that was unilaterally declared by Southern Cyprus. However, after the Forum, Turkey changed its attitude.

The root of the problem about EEZ goes back to the UN Convention on the Law of the Sea, which envisages that territorial waters of a country's is 12 nautical miles out to sea, but its EEZ could expand to additional 200 miles for fishing, mining and drilling activities. However, if the maritime distance between two countries is less than 424 miles, as Turkey claims, parties must agree with dividing line between the EEZs of parties (Henderson, 2019). Therefore, the reaction of Turkey towards these claims and actions varied. First, Turkey used its warships to search for gas reserves. Turkey sent drilling ships to the region. While Vessel Fatih searched in waters below Cyprus under an agreement with TRNC, Vessel Barbaros drilled in waters southern part of Cyprus. Then, Vessel Yavuz operated in Parcel 7, a field that could not be agreed over jurisdiction rights by Turkey and Cyprus. However, Cyprus signed an agreement with Eni and Total for hydrocarbon exploration in Parcel 7 (Güldağ, 2019).

Another action Turkey has taken was to carry out the biggest naval exercised in its history in 2019 called as Denizkurdu (Alan, 2019). Finally, in December 2019, Turkey and Libya signed an agreement forming a maritime boundary, which is 35-kilometer line to separate their economic zones (Hacaoğlu & Kozok, 2019). Greece, Cyprus and Egypt reacted to the agreement since Turkey is in dispute with Southern Cyprus over EEZs and Libya is in dispute with Greece over the continental shelf disagreement around Crete's southern part.

Ultimately, in the beginning of January 2020, Greece, Cyprus and Israel signed an agreement to build the EastMed Pipeline, which is planned to be 1,900 km long in order to carry natural gas from the Eastern Mediterranean to Europe under the sea. The project is estimated to be terminated in 2025 and is expected to contribute to the energy diversification efforts of the EU by carrying Israeli gas to Europe. The winner of the project in the EU is Italy since the country will be the largest buyer of Israeli gas (Carpenter, 2020). All these discoveries of energy resources have complicated the Eastern Mediterranean politics which is already in turmoil due to unresolved conflicts.



Source: AA

Gas Findings as an Issue of (De?)- Securitization in the Eastern Mediterranean: Impacts on Pivotal Regional States

The security environment in the Eastern Mediterranean is Hobbesian and characterized by multiple sources of insecurity and instability, and by continuing

change and evolution as well (Dokos, 2012, p. 575). The decline of European Union's (EU) soft power and influence; and the gradual withdrawal of the US from the Mediterranean have paved the way for the formation of a regional security complex in the Eastern Mediterranean (Dokos, 2012, p. 576). In this sub-RSC composed of the states of the Middle East RSC and African RSC, the authors have designated three pivotal states which are located geographically in the Eastern Mediterranean; Turkey, Egypt and Israel. As two Middle Eastern states', Saudi Arabia and Iran, foreign policies have significant impacts for security or insecurity in the region, they might be ranked as the pivotal actors in regional stability. However, this study would focus on Turkey, Israel and Egypt as the pivotal regional actors forming a regional security complex in the Eastern Mediterranean.

The security environment in the region is problematic as there are key regional conflicts that has not been resolved yet. As those conflicts resume, the regional stability would be at stake. On the other hand, since the actors of the region securitize those issues according to their foreign policies and domestic developments, the balance of power and polarity take shape accordingly. However, as the RSCT claims there is also an interdependence between the securities of the states on regional scale. Consequently, some issues might be the subject of securitization whilst some others might be a catalyst in de-securitization processes.

The Israeli-Palestinian conflict, the security concerns stemming from the Iranian foreign policy, the Syrian civil war, the Arab Spring, the threats posed by non-state actors such as ISIL and PKK are the major security issues shaping foreign policies of the pivotal states in the Eastern Mediterranean. On the other side, the discovery of the natural gas in the Eastern Mediterranean basin as

the major non-carbon source of energy has been the game changer both at the regional and global level.

Did the discovery of natural gas contribute to the regional stability and create a secure environment needed for the transfer of the energy to the world markets? Once believed to be a stabilizing factor between the regional actors, Turkey, Israel and Egypt; the energy issue has recently become one of the significant bones of contention between these states which are connected in terms of security. In the final analysis, the discovery of natural gas has proved to complicate the rivalries in the eastern Mediterranean, an area already full of long-standing security issues mentioned above (IISS Strategic Comments, 2013, p. 13). So far today, Greece, Turkey, Israel, Turkish Republic of Northern Cyprus and Greek Cypriot Administration (GCA) have issued statements of intent regarding the gas finds in the Eastern Mediterranean basin. Moreover, the natural gas discovery provided a shared strategic interest among Israel, Greece and Greek Cypriot Administration that have culminated with the signing of an agreement in 2010 which defined mutually their EEZs (Ynet News, 2010) notwithstanding Turkey's objections.

Hence, the history of conflict in the region added to the overlapping claims regarding EEZs and gas finds, have fostered polarity in the region which presents a long-term security dilemma for regional states, complicated by the convulsions of the Arab spring and the interests of extra-regional powers (IISS Strategic Comments, 2013, p. 13).

The energy discoveries have transformed the calculus of the regional states as well as Israel. Israel began not to worry anymore about the cancelling of natural gas exports to Israel from Egypt as its own gas fields are now able to supply the country's needs. Yet, Israel found the opportunity to export gas to Europe due to Leviathan

natural gas fields. It should be reiterated that there are still maritime disputes over these fields between Lebanon, the Palestinian Authority (PA) and Israel. However, Israel insists that the fields are determined on legal grounds despite Lebanon's accusation that Israel is stealing its resources (Reuters, 2018). Likewise, PA and Hamas denounced Israeli actions in the water that comprise Gaza's EEZ and defined Israeli efforts as an act of theft (IISS Strategic Comments, 2013, p. 14). Seemingly, the gas finds did not build a bridge between Israel and its neighbors with whom years of conflict continue; on the contrary the dispute on the EEZ and natural gas exploitation opportunities have created another dimension to the ongoing conflictual situation.

Due to the revolution and chaos beginning from 2011, Egypt ceased to export its gas for several reasons and was very busy with the domestic issues. However in recent years, Egypt has sought to become a key player in the Eastern Mediterranean energy politics (Meredith & Turak, 2019). Particularly after the discovery of the Zohr gas field in 2015, Egypt's natural gas potential has increased and is expected to become a net gas exporter in 2020 (El-Bar, 2019). Egypt is believed to be an ideal partner for the EU which does not want to be independent to Russian gas. Hence, exporting gas to Europe has become Cairo's one of the energy policies and this policy has paved the way for an Egyptian-Israeli dialogue.

The dialogue has been possible with the regime change in Egypt as al-Sisi became the president; Egypt has become an attractive option for Israel in mapping a route for Eastern Mediterranean gas to Europe (Özertem, 2016, p. 369) in a circumstance where the bilateral relations between Turkey and Israel have deteriorated. Thus, the cooperation in the energy policy between Egypt has revealed political implications as well (Baghdad, 2013).

As the Turkish-Israeli relations deteriorated especially following the Mavi Marmara incident in 2008 (Almog & Sever, 2019, pp. 61-100), the polarity between the regional powers crystallized and a new balance of power began to emerge. Thanks to natural gas Israel and Cyprus began to share common interests regarding gas exploitations (Gürel & Cornu, 2014, pp. 19-20). Thus in 2010 an exclusive economic zone was set between Israel and Greek Cypriot Administration with the agreement that was signed in Nicosia by Israeli Minister of Infrastructure Uzi Landau and the Cypriot Foreign Minister Markos Kyprianou (Haaretz, 2010). Israel and GCA then signed various agreements for co-exploitation of the natural gas reserves. Due to this relation based on shared interest between Israel and GCA, Israel and Greece sought to build strategic channels for cooperation. In this vein, Israeli Prime Minister Benjamin Netanyahu suggested building a pipeline connection via Cyprus when he visited Greece. The transport of Israeli and GCA natural gas to Europe via Greece would change the country's geo-economics and geopolitical position in the region (Ersay, 2019 , p. 134). In a sense, both countries saw a win-win situation in establishing a strategic relationship within the framework of energy cooperation.

The rapprochement was materialized with the signing of a tripartite energy memorandum between Israel, Greece and GCA in 2013 according to which the 2000 megawatt EuroAsia Interconnector would lift Southern Cyprus and Israel out of energy isolation through cheaper electricity (Zeiger, 2013). Besides, the export of the electricity to the European energy market via cable was planned (Financial Mirror, 2013). The fact that Israel and Southern Cyprus have created an energy block owing to geographical proximity between gas fields (Ersay, 2019, p.135). GCA's determination to proceed unilaterally ignoring Northern Cyprus have concerned Turkey as Ankara would prefer to

see a revenue-sharing agreement with the Northern Cyprus (IISS Strategic Comments, 2013, p. 14). It should be mentioned that GCA had already signed EEZ agreements with Egypt and Lebanon in 2003 and 2007 respectively. However, GCA could not come to a conclusive EEZ agreement in its negotiations with Lebanon as the one with Israel which has been much more fruitful (Özertem, 2016, p. 363).

Facing a rising challenge, thus a polarity at the regional level; Turkey had to take a number of steps. There were strategic, economic and judicial dimensions of Ankara's reaction. The discovery of natural gas reserves could help Turkey to contribute to European energy security; the discoveries would decrease the burden in energy expenses at the domestic market and as a littoral state Turkey had sovereign interests in partitioning and exploitation of the region's resources (Özertem, 2016, p. 366). Turkey adopted new policies in order to balance the polarity in the making.

Following the developments in the energy sector beginning in early 2000s, Turkey began Mediterranean Shield operation in April 2006. Within this context; Turkey ensured the security of the research ships in the Eastern Mediterranean and warned other research ships acting without permission in the name of other countries (Peker, Oktay, & Şensoy, 2019 , p. 99). Additionally, Turkey signed a continental shelf delimitation agreement with Northern Cyprus in 2011 which would allow Turkey to drill off the island's southern coast (BBC, 2011). The President of Northern Cyprus Derviş Eroğlu described the agreement as 'a precautionary measure to make our Greek counterparts desist' (Khashan, 2016 , p. 184). Turkey also declared that it did not recognize Greek Cypriot's EEZs and bilateral agreements with the other states in the Eastern Mediterranean (Ersoy, 2019 , p. 135). Turkish President Recep Tayyip Erdoğan noted that Turkish ships would be

seen much more frequently in those waters and that Israel would not be able to move in the Eastern Mediterranean as it wished (IISS Strategic Comments, 2013, p. 15).

Another policy Turkey adopted against the new balance of power in the making has been to sign an agreement on maritime boundaries and military cooperation with the UN- recognized government in Libya on 27 November 2019. As well as the memorandum on “military and security cooperation” the two countries signed an agreement establishing new maritime borders in the Mediterranean which sparked an outcry from Greece on the grounds that it violates international maritime law and threatens its drilling interests around Cyprus and Crete (Wintour, 2019). Greece declared Libyan Ambassador in Athens *persona non grata* and asked the Ambassador to leave the country.

With this agreement, Ankara has drawn its EEZ’s western border and sought to stymie the strategic cooperation between GCA, Egypt, Israel and Greece. In reaction, Athens and Cairo declared the agreement between Turkey and Libya as being at odds with the international law and GCA announced that it would appeal to the International Court of Justice (BBC, 2019). Therefore, it might be argued that Turkey has made a strategic move on its struggle in the Eastern Mediterranean regarding the energy and sought to end its isolation in the regional setting. As for Israel on this issue, it could have growing difficulty remaining a bystander of Greece and GCA if hostilities break out between its neighbors in the Eastern Mediterranean and Israel does not want to become mired in the emerging regional conflict (Lindenstrauss, Feuer, & Winter, 2019).

Currently, the Eastern Mediterranean regional security complex’s pivotal powers have formed quasi-alliances in line with their interests and as a result of the securitization

of the issues related to the natural gas discoveries and its exploitation. In this context, GCA, Egypt and Israel have created one pole in the region and as a response Turkey, Libya and Northern Cyprus have created another one so as to balance the power in the region.

CONCLUSION

This chapter has explored whether the natural gas discoveries in the Eastern Mediterranean would create a regional stability. Taking the region as a regional security complex, the authors sought to examine whether the energy could become a factor of de-securitization. However, as has been analyzed throughout the chapter, the authors came to the conclusion that the discovery and exploitation of energy resources pose a serious challenge to the security of the Eastern Mediterranean region. The disputes over resources, the delimitation of EEZs, and the continental shelves have proved to foster the conflict and added another dimension to the protracted conflicts in the region.

It should be reiterated that political disputes and instability such as the rupture in Turkey-Israel relations or the entry of GCA to EU have resulted with the changing balances in the Eastern Mediterranean. The deteriorating interstate relations in turn have had crucial repercussions for energy politics; thus the window of opportunity for using energy to facilitate political breakthroughs in the region has become difficult. Therefore, the energy issue also has been securitized by the pivotal regional powers. The security connectedness of the states within the region paved the way for the polarization as the RSCT had argued. In the end threat perception led Turkey, Israel and Egypt to form new partnerships in order to balance the regional power pole in the making. The authors have demonstrated how an issue is socially constructed as an object of security with the formation of the new polarities

due to the security dependence among the states in Eastern Mediterranean RSC.

In the final analysis, it might be argued that the hydrocarbon discovery has become a significant factor in reshaping regional politics. However, it still contains both the possibility of a destructive war and a regional cooperation. Currently, the energy is clearly a destabilizing factor and fosters regional insecurity. The authors suggest that multi-national cooperation and multilateral agreements could help to de-securitize energy and to achieve regional stability.

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Chapter 16

PREDICTING US RECESSIONS USING LONG-RUN FLUCTUATIONS OF THE YIELD SPREAD: A WAVELET APPROACH¹

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1. INTRODUCTION

After the devastation of the Great Depression in the 1930s, the prediction and the analysis of US business cycle states become one of the most important subjects of the economics profession. The literature analyzes the relationship between numerous macroeconomic/financial variables and US business cycles and shows that the yield curve contains essential information that helps the public to predict US recessions. In this paper, we aim to further exploit the informational content of the yield curve by focusing on long-run fluctuations of the yield spread for forecasting US business cycle states.

One of the early works that analyze the predictive power of yield curve for the US economy in a rigorous empirical way is conducted by Estrella and Hardouvelies (1991). They examined the in-sample and the out-of-sample predictive power of the yield spread for the real output and show that the yield curve has more forecasting power than lagged output growth, lagged inflation, the index of leading indicators, and the level of real short-term interest rates. In another study, Estrella and Mishkin (1996) show that a probit model that contains the yield spread measured by the difference between the 10-year Treasury bond and 3-month Treasury bill as the explanatory variable and business cycle states as dependent variable provides useful probabilities that help to predict US recessions. Furthermore, Estrella and Mishkin (1998) compared the performance of the yield spread against other variables such as interest rates, stock price indices, monetary aggregates, leading indicators for predicting future U.S. recessions in an out-of-sample forecasting study for various forecasting horizons. Their results show that even though some variables such as stock prices, and leading indicators outperform the yield curve spread in predicting one quarter ahead US business

cycle states, the yield curve spread tends to dominate other variables beyond one-quarter ahead predictions.

Even though previous studies show the superiority of the yield spread in predicting US recessions compared to other variables. Financial variables usually contain too much noise and removing that noise by focusing on long-run fluctuations may increase the forecasting power of financial variables. In this study, we investigate whether clearing noise in the yield spread improves its forecasting performance. To remove the noise, we extract the long-run component of the yield spread by using the Maximum Overlap Discrete Wavelet Transform. While executing the wavelet transformations, we use three wavelet filter families, namely Daubechies, Symlets, and Coiflets with various filter lengths. Our results show that long-run fluctuations of the yield spread perform better than the untransformed yield spread for predicting US business cycle states up to 12 months ahead forecasting horizons. However, for predicting 24 months ahead US business cycle states, the long-run component of the yield spread performs worse than the yield spread itself.

The rest of the study is organized as follows. Section 2 explains the wavelet transform and the probit model. Section 3 presents the empirical results, and Section 4 concludes.

2. Methodology

2.1. Wavelet Transform

The wavelet transformation that has become a frequently used tool in economics/finance works in both time and the frequency domain and can easily extract the nonstationary features of variables over a vast extent of frequencies (Fan and Gencay, 2010).

A wavelet is a wave-like function that is oscillating in a finite period. A real-valued wavelet function, $\psi(t)$, defined on the real axis $(-\infty, \infty)$ satisfies following two conditions: $\int_{-\infty}^{\infty} \psi(t) dt = 0$ and $\int_{-\infty}^{\infty} \psi(t)^2 dt = 1$. Although $\psi(\cdot)$ has to make some excursions away from zero, any excursions it makes above zero must be canceled out by the excursions below zero (Gencay, Selçuk, and Whitcher, 2001). A time-series process $x(t)$ can be transformed by the continuous-time wavelet transform (CWT) as follows: $W(u, s) = \int_{-\infty}^{\infty} x(t) \psi_{u,s}(t) dt$, where u is the location, s is the scale parameter and $W(u, s)$ is called a wavelet coefficient. One can generate wavelets from $\psi_{u,s}(t) = \frac{1}{\sqrt{s}} \psi\left(\frac{t-u}{s}\right)$ that is translated by u and dilated by s . While the scale parameter allows practitioners to analyze different frequency fluctuations of the time series, the dilation parameter provides information regarding the time domain. However, analyzing all wavelet coefficients for different scales with continuous wavelet transform is impossible (Eroglu, 2019). Besides, the continuous wavelet transform has significant problems such as its complexity in computation and redundancy of decomposition with a finite number of scales. To avoid these problems, we utilize a variant of the discrete wavelet transformation method that decomposes the signal into a finite set of frequency bands.

In the literature, there are variants of discrete wavelet transformation, such as the Discrete Wavelet Transform (DWT) and the Maximum Overlap Discrete Wavelet Transform (MODWT). To model the relationship between the yield spread and the probability of a future recession, the sample size of these variables has to be the same in the estimation period. However, we cannot use DWT in our analysis since it has a crucial problem. This problem is the dyadic length requirement that refers to have a sample

size divisible by the powers of 2. As a result, DWT is not an appropriate technique to filter our sample data.

In contrast to the DWT, there is no decimation operation in the MODWT that is also called non-decimated DWT. Hence, the number of scaling and wavelet coefficients at every level of the transform is the same as the number of sample observations. Although it loses orthogonality and efficiency in computation, this transform does not have any restriction on the sample size, and it is shift-invariant (Percival et al., 2000). The mathematical details of MODWT are given in the preceding paragraphs.

In the MODWT, we can represent the basic transformation equation as $\tilde{W} = \tilde{W}X$, where \tilde{W} corresponds for the $(J + 1)N \times 1$ vector of filter coefficients, \tilde{W} corresponds to the $(J + 1)N \times N$ matrix of the transformed series and X is the vector of the observed series. We can further write $\tilde{W} = [\tilde{w}_1, \tilde{w}_2, \dots, \tilde{w}_J, \tilde{v}_J]$. In this representation, the first J elements of \tilde{W} are the matrices of wavelet filters; the last one is a matrix of scaling filters. All of them are $N \times N$ matrices (Gencay et al. 2001).

The MODWT can be obtained by using the popular method called pyramid algorithm (Mallat, 1989). Let $h = [h_0, h_1, \dots, h_{L-1}]$ and $g = [g_0, g_1, \dots, g_{L-1}]$

be the sets of the high and low pass wavelet filters, respectively. In these representations, the positive integer L denotes the filter length. The first step of Mallat's (1989) algorithm involves the generation of the first level transformation as follows:

$$w_{1,t} = \sum_{l=0}^{L-1} h_l X_{t-l} \bmod N \text{ for } t = 0, 1, 2, \dots, N-1,$$

$$v_{1,t} = \sum_{l=0}^{L-1} g_l X_{t-l} \bmod N \text{ for } t = 0, 1, 2, \dots, N-1.$$

For the further level, we can use the first level coefficients $\{v_{1,t}\}_{t=1}^N$ and apply for the high pass on these coefficients as

$$w_{j,t} = \sum_{l=0}^{L-1} h_l v_{j-1,t-l} \bmod N \text{ for } t = 0, 1, 2, \dots, N-1; j > 1,$$

$$v_{j,t} = \sum_{l=0}^{L-1} g_l v_{j-1,t-l} \bmod N \text{ for } t = 0, 1, 2, \dots, N-1; j > 1.$$

After executing this algorithm for J times, we obtain the sequences $\{v_{J,t}\}_{t=1}^N, \{w_{1,t}\}_{t=1}^N, \dots, \{w_{J,t}\}_{t=1}^N$, where J is the maximum level of transformation, which depends on the sample size N and the filter length L . From these sequences $\{v_{J,t}\}_{t=1}^N$ is the J -th level approximation coefficients, which capture the lowest frequency or long-run fluctuations of the observed series. Moreover, $\{w_{j,t}\}_{t=1}^N$ for $j = 1, \dots, J$ are the wavelet coefficients of the transformation, and they represent short-run fluctuations. As j increases, the frequency band for the wavelet coefficients also increases. Accordingly, the coefficients $\{w_{1,t}\}_{t=1}^N$ is the highest frequency component of the observed series. In this study, we focus on the long-run features of the observed series.

In wavelet analysis, another crucial issue is the selection of an appropriate filter family. In this study, we consider three filter families, which are frequently used in the economic/financial literature. These families are Daubechies, Symlets, and Coiflets. For further details about these families, we refer to Gencay et al. (2001).

2.2. Probit Model

After obtaining the lowest frequency component of the yield spread using the appropriate wavelet filter, the following probit model is applied to predict h periods ahead recession probabilities at time t :

$$\text{Prob}(y_{t+h}^* | x_t) = F(\beta' x_t),$$

where y_t^* is a binary variable that represents the National Bureau of Economic Research's (NBER) Business Cycle Dating Committee defined expansion periods as 0 and NBER defined recession periods as 1, F is the cumulative standard normal density function, β is a vector of coefficients, and x_t is a vector of values, including a constant and the lowest frequency component of the yield spread extracted by the appropriate wavelet filter family. The model is estimated by the maximum likelihood.

3. Empirical Results

In this study, we conduct an out-of-sample forecasting exercise to evaluate the prediction performance of long-run fluctuations of the yield spread. As the yield spread, we use the 10-Year Treasury Constant Maturity Rate minus the Federal Funds Rate. Our initial training data is between 1960:01 and 1977:12. We compute out of sample predictions iteratively using an expanding estimation

window covering the period between 1978:01+ h and 2015:12+ h .

In each estimation period, we calculate recession probabilities for three months, six months, 12 months, and 24 months ahead forecasting horizons while replicating historical data availability. We use the NBER's business cycle chronology to construct our dependent variable, but the NBER announced turning points of the business cycle with a considerable delay and did not have a fixed publication lag. Therefore, we follow Soybilgen's (2020) assumptions based on Giusto and Piger (2017) to update business cycle state availability in a realistic way.

To evaluate the h -steps ahead prediction performance of our models, we use the quadratic probability scores (QPS) calculated as follows:

$$QPS_h = \frac{2}{T} \sum_{t=1}^T (f_{t+h} - y_{t+h}^*)^2,$$

where f_{t+h} is the h period aheads estimated recession probability at time t . The range of the QPS is between 0 and 2. The smaller values of the QPS correspond to more accurate forecasts.

Tables 1, 2, and 3 present the relative QPS ($RQPS$) for h -steps ahead predictions of our models that use the lowest frequency component of the yield spread based on Daubechies, Symlets, and Coiflets wavelet filter families, respectively. $RQPS$ is derived as follows:

$$RQPS_{i,h} = \frac{QPS_{i,h}}{QPS_{benchmark,h}} - 1,$$

where $QPS_{i,h}$ is the QPS for h -steps ahead predictions of the probit model that the lowest frequency component of the yield spread derived using the wavelet filter i as the independent variable, and $QPS_{benchmark,h}$ is the QPS for h -step ahead predictions of the probit model that uses the original yield spread as the explanatory variable.

Results for $h=3$ show that all models except sym16 have better forecasting accuracy than the benchmark model. The forecasting performance of models based on the Daubechies wavelet family increases with higher filter lengths. Models based on both Daubechies and Coiflets wavelet filter families have good prediction performance. On the other hand, the prediction accuracy of models based on the Symlets wavelet family first increases with higher filter lengths, but after filter length seven, the forecasting performance of models based on the Symlets wavelet family deteriorates.

For $h=6$, we observe modest prediction accuracy gains compared to the benchmark model. All models based on the Daubechies wavelet family have negative *RQPSs*. Similarly, except *coif5*, models based on the Coiflets wavelet filter family also have better prediction accuracy than the benchmark model. For models based on the Symlets wavelet family, forecasting accuracy is higher than the benchmark model until the filter length 9. After that, the benchmark model has higher predictive power.

Table 1. Relative *QPSs* for h -steps ahead predictions of probit models that use the lowest frequency component of the yield spread derived using the Daubechies wavelet filter family as the independent variable

Model Names	$h=3$	$h=6$	$h=12$	$h=24$
db1	-1.521	-1.257	-1.357	3.82
db2	-1.959	-1.549	-1.396	4.325
db3	-2.421	-1.695	-1.946	5.462
db4	-3.008	-1.712	-2.585	6.713
db5	-3.965	-1.913	-3.169	8.055
db6	-4.937	-2.026	-3.691	9.507
db7	-5.677	-1.85	-4.105	11.089
db8	-6.439	-1.644	-4.359	12.813
db9	-7.432	-1.682	-4.45	14.679

db10	-8.497	-1.892	-4.398	16.668
db11	-9.375	-2.081	-4.208	18.763
db12	-10.084	-2.218	-3.875	20.956
db13	-10.806	-2.372	-3.405	23.235
db14	-11.563	-2.55	-2.81	25.581
db15	-12.22	-2.7	-2.106	27.985
db16	-12.702	-2.798	-1.313	30.448

*Note: **db** represents the Daubechies wavelet filter; and the number after **db** represents the filter length.*

For $h=12$, models based on the Daubechies wavelet family still have higher predictive power than the benchmark model, and we see better *RQPSs* up to 4.3%. On the other hand, the forecasting performance of models based on the Symlets wavelet family is pretty abysmal. Only sym2 and sym3 have better predictive power than the regular model, and all other models on the Symlets wavelet family perform significantly worse than the regular model. Similarly, models based on the Coiflets wavelet filter also perform very poorly except coif1.

Finally for $h=24$, all our models except sym15 and sym16 perform worse than the benchmark model. It seems that long-run fluctuations of the yield spread are not suitable for predicting 24 months ahead US business cycle states.

Table 2. Relative *QPSs* for h -steps ahead predictions of probit models that use the lowest frequency component of the yield spread derived using the Symlets wavelet filter family as the independent variable

Model Names	$h=3$	$h=6$	$h=12$	$h=24$
sym2	-1.959	-1.549	-1.396	4.325
sym3	-2.421	-1.695	-1.946	5.462
sym4	-16.897	-3.169	2.225	41.666

sym5	-18.538	-3.856	7.772	58.647
sym6	-16.698	-3.924	13.005	68.389
sym7	-18.027	-3.933	11.535	67.294
sym8	-16.99	-5.215	27.883	88.752
sym9	-17.028	-2.79	36.576	85.028
sym10	-17.026	2.25	43.515	71.358
sym11	-16.361	2.221	45.473	67.041
sym12	-15.493	12.227	54.517	35.563
sym13	-12.239	20.802	61.692	13.979
sym14	-7.506	28.968	70.5	2.341
sym15	-3.648	35.25	76.599	-3.691
sym16	7.588	51.839	96.26	-13.014

*Note: **sym** represents the Symlets wavelet filter; and the number after **sym** represents the filter length.*

Table 3. Relative *QPSs* for *h*-steps ahead predictions of probit models that use the lowest frequency component of the yield spread derived using the Coiflets wavelet filter family as the independent variable

Model Names	<i>h</i>=3	<i>h</i>=6	<i>h</i>=12	<i>h</i>=24
coif1	-9.108	-3.632	-3.811	15.272
coif2	-17.113	-3.232	1.89	41.351
coif3	-16.917	-3.888	13.577	69.954
coif4	-17.026	-4.666	29.154	88.498
coif5	-16.713	3.286	45.281	66.182

*Note: **coif** represents the Coiflets wavelet filter; and the number after **coif** represents the filter length.*

4. Conclusion

In this study, we investigate the predictive power of the yield spread's long-run fluctuations in US business cycle states by conducting an out-of-sample forecasting

exercise. Our results show that various low-frequency components of the yield curve obtained using Daubechies, Symlets and Coiflets wavelet families with various filter lengths usually exhibit better predictive ability than the regular yield spread up to 12 months ahead forecasting horizons. However, long-run fluctuations of the yield spread do not yield any beneficial results for the 24 months ahead forecasting horizon.

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Chapter 17

THE IMPACT OF WOMEN'S VOCATIONAL EDUCATION ON EMPLOYMENT IN TOURISM SECTOR

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INTRODUCTION

In recent years, as a result of developments occurring in Turkey's economy has accelerated rural-urban migration, economic and social life began to emerge significant transformations in the process. When the economic indicators are analyzed, it is observed that the share of agriculture has decreased and the shares of industry and service sector have increased. In the process of migration from village to city, women who have not received education or who have low education levels have not been able to participate sufficiently in employment. However, there is a great need for women's employment in development. Women's participation in the labor force is one of the important factors that provide economic and social development. Women who are employed in the labor market and thus gain their economic freedom and social dignity provide significant social gains for themselves, their families and their communities (Goldin 2006; Zeren and Savrul 2017). Inclusion of women in social and economic life in the development process of societies is considered as one of the important factors. Today, however, labor force participation rates of women in developed countries approaching the labor force participation rate of men rose to the level of 70%, this proportion ranged from 20% to 30% in Turkey (Peker and Kuban 2012). The insufficiency of this ratio is obvious. Within the scope of Turkey's economy, while it is mattered for women to take place in labor force, to reveal these processes at the factors preventing the inclusion of women in the workforce and taking precautions to these measures is a requirement for ensuring economic development (Gündoğdu, 2018). The active participation of women in labor markets is one of the indicators of the development of a country and this issue has been frequently emphasized in recent years. The most important added value that women provide to

the economy as an entrepreneur is that they are social entrepreneurs (Günday 2011; Vita et al., 2014).

Education is a process that leads to behavior change in individuals. Education is essential for the elimination of interregional imbalances and for the development of women in all areas. The increase in qualifications in education contributes to the development of the country with the multiplier effect it creates in the labor market and thus in the economy (Anonymous, 2018). Education has an important role in women's employment. In this context, it is necessary for economic efficiency and productivity to train qualified individuals with particular attention to vocational training. The sectoral employment of women varies according to the development levels of the regions. For example, in some of the more developed western regions compared to the eastern regions, women's employment is concentrated in the services sector, while in others, there is not much difference between the other sectors, even if the agricultural sector gains intensity. However, in the relatively underdeveloped eastern regions, it is observed that there are large differences between the agricultural sector and other sectors in terms of female employment (KEİG 2003).

In Turkey, especially the low level of education of the female workforce is a major problem in Eastern and Southeastern Anatolia Region. The inclusion of female labor force in these regions through vocational training can make an important contribution to the development of the region. The skills provided to women through vocational training will lead them to use their labor in relevant sectors and contribute to family budgets. One of the sectors that enable women to use skills is tourism. Located in the Southeastern Anatolia Region, Adıyaman possesses many characteristics of tourism in its sectoral aspect. Providing the participation of the deprived people to tourism by evaluating the potential, especially in rural areas where

poverty is intense, can be an important alternative in the fight against poverty in these rural areas (Özkök 2006). It is thought that local women can have a significant source of income by using the skills of Adiyaman by evaluating the potential of tourism. In this study, the importance of vocational education in terms of women's employment has been revealed and areas that will provide employment for Adiyaman women especially in tourism sector have been determined. For this purpose, the findings of theoretical and empirical studies on the subject have been evaluated and recommendations have been made.

LITERATURE REVIEW

Some of the previous studies on women's employment, vocational training and sectoral women's employment are given below.

Ünlüönen and Şahin (2011) stated that tourism provided a major foreign exchange inflow in times of countries experiencing economic difficulties and played a key role in reducing foreign trade deficits and unemployment, and, thanks to its labor-intensive feature, also played a role in increasing employment and preventing unemployment. In this study, they have come to a conclusion that all income entering tourism sector directly affects employment in tourism sector and indirectly in employment in other sectors, and that it is very important for people to be employed in tourism field and having the necessary knowledge and skills for tourism development.

Peker and Kubar (2012) have historically addressed the development of the female labor force and the factors affecting it. Moreover, they have analyzed the labor force participation of women in rural areas by benefiting from the basic indicators for women in Turkey, as well as benefiting from the findings of the studies before it.

Korkmaz and Korkut (2012) found that while there has been a decrease in female labor force participation in rural areas, there has been an increase in labor force participation in the city in recent years, and this situation can be regarded as an indicator that the policies developed to increase female employment have yielded results and will continue to do so.

Ataseven and Gülçubuk (2012) gave information about the general situation of women living in rural areas and working in agriculture and made recommendations on what to do in terms of general welfare policies in order to provide a more comfortable living and working environment for women in rural areas.

It was determined that women's entrepreneurship contributed to the development of rural tourism in Edirne, and that women contributed to the local / regional product production focused on rural tourism. They have a power that maintains historical, touristic and local traditions which are the locomotive of Edirne tourism. With the development of rural-oriented women entrepreneurship in Edirne, the traditional family structure, the economic level of women, the psychological status of women and the society's view of women change positively. The development of rural tourism contributes to the socio-economic empowerment of women, income and employment growth, and regional development (Boyacıoğlu, 2014).

In a study, after mentioning the definition, types and individual and social importance of vocational education, the employment status of the graduates who have formal vocational education were put forward. Afterwards, the quality and quantitative problems of vocational education were examined and after the identification of these problems, the relationship between vocational education and employment was discussed. In the conclusion part,

some solution-oriented thoughts are given based on the findings obtained (Özsoy 2015).

Özyılmaz (2016) stated that women entrepreneurs provide entrepreneurial characteristics at a high rate, that the reasons of being an entrepreneur are the predominant desire of being their boss and proving themselves, and that they receive support from family members when starting a business and this makes important contributions to being entrepreneurs. It has been determined that the majority of women entrepreneurs do not encounter any problems while starting a business, but they encounter problems while conducting their business, and they experience problems in financial matters and bureaucratic transactions the most. When the women entrepreneurs were examined regionally, it was found that the problems they experienced increased as the development level of the regions decreased.

Dincer et al., (2016) in their study, have discussed women working in the tourism sector of employment opportunities and obstacles faced by women in employment in terms of tourism sector in Turkey. In this study, the employment of women in the tourism sector has been given statistically and the opportunities that make women's employment attractive and the reasons that make it difficult for women to be employed in the tourism sector have been evaluated through SWOT analysis.

Okeke (2018), highlighted the role of women's vocational training in promoting sustainable tourism and sustainable development.

In Peru (South America), the role of agricultural development in the employment of women in terms of tourism and the forms of change has been examined. According to the study, revealed that agro-tourism contributes to four areas of empowerment for women: psychological, social, political, and economic. However, the culture of the Andean communities still

has considerable influence on gender dynamics and may prevent women from garnering all the benefits of tourism development. Agro-tourism development in those communities should incorporate gender-related cultural considerations to navigate and overcome barriers, thereby allowing the maximization of empowerment benefits for women (Claudia and et all., 2019).

MATERIAL and METHOD

This study has been compiled from various sources. Studies, made by public, private institutions and universities, about Employment in Turkey, women's employment, vocational training and employment of women and development have been examined and thesis on the subject have been examined and interpreted, and finally articles, and Internet databases were benefited. The sources were examined and inferences were tried to make and comments and evaluations were made based on the research findings. According to these evaluations, recommendations were made for the employment of women in Adıyaman in the tourism sector.

WOMEN EDUCATION and DEVELOPMENT

According to human capital theory, one of the most important factors determining the level of development of a country is the quality of its human resources. In this direction, trained professional and technical manpower, which can adapt to changing conditions, can solve problems, communicate well with its environment, make teamwork, have the basic knowledge and skills required by the profession, constitute the impetus of development (Özsoy 2015).

Utilizing the female labor force for development primarily increases the income of households, which leads to a balanced distribution of income. This situation is also

important in interregional development. Development economists and development planners often stress that women's labor force participation and contribution is the foundation of development. In addition, those who see women as the basis of development economics also emphasize that women want to see higher income, greater power and status in the social life from politics to education (Oktik 2001). Therefore, the development of a country depends on its contribution to production with the employment of trained manpower. Therefore, women should be employed as trained manpower and contribute to production (Kayadibi 2003). Participation of women in development in almost all subjects such as production, education, health, family relations, nutrition issues is important for both the national economy and raising the status of women. The most important condition of economic empowerment is the participation of women in the labor force (Ataseven and Gülçubuk 2012; Duflo 2012).

However, it is thought-provoking that the level of employment participation rate of women is 30% in Turkey. There are various reasons for this. The reasons women cannot participate in the labor force are not limited to their responsibilities at home. Factors such as lower education levels than men and lack of public support are among the main reasons. In addition, the unemployment rate in urban areas is higher than in rural areas. This is due to the fact that it is more difficult for women to find a job in urban areas than men, and puts forward this necessitates the need to make it easier for women to find a job. Although the reason for high unemployment rates among women living in urban areas is explained by the low level of education of women in urban areas due to their inadequate qualifications; it would be more accurate to explain the fact that women living in the city are considered to be unemployed because they are included in the labor force because they have the desire to work but

do not have enough qualifications to find a job in the labor market (Öksüz 2007).

Population growth rate in Turkey is decreasing. However, the high proportion of young people who can work creates pressure on labor markets. It also leads to the expulsion of working-age women out of the labor markets for socio-cultural reasons. Despite the population dynamics in our country, female labor force participation rate in urban areas cannot compensate for the decline in rural areas, because there is a need for more educated women in urban areas. While rural women participate in agricultural production as an extension of their daily work and as unpaid family workers, women with inadequate education in urban areas have to work in low-quality, precarious and low-paid jobs. Some uneducated women prefer to stay as housewives instead of working (Günday 2011).

Therefore, it is important to gain certain skills to women and to direct them to working life through the trainings to be provided. In this context, the potential of the tourism sector is very suitable for evaluating the female labor force. In developing countries, tourism is the gateway to hope for people in that region and accelerates social change. Particularly in the unindustrialized regions where the tradition restricts women to reproduction alone, it is observed that it plays an important role in women's independence and education as well as the negative aspects of working in the tourism sector (Oktik 2001). There have been positive examples of this. In the context of human resources development operational program under the grant program to support women's employment in 2009 with 2008 IPA budget item in Turkey, Samandağ female employment in the tourism development project has been implemented in the month of August 2010. This and similar projects are carried out in various regions of Turkey. However, it is necessary to increase the efforts to ensure the continuity of these projects and to assess the unqualified persons in the

tourism industry in lower positions as well as to remove the barriers to the employment of skilled women. Within the scope of the “Women’s Employment Promotion Grant Scheme” carried out by the Ministry of Labor, Labor and Social Security, Turkish Employment Agency (İşkur) and EU, 50 women selected from 240 women from Iskenderun Chamber of Commerce and Industry were trained in front office, kitchen and service services and introduced to tourism sector (Tosun et al. 2011). Therefore, increasing the number of women employed in the tourism sector and even reaching the number of working men can both eliminate gender inequality in the sector and lead to economic development of the role of women in social life (Çakır et al., 2017).

Starting from all of this, higher employment of female labor force, especially in certain areas such as tourism, will be effective in lowering the female unemployment that is common in cities. In addition, as in other enterprises, increasing employment of women should not be focused solely on equality and solving women’s problems. Women’s employment is also important in terms of countries’ competitive advantage and development (Dinçer et al., 2016).

WOMEN EMPLOYMENT AND VOCATIONAL EDUCATION

In Turkey, women can work in all sectors but the service sector are more common among women’s employment, and which is basically working conditions and the notion that women’s physical and emotional structures is more appropriate to the service sector.

General characteristics of women’s employment in Turkey are as follows: female participation in the labor force is low, women who migrate to the city are excluded from employment, they are employed in sectors where the general wage level is low as they do not benefit sufficiently

from education opportunities, women employed in rural areas are largely unpaid family workers, working under the minimum wage in the informal sector in the city and working at irregular-uninsured subcontracting jobs at home (Şener 2009).

Factors that prevent women from joining the labor force can be listed under economic, social and demographic headings. Economic reasons include low levels of education and skills, unqualified work, the difficulty of obtaining a pension. Social causes include the roles attributed to women, such as motherhood, child and elderly care, and the burden of household chores, gender discrimination and community pressure. Demographic factors can be grouped as marriage, having children, and migration from village to city (Kılınç 2015).

Vocational education is the education which gives the individual knowledge, skills and work habits related to a certain profession in the business life and improves the individual's abilities in various aspects. Technical education is an advanced vocational education which requires advanced science and mathematics knowledge and applied technical skills and provides the necessary knowledge, skills and work habits for intermediate and high levels in the professional hierarchy. Vocational and technical education, which is used in general terms, is, by definition, "the process of developing an individual in a balanced way with mental, emotional, personal, social and economic aspects by acquiring the knowledge, skills and practical application skills required by a particular profession for individual and social life" (Alkan et al., 2001). In this context, vocational training provides advantages in many respects such as providing more job security, higher income, providing professional advancement, opening the way of starting a business, increasing self-confidence and respect, and most importantly, creating the opportunity to cope with

poverty (Altuncı et al., 2009). Improving vocational education and providing quality education in a growing and diversifying economy brings social benefits beyond economic benefits.

Vocational training in tourism, on the other hand, aims to come to the forefront among the qualifications of employees in providing service quality and efficiency. The aim of tourism education, which provides knowledge and skills at the professional level in the tourism sector, is to increase productivity, to improve service awareness in the society, to provide principled and honest service to tourist consumers, to provide qualified personnel trained in tourism sector, to explain the importance and importance of tourism in economic development, to create positive tourism awareness in the country to provide a professional formation and knowledge-skills to the employees in the tourism sector, to attract people's interest in tourism, to train qualified tourism trainers and to contribute to the development of the tourism sector (Ünlüönen and Şahin 2011). In this context, employing educated people in the tourism sector is important both for the development of the sector and for the proper use of the country's human resources. Training for women employed in rural areas is also very important. Education plays an important role in eliminating regional imbalances (El Assar and Said, 2015). With the increase of education, there is a multiplier effect not only in the labor market but also in the long term for the national economy.

ADIYAMAN TOURISM AND WOMEN EMPLOYMENT

Adıyaman is a culture and tourism city centered on many cultures. Geographical characteristics and climatic factors of the province are rich in terms of tourism diversity. Adıyaman, whose industry is limited and whose main source of income is agriculture and animal husbandry, is among the provinces with the lowest income level. It

ranks 65th in the socio-economic development ranking. There are no signs of a change in this structure in the near future. Therefore, the tourism sector should be seen as an important factor in the elimination of backwardness. The registration of Adıyaman as a brand city and the proclamation of Kahta, one of Adıyaman districts by the Ministry of Culture and Tourism as “Kahta Tourism City” until 2023, create unique opportunities for tourism within the scope of the potential tourism sector carried by other districts, towns and villages.

Adıyaman villages have a very special structure in line with their traditional structures and agricultural products. These characteristics should be evaluated in terms of tourism. For example; animal products, pomegranate, pistachios, grapes and olives etc. products can be introduced to tourism by giving an identity to the villages that grow them. In addition, these local products can be economically profitable through on-site sales. Agricultural tourism opportunities can be increased especially in the main villages where grape and pomegranate products can be marketed by converting them to a brand and local restaurants can be established (Ukav and Çetinsöz, 2015). Therefore, these activities are an important factor in increasing women’s employment.

In addition, traditional handicrafts such as carpets and coppersmiths are very common in Adıyaman. Carpets, rugs and felts are generally woven in the villages. Carpets are dyed with natural root dyes in some villages and synthetic dyes in some villages. These produced carpets are exported to mainly the United States. In addition, felt craftsmanship in Adıyaman is also very developed. In addition, rug weaving, saddlebags, gloves, socks, pulp, yemeni, coppersmith, leatherwork and wood workmanship are handicrafts made in the region. The historical bazaar in the city center of Adıyaman, handicraft products such as local carpets, rugs, cicim saddlebags, touristic items,

Nemrut statues and souvenirs that can be bought in Oturakçı Bazaar (Ukav 2014).

Such activities within the scope of tourism will prevent the disappearance of local handicrafts in Adıyaman, will ensure the continuation of traditions, will help employment in economic terms and contribute to the increase of income level. This contribution will increase with the participation of women in employment. Women's labor force participation is considered as an important element of development. This is of greater importance for regional development. Particularly in underdeveloped regions, providing vocational training for women with various subjects and participation in business life, bringing women's workforce into the economy will contribute to the elimination of regional imbalance (Barbieri et al, 2019).

As it is known, tourism sector is the most important industry in most countries where traditional agricultural production is declining, causing employment opportunities to increase. Therefore, the development of the tourism sector in a country will allow the people of the country to be employed in this sector and contribute to the spontaneous elimination of the unemployment problem (Ramos and Prideaux, 2018). The tourism sector is one of the sectors that create the most business areas in the world. Women are often employed in departments where they can use their skills in traditional housework, thus reducing employers' training costs (Uguz and Topbaş 2014).

Women not only offer skills in the tourism sector, they can also become entrepreneurs with various organizations. In order to encourage women entrepreneurship, information on the current incentives for women entrepreneurs should be made more effective on the capital supply of women entrepreneurs during and after the establishment phase, and especially the introduction of the micro credit system is important. Regarding the

incentives, the rate of women entrepreneurs considering using them is considerably higher than the rate of women entrepreneurs using these incentives and according to this potential, by increasing the mutual communication, with the help of organizations such as Chambers of Commerce and Industry or Chambers of Tradesmen, it is necessary to visit the women entrepreneurs and inform them if necessary (Yalman and Gündoğdu 2014).

There are also issues that women entrepreneurs must pay attention to in order to be successful and to continue or improve their business. Especially in the sustainability of business activities, she should be more careful about issues such as to develop herself and her business, to be able to compete, to benefit sufficiently from technology and communication facilities, to establish correct and effective communication, to know the market, and to receive necessary trainings related to her business.

CONCLUSION AND SUGGESTION

The high rate of female labor force in a country's employment market is an important indicator of the development of that country. The female employment rate in Turkey is lower, it shows a downward trend over the years. Despite the positive discrimination in the law, the necessary mechanisms to ensure the participation of women in the labor market are not fully utilized. It is important to guide and educate women for potential areas where the national economy can develop. It is necessary to make education planning for vocational education which is needed by the economy and to inform women for this purpose.

Increasing the level of education of women should be established with a view to expanding women's employment areas and should be supported by employment policies that will break the layered structure based on the distinction between women's work and men's work in the

labor market. Otherwise, raising the educational level of women alone is insufficient for them to be employed.

In the policies to be developed, the components for women should be established by considering the relationship between vocational courses and women's employment on the basis of employability and taking into account the effects of the courses on women's employability.

It is known that the employment effect of vocational training courses organized for the unemployed is higher among women. For the courses to be organized in this context, it is very important to cooperate with local administrations and to ensure the participation of professional chambers and organizations that will facilitate the entry of the trainees into the labor market in reaching the unemployed women.

In order to enable women migrating from rural to urban areas to participate in the labor market, it can be ensured that the products produced in rural areas are sold by creating suitable places in the city for tourism purposes. The advantages of cooperatives in this regard should also be considered.

Rural tourism can be an important alternative for women who continue agricultural production in rural areas. Considering the commercial success of tourism product developed for rural tourism, attention should be paid to investing in demand, product quality, marketing and professional skills. In this process, efforts can be made to increase employment opportunities in order to ensure the participation of the poor in the production of local products.

In order to increase the participation of local women in tourism management, credit (micro credit) and assistance should be provided. The needed capital is especially important for women's unorganized, daily and manual labor. Success stories that will emerge in this process will increase the interest in the subject.

As a result, with the increasing human capital of women with vocational training on tourism, their ability to do business will improve and create employment and increase income.

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Chapter 18

AUDIT AND AUDIT PROCESS

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INTRODUCTION

Auditing is important for individuals, businesses, the state, and for the economy as a whole. It is essential however, to determine for whom, for what purpose and how the audit can be carried out. Otherwise, there will be a confusion between the objectives, the work done and the responsibility of the owners. The credibility of the information presented to the decision maker reduces the efficiency and complexity of communities. The decision-maker does not have the opportunity to review the information presented by going through the literature directly. The decision-maker must correctly accept and trust the information provided by the various intermediaries. The fact that the information disclosed is not reliable enough forces decision-makers to take the necessary measures. An independent individual audits this information by verifying whether or not the results are accurate. In this context, this study aimed to contribute to the literature by conducting a research on the audit and audit process.

In the first part of the study, it is aimed to give information about what is audit, historical development of audit, objectives of audit, types of audit, how auditors perform audit and the audit standards. In the second part, the study discusses the auditing process and the audit stages.

1. OVERVIEW OF AUDIT CONCEPT

1.1. AUDIT CONCEPT

The concept of audit is to have the power to self-control people and the actions we have done in our daily lives (Kepekçi, 1994: 1). It is defined and diversified in accordance with audit objectives and characteristics, which are an integral part of management elements. In addition, the audit is a systematic system that collects independent information in order to determine and communicate

the results related to traditions with the criterion for estimating the claims and economic movements (Yakar, 2015: 5). The idea of auditing corresponds to ‘auditing’ in the Anglo-Saxon countries. Auditing concept is based on the verb ‘Audire’, which means Latin hearing and listening. As stated here, it is aimed to determine the truths by listening to the work done by selected experts and officials from ancient communities (Tuğral, 2010: 3).

1.2. AUDIT

In general, the audit is expressed as a process of communicating the structure, operation and outputs of an organization or establishment or a defined plan, program or project to the concerned party or parties by determining methods such as research, observation and questioning in accordance with the standards already determined and evaluating their results objectively and systematically. (Köse, 2007: 5).

The concept of supervision is also described as a kind of comparison procedure which controls the statuses of the stock market as a result of the movements performed and the conditions determined (Yozgat, 1992: 339).

Kepekçi states that the audit involves reporting the data of a unit for a given period by establishing the degree of compliance to predetermined criteria (Kepekci, 2004: 1). Ramamoorti audit is regularly disclosed by investigating whether the public institutions and the institutions established in accordance with the legal validity of public institutions operate according to the legal regulations. (Ertaş, 2018: 5).

Audit; In his statement made by the Committee of Basic Auditing Concepts of the American Association of Accountants (AAA), referred to as follows. It can be defined as a systematic process that ensures that the declared information about economic activities and events

complies with the predetermined criteria, that objectively obtains, evaluates the evidence, and communicates the results to the interested parties”. (AAA: 1972: 18).

The main objective of the audit is to clear the frauds and inaccuracies of the financial statements presented by the companies and to reach reliable unbiased results. Increasing the impartiality and efficiency of the information made by independent institutions has increased the importance of supervising these institutions.

1.3. HISTORICAL PROGRESS OF AUDIT

The audit has passed through many stages from past to present. In 1363 and 15th century, there were those who resisted the double supervision system in the scientific concept. In these periods, accounting audit is in question. As a result, it was examined whether there is any deficiency in accounting supervision (Aydemir et al, 2008: 13).

Despite the fact that audit activities were carried out from ancient times, it has reached its duties and responsibilities since the industrial era. Together with the Great Depression in 1929, supervisory activities followed a profession and developed contemporary economic conditions. (Bozkurt, 2006: 25).

In the UK in 1289, auditing was first mentioned as a professional title. In 1581, a professional audit organization was established in Venice. Contemporary auditing requirements were issued in 1850 by the Scottish Institute of Supervisors in writing (Uzun, 1999: 2).

After the industrial revolution, the impact of the developments in the economy began to institutionalize enterprises, business management passed from family members to professional managers. The need for information to be obtained by the capital owners and the importance of the data they need in decision making have revealed the concept of audit.

The audit was initially documented to reveal errors and fraud. Subsequent application difficulties and developments led auditors to audit the financial statements of the enterprises as a whole, and this was not only a concept of accounting, but motivated by the doubts of the manager, but also the audit of compliance, activity audit and, most importantly, consulting. Thus, the foundations of modern control concept were laid” (İnci, 2012: 5).

There have been improvements in auditing from the past to the present, and numerical information and mathematical methods have become the most important features of auditing by utilizing computer programs. Companies are also provided with information by auditors for their functions other than accounting (Kaya, 2005: 3).

Table 1.1. Historical Development of Audit

Revolution	Audit Approach	Purpose of Audit	The parties concerned
Industrial Period	100% review	Misleading Findings	Business owners
Between the Industrial Revolution and the 1900s	100% review	Misleading Findings	Partners and business lenders
1900-1930s	Apply for a 100% review and sampling	Confirming the accuracy of Balance Sheet and Income Statements	Partners, business lenders and government
Since 1930	Investigation through financial sampling	Create an opinion on the accuracy and integrity of financial statements	Partners include business lenders, government, trade unions, parliament, consumers, etc. Groups

Source: (Barlas, 2014: 8)

1.4. PRINCIPLES OF AUDITING

Audit principles are discussed under 4 main headings.

1.4.1. Principle of Independence

It is as important as possible that the auditor acts freely during the audit. It describes that the independent auditors 'accounts should be held in a place of their company operations, that auditors should not be subjected to or subject to giving their financial relations to auditors 'property, and so on. (Khan, 1995: 17).

The complete expression of public sphere independence control; status, authority, funds, staff recruitment and achievement of goals are the reasons. This is what distinguishes the audit principle from others. It is independent and objective examination of public movements, free from the domination of the executive, political parties, domination teams or other forces. In state, audits are free and at the same time in political arrangements; it is independent and objective examination of public movements, free from the domination of the executive, political parties, domination teams or other forces (Özdemir, 2001: 19).

1.4.2. The principle of legality

Together with the principle of legality, it determines the conduct of auditing movements in compliance with the existing systems. This audit system is carried out by evaluating the movements according to legal principles. (Akpınar, 2006: 41).

1.4.3. Objectivity Principle

The supervisor should avoid any disagreements that may occur during the work. They should also not allow any effect that would doubt its honesty and impartiality, and should express their view at the end of the audit without calculating the benefits of others in the report. (Gurbuz, 1995: 18).

1.4.4. Honesty principle

Audit activities should be described in an honest manner. During their supervisors' duties, their objective preparations are conducted in a dynamic, effective, precise and taking consideration of the same legal acts. The characteristics of the supervisors and the selection of the supervisors are achieved with the principle of honesty (Akpınar, 2006: 41).

1.5. PURPOSE OF AUDIT

The main objective of the audit is to compare and simulate the situation with the one that is desired to be achieved. It makes reconciliation or deviation more efficient when comparing what is present and what should be (Örnek, 1991: 48). In this sense, auditing is expressed as seeking to reconcile standards.

Bozkurt states that the purpose of the audit is to express an opinion to users of the financial statements as to whether the financial statements are prepared in accordance with financial reporting standards (Bozkurt, 2011: 13).

Audit is not just about giving orders, showing off and giving fear. A job is directed in a direction we want it to go. Supervision should be constructive and should be provided with sufficient information to ensure that the defects are not repeated again (Tortop, 1974: 27-50).

1.6. TYPES OF AUDITING

It was examined under 4 main headings.

1.6.1. Types of Audit by Objectives

The types of audits are listed as follows; activity audit, financial audit, and compliance audit

1.6.1.1. Auditing of Financial Statements

In this type of audit, it is aimed to reach a conclusion about whether the economic values of any company, the economic state of the company, and whether the resulting actions are consistent with the accounting systems and legal decisions accepted by everyone. Compliance with the statements such as balance sheet, income statement, cash flow statement to all accepted accounting regulations and legal provisions is the objective of the economical statements audit. (Çakmak, 2006: 9).

Auditing as a profession is the subject of occupation in developed countries, and both theoretically and practically the most common type of auditors are dependent and independent auditors.

1.6.1.2. Activity Audit (Performance Audit)

The activity audit evaluates the achievements of the company, assesses whether a company's goals have been accomplished, whether it affects the financial context, and provides suggestions by assessing whether it is effective or not. (Dalak 2000). An activity audit is an audit that measures the effectiveness of managerial movements rather than accounting. Makes proposals for the development of the company in the managerial sense. It is a type of audit performed by people who knows the company well (Güler 2006).

1.6.1.3. Conformity Audit (Formal Audit)

Conformity audit is the way in which the financial procedures of the companies are determined in order to determine their agreement to the rules by the methods specified by an institution both inside and outside the company (Güredin 1999).

The objective of Compliance in Auditing is to seek to investigate the compliance of an organization's economic

activities and movements with the specified methods, rules or systems by internal auditors, external auditors or ombudsmen. As the results of the compliance audit are not reported to a large institution, they are reported to the related and authorized persons and organizations in general and therefore are reached through internal auditors in general and external auditors when necessary (Ulusoy, 2005: 272).

Tablo 1.2. Type of Auditing and Accepted Auditing Criteria

TYPE OF AUDITING	CRITERIA
“Audit of Financial Statements”	“Generally Accepted Accounting Principles, Law and Other Official Legislation”
“Activity (Performance) Audit”	“Business Policies (Goals), Performance and Productivity Criteria”
“Compliance Audit”	“Laws, Legislation and Business Policies”

1.6.2. Special Purpose Audit

The audits performed due to informing the Company management on any subject are called special purpose audits. The subject of the investigation and the problems are determined in advance. As a result, all and various assumptions are clearly expressed. These findings are to be achieved through these assumptions (Ricchiute, 1995: 5).

An audit performed on a specified subject is called a special audit, and an audit that expresses all the transactions related to a company (transactions, records and accounting) is called a general audit.

1.6.2.1. Types of Audit by Reason of Construction

It consists of two stages: compulsory (statutory) audit and voluntary audit.

1.6.2.1.1. Compulsory (Legal) Audit

“Audit work that is required to be carried out in accordance with legal provisions is called Legal Audit. The audit activities carried out at the request of various interest groups related to the business without any legal obligation are also called optional audit. Interest groups relates to the business; managers, investors, credit institutions, workers ‘and workers’ organizations, government and financial analysts, etc.” (Dalak, 2000: 69).

1.6.2.1.2. Optional Audit

It is a kind of auditing which is at the request of decision-making organizations and without any pressure. The most important feature is the provision of the individuals who will benefit from the audit.

Although there is no pressure, they have the authority to audit companies. Assurance is given to the financial position of companies and healthy results are achieved (Steel, 2005: 33).

1.6.3. Types of Audits by Auditor Quality

Types of audits can be examined in 3 stages according to their qualifications.

1.6.3.1. Internal Audit

Internal audit refers to the compliance and efficiency of the activities of the company’s operations and practitioners, the honesty of all information obtained, and the audit of financial accounting and all other areas

to provide information to senior managers. Tuan and Sağlar, 2004: 2). In other words, internal audit; economic movements and non-economic movements, particularly in the areas of management, are also examined and assessed to assist them to efficiently fulfill the formal responsibilities. (Baran, 1989: 53).

1.6.3.2. Independent Audit

An auditor's contract is to conduct audits of compliance with financial statements and activity audits by the self-employed (or the institutions they establish) upon the request of the company (Altuğ, 1995: 6-7). People who provide services to the company for a fee are called independent auditors. After reviewing and auditing the financial statements and transactions of the company in accordance with the legal regulations, it informs the company. It presents the review to the company management and the necessary decisions are made by the authorities (Altuğ, 1995: 7).

1.6.3.3. Public Inspection

Establishment of public order by the institutions for their own personnel is a type of supervision made by protecting public rights and freedoms. Tax audit is also the most important aspect of the public financial audit conducted in the company.

1.7. AUDIT CONCEPT AND TYPES OF AUDITORS

Under this title, the concept of auditor and the types of auditors are explained respectively.

The supervisor is defined as the person who carry out audit activities, have professional knowledge and experience, who acts independently and have high moral

qualities (Ünlü, 1997: 2). The auditors are divided into 3 groups.

An internal auditor is an expert in charge of examining business activities to determine whether existing policies and procedures are being implemented in an appropriate, efficient and effective manner. In other words, it is an expert who is obliged to carry out activity audit in a way and performs the audit job as a permanent employee of the enterprise (Çömlekçi et al., 1993: 7).

Ombudsmen are auditors such as the financial inspector (tax inspector under the new name) who use the audit authority on behalf of the public and audit all areas of activity and receive salaries from the public (Güçlü, 2007: 9). The duty of the ombudsmen is to check whether the activities of the institutions to be audited are performed according to the relevant laws, regulations and policies.

Independent auditors are those who do not have an employee-employer relationship with the companies they conduct audits, provide audit services to companies for a fee and whose main task is auditing the financial statements (Bozkurt, 2012: 31). The main activity of the independent auditors is to audit the financial statements and they can work alone or within an audit company.

1.8. AUDIT STANDARDS

Auditing according to the audit concepts committee1; It is a systematic process that collects and assesses objectively evidence, in order to examine to what extent, the economic and event claims meet pre-determined criteria and to inform those concerned about the results (Türedi et al., 2018: 7).

Audit activity is a series of inquiries covering descriptive and informative reports aimed at determining the degree of conformity of information by independent

persons within the context of predetermined criteria and verifying at a reasonable level.

International auditing standards stipulate that the audit activity is carried out by professionals with professional experience and training in all processes in an independent and professional manner. The basic structure of the Generally Accepted Auditing Standards consists of 3 main parts: general standards, work site standards and reporting standards. The first part of these Standards is devoted to general standards.

These standards include the principles regarding the qualifications, attitudes and behaviors of the auditors and their professional training. In this respect, these standards are also called personal standards.

Tablo 1.3. Stages of Audit

General Standards	Workspace Standards	Reporting Standards
Vocational education and qualification standard,	Planning and surveillance standard,	Compliance of generally accepted accounting principles.
Independence standard.	Internal control system examination standard,	Consistency standard in accounting principles,
Professional care and diligence standard,	Sufficient evidence collection standard,	Full disclosure compliance standard
	Standard for the preparation of working papers.	Feedback standard.

Kaynak: (Türedi vd., 2018: 8)

The auditing of financial statements is based on Independent Auditing Standards (IAS) in Groups 100-

700. Audit report preparing includes standards of 700 to 799.

General Principles and Responsibilities	Workspace Standards	Reporting Standards
200-299	300-699	700-799

“Auditing standards are general principles that help the auditor in fulfilling his / her professional responsibility, shedding light on him in the audit activities. The auditor must not be separated from these principles in any way in order to be considered appropriate and valid” (Güredin, 2010: 39).

Accounting and auditing standards aim to minimize any concerns about whether or not they reflect the truth, leading the process from the preparation of financial reports to the presentation.

2. AUDIT PROCESS

The audit process emerges from different successive phases. This process starts with identifying and recruiting audited recipients and continues the auditing process and concludes with reporting on information obtained following the audits. The scope and level of difficulty of the audit process differs depending on whether the client company is dependent on the audit in previous transfers. Repetitive audits should have a much lower level of work overload and difficulty than first-time audits. Because the supervisor feels the need to do some additional research for the customer company, he will be auditing for the first time. During the audit, the controller can also obtain several motion periods if necessary. In addition, if the client company has never conducted an audit, this matter is also assigned to the supervisor with additional tasks. In addition, if the customer has previously been dependent

on the audit by other supervisors, the company may also obtain information from the previous supervisors for information it may need about the new supervisor company (Defliese, 1984: 33).

The audit process consists of 4 main stages;

1. Determination of the Purchasers to be Audited and Acceptance of the Work
2. Audit Planning
3. Examination of the Program to be Audited
4. Reporting of Findings

2.1. Detection of the recipients to be audited and acceptance of the work

The institutions to be audited are determined first (Kenger, 2001: 38). First of all, the companies that will have the audit apply to the companies that carry out the audit procedures. The supervisory bodies also decide whether to examine and accept the companies applying to them. The auditing institution may contact the bank, customer, accountant and lawyers to which the company has previously contacted and obtain information about the company. Previous inspectors are the most important source of information. It can determine why the company has changed the audit institution and its problems with the previous institution (Çömlekçi et al., 2004: 70-71).

After this work, the firm that will perform the audit exchanges information from the top management and important executives of the company in order to carry out some researches and starts auditing if it can obtain assurance. After this meeting between them, a contract is made which will formalize the work. This agreement includes when and when the audit will commence, the audit area, the cost of the audit and the company's

responsibilities to the auditing company (Çömlekçi et al., 2004: 71).

2.2. Audit Planning

After the auditor has obtained the necessary preliminary information, the audit plan and program must be established at a written level. First, the supervisor divides the company into audit areas. Auditing fields are units of account on which an expression should be indicated. The second step is to set up the inspection program. The type and sequence of audits that is considered to be conducted for each audit site will be determined in writing as part of the conduct of the supervision (Çakmak, 2006: 14-15).

It is the purpose of the audit plan to divide audit areas and assign them to auditors, to separate the audit systems and procedures, and to schedule the audit actions envisaged in the audit areas (Güredin, 1997: 72).

Audit planning is divided into 2, as customer information related and as information in the field of auditing. Information related to the audit field includes, information about audit contracts, organizational order of the company, the type of personnel, information about the production systems, information about the cooperation of the company and customers (Güredin, 1997: 73).

2.3. Execution of the Audit Program

Programs made in the auditing field begins being implemented. This Refers to a system where the auditor collects the evidence he needs. In other words, the auditor is divided into two groups as the auditor conducting the audit, namely compliance tests and materiality tests. (Kell et al., 1989: 88). The second stage after the conformity test and the testing of materiality during the audit involves an analysis of the rest of the account. The aim at this stage is to establish the additional results on the basis of the footnotes

and the rest of the period in the compatible economic tables. The order and area of this research are determined to be dependent on the data reached in the previous steps (Ayrancı, 2010: 39). The second element in the supervisory planning phase during the conformity testing phase is the evaluation of the degree of control risk and the assessment of the identified risk by the customer company further improving the acquisition and screening of information in the field of internal control. (Çömlekçi vd., 1992: 69).

2.4. Reporting of Findings

As a result of the audits performed by the auditor, the document submitted to the auditor is called the audit report. This is very important since the decision will be made about the companies after reviewing the report (Bakır, 2003: 64). Audit report states whether the company is in compliance with the financial statements and standards examined (Aksoy, 2006: 312). The auditors are obliged to investigate all the data and findings obtained as a result of their research by including their own comments and thoughts. Investigations should include the information added in the report as a result (Güçlü, 2008: 42).

Auditors choose one of the following four types of audit reports depending on their status (Bakır, 2003: 67-68).

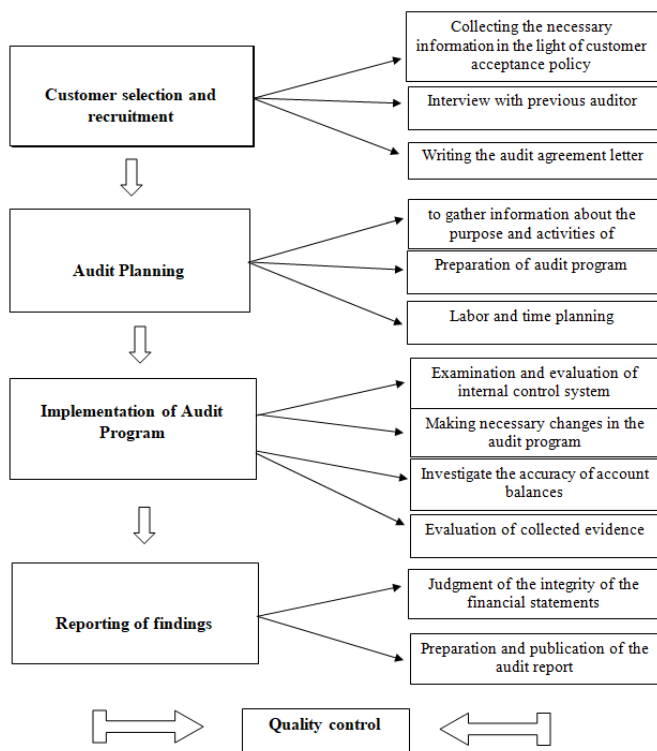
The audit report containing positive opinion is the report expressing that the auditors convey positive opinion in the report obtained as a result of audit movements, and that the company conducts the audit in accordance with the laws required by the economic situation and actions of the audited company, the generally accepted accounting principles and the laws of accuracy and honesty.

An audit report containing a conditional opinion is a form of opinion that is found to be positive, with some exceptions to the opinions of the auditors regarding the audit. The auditor's opinion is conditional if the financial

position of the companies and any errors or omissions in one or more items of the financial statements do not affect the positive opinions of the auditor.

The audit report, which contains a negative opinion, is stated to be expressed in the event that the auditors are found to be inconsistent with the generally accepted accounting principles, laws or the laws of truth and honesty in the financial position and the results of the operations of the entities they audit. Explain and clarify in their report the reasons for negative expressions of the auditors.

An audit report in which an audit report is avoided is an audit report in which the auditor states that the auditor is unable to collect sufficient evidence to be relevant to the data expressed in the economic statements of the company to which he is auditing, and that the auditor will state that the audit of an independent level will be prohibited



RESULT

The audit structure and content of enterprises contribute to the implementation and development of corporate governance. Supervision is necessary for the healthy execution of each transaction. Healthy transactions create healthy businesses. In enterprises with audit culture, we can state that the amount of internal interaction is high and therefore the system is operated in a transparent, responsible, fair and accountable manner. One of the features of institutions with the highest level of information production and sharing capabilities is their strong internal audit structures.

In terms of corporate governance improvements, we can say that corporate bankruptcies are common in the last century. Sarban Oxley, Arthur Andersen and the latest economic scandals in 2008 are due to poor management practices. Corporate Governance functions through excellent audit procedures to prevent financial crises or mitigate adverse impacts.

There are basically two types of information in an institution. First; Implicit knowledge which is hidden within the person, that is, the sum of people's ability, knowledge and experience; latter; written and recorded information which is available in various information recording media (Zaim, 2005: 200). Open information resources are handled by corporate governance. It aims for consistent, understandable, comparable and verifiable corporate information resources. The professional skepticism to be adopted by the auditor includes efforts to transform the implicit sources of information into open information. We can conclude that the principle and the professional skepticism of the auditor are fundamental and procedural in relation to transparency within the core area of corporate governance. In this respect, professional skepticism plays an important role in terms

of corporate governance and auditing processes. The concept of professional skepticism is only considered as a phenomenon mentioned within the audit standards. As it is a new concept, the theoretical explanations on how, in what way and how it will be used in the audit literature are not sufficient. It is limited solely to the view that the level of professional skepticism may turn into paranoia if the supervisor overcomes it. In the literature, only its role in audit activities has been discussed and its role among corporate governance parameters has been neglected. However, professional skepticism should take its place among the most effective dynamics of corporate risk management.

The accountability, transparency, responsibility and fairness of the responsibilities and activities of the management levels are related to their ability to customize the audit phenomenon. One of the main expectations of good corporate governance practices is that they are able to turn audit into a corporate culture. The functional reflection of intellectual institutional accumulation is possible through the production and sharing of transparent and fair information that can be confirmed on the basis of reliable information.

It is important that enterprises develop policies for stakeholders in information management processes, support the participation of stakeholders in business management and the effectiveness of the management committees to be established. The state, small investors and lenders as well as other stakeholders, except for the dominant partners, are currently anticipated to sustain businesses. It is essential to protect the interests of all stakeholders for the sound functioning of the overall financial system consisting of mergers. This is possible only through accountable, responsible, transparent and fair management. The main purpose of corporate governance is to create a healthy financial structure.

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Chapter 19

EFFECTS OF MERGERS AND ACQUISITIONS ON STOCK RETURNS

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1. Introduction

Although there are many goals of companies, the main objectives are to ensure that the shareholders make more profit and to achieve sustainable competitive advantage for this (Sudersanam, 1995: 4). There are two options for companies to ensure stable growth; intrinsic growth and extrinsic growth. The option to be used varies depending on the goals of the company, the strategies it has set and the costs it can bear. In intrinsic growth, the company grows using its own financial resources or borrowing, while in extrinsic growth, the company grows through mergers and acquisitions.

There are advantages and disadvantages of intrinsic and extrinsic growth. Intrinsic growth progresses slower as a process than extrinsic growth. Therefore, the time will be longer to gain competitive advantage. On the other hand, there is no guarantee that both types of merger will be successful. With extrinsic growth, the resources and technology of another company are acquired without any extra effort through company mergers. In fact, the cost that companies will bear by purchasing is not more than the cost that they will bear by the trial and error process of intrinsic growth (Gaughan, 1999).

Bank mergers are widespread both in national and international markets. While it is aimed to benefit from economies of scale, reduce operational costs, increase the efficiency of distribution channels, increase the sector share in national mergers, it is aimed to utilize field economies in international mergers.

Bank mergers and acquisitions can take place in different ways. The methods are: two banks terminate at least one of their legal entities, be a single bank; one bank purchases the other bank and both banks continue their activities in the same way or one bank becomes a partner by purchasing the shares of another bank.

Looking at the bank mergers taking place in Turkey, it is seen that it has different properties in different periods, depending on the economic conjuncture. It is noteworthy that during the twin crisis between 2000 and 2001, compulsory bank mergers were experienced, while the mergers that followed were strategic partnerships.

The acceleration of international trade and finance transactions with the developing technology caused investors to search for markets where they can make higher profits. In such a period, developing countries such as Turkey have become attractive for developed countries because of some properties. As common features of developing countries that make them attractive; low capital, low level of savings, low research and development expenditures can be listed. Therefore, foreign direct investments coming to the DC can meet the long-term savings needs with the resources they bring to the country, and the technology need of the country can be met with the technology that these companies can bring with them. If we are to assess the banking sector, Turkey with its young population, creates an important market for international banks, this means potential customers for banks.

2. Mergers and Acquisitions

The first merger movements that started in the United States in the 1890s accelerated over the years and continued to spread in developed and developing countries. At a merge, the enterprises aim to gain competitive advantage, strengthen capital, reduce risk, increase their market share and increase business performance by creating synergies. Merger can be defined as the merger of a company with another by changing its legal entity under one management (Palombo, 1997).

A rapid increase in mergers and acquisitions has occurred due to the rapid developments in information and communication technologies in the world after 1990, the reduction of legal barriers and the globalization trend that encourages efficiency, productivity and growth,. Mergers make it easier to access resources such as cost-effective labor, raw materials and technology in different countries, while also offering the opportunity to further increase their market share.

The employers aim to position themselves in a more powerful place in the market by increasing their market share, and to increase company value by reducing costs. If the company is a public limited company, then the market value of the company is also involved and the profit of the shareholders become even more important. The main reason for the growth demand of the enterprises can be the improvement of their economic conditions, but they also want to continue their existence stronger in today's constantly developing and changing world.

Companies need to operate in international markets under today's conditions, as well as dominating the national markets in order to gain competitive advantage in the free market economy, Due to the globalization, an enterprise in one country has become the competitor of the enterprise in another country. As the profits obtained within the borders of the country do not satisfy the enterprise, there is a need to operate outside the borders. This situation has undoubtedly become a must for companies under new competitive conditions.

Changes have occurred in the marketing strategies of goods and services of the producer and consumer under the changing world conditions. Now, production of goods and services are made not in line with the manufacturer's wishes, but in line with the wishes and demands of consumers. Because there are many manufacturers and

service providers in both national and international markets where the customers can meet their needs, and due to the developing technology, it takes a second for consumers to reach their wishes.

As the foreign capital investments are important for the growth of countries and the sustainability of the current account deficit, every country wants to attract foreign capital to their country. Foreign portfolio investments, referred as hot money movements, are of great importance especially for developing countries, but foreign direct investments are actually more important to enable real economic growth. However, today, a company that wants to invest in another country can merge another company in the country it wants to operate in order to avoid larger investment costs, and can enter the different markets more easily.

Company acquisitions and mergers are structurally decreasing or increasing under the influence of many factors such as economy, political and legal regulations. This makes the qualities of the both the existing companies and the countries more important. To improve their economies, it is important for the governments of these countries to remove legal obstacles before the foreign capital, if there is any, and to encourage the country. One of the best examples of this is Singapore. Credit opportunities to foreign investors, a simple regulatory system, tax incentives, a high-quality industrial real-estate park, political stability and lack of corruption have made Singapore an attractive destination for global capital and contributed significantly to the development of the economy. According to the World Investment 2019 report published by Unctad, Singapore has been the country that attracted the most foreign direct investment in 2018 after the United States, China and Hong Kong.

3. The Motivations Behind Mergers and Acquisitions

The developments that force the world economy to change can be listed as the rapid development of technology, the decreases in communication and transportation costs, the internationalization of the markets, the change in the severity, shape and structure of the competition, the emergence of new industries, the supervision and regulations in the markets. (Weston, 2001: 396). In the increasing international competition environment, many factors such as threats and risks emerging in new and different markets, differentiation in customer demands, economic, political and legal conditions of the countries have made the companies look for new things. The company mergers that gained a global structure with the capital liberalization that started in the 1980s have become an important external growth method in the world.

Mergers and acquisitions are expected to contribute to the increase in company profitability and production, great opportunities in new markets and growth of companies. Since mergers and acquisitions are not investments from scratch, a new entity is not formed, but a new company value can be born by increasing synergy by enabling new mergers of products and technologies (Ferraz & Hamaguchi, 2002: 383). Mergers and acquisitions must have at least one source of motivation for each company involved in this process.

Mainly 3 types of mergers can be mentioned. Horizontal mergers take place between companies operating in the same sector. As a result of horizontal mergers, companies can increase their size and get the opportunity to benefit from economies of scale. (Johnson, 1999: 8)

Vertical mergers take place between companies operating in different fields but having the same target groups. It can be considered as companies purchasing raw materials suppliers or logistics companies. Thus, the capacity of the target company will be used by the merging company (Weston and Wang, 1990: 87).

Mixed mergers take place between companies that have no connection between their activities. Companies may wish to enter in different sectors in order to reduce fluctuations in their sales and profits (Weston et al., 1990: 85).

3.1. Growth

One of the main causes of merger and acquisition agreements is the search for growth (Steger and Kummer, 2007: 4). Although there are various reasons behind the growth demands of the companies, business management in corporate companies can be put under pressure due to stagnant growth and profitability problems. Growth means initiatives that may increase the profitability of the company such as the increase of the profitability of the company, the increase in the company's assets, the increase in banks' deposits or loans. On the other hand, there are also growth objectives related to the value of the company, expressed as division of shares, earnings per share, book value, cash flow or income (DePamphilis, 2011: 137).

Businesses need to grow healthfully and steadily to ensure sustainability and the growth strategies emerge as one of the most important factors affecting the wealth of stakeholders, especially when combined with high capital returns (Cools et al., 2004: 6). Companies that decide to grow need to choose between internal or external growth to realize their targeted growth. They need to create their growth strategies as a result of the evaluations of the

positive and negative aspects of these two growth methods very well. The elements that will determine this preference will be the company's risk appetite and loan costs.

In internal growth, companies aim to increase their business capacities by profiting from internal or external sources of finance. When the available financing resources are insufficient, the existing capital of the company can be increased in a short or long term. Companies decide to use internal or external financing with their cost calculations in line with the market and production targets they determine.

Another method used in company growth is external growth, and it can take place as a strategic cooperation, merger and partnership with other companies. If a company does not have the possibility of internal growth due to lack of physical and managerial resources, it can grow through mergers and acquisitions (Malucha, 2009: 5; Steger and Kummer, 2007: 4). External growth, which means market and / or capacity acquisition, happens much faster than internal growth. It is considered as the fastest way when it is necessary to enter some markets quickly and make use of the opportunities there. Especially if the company has a bad performance, this trend can be reversed through mergers (Evans et al., 2000: 3).

When companies operating in sectors with intense competition want to take advantage of emerging opportunities or enter a sector where they are not experienced, they prefer external growth, where growth takes place more quickly over the internal growth, which is relatively more difficult and requires a long-term. Internal growth takes long time and it is uncertain if the expected results will be enabled (Kummer & Steiger, 2007: 4).

3.2. Synergy

The concept of synergy may be defined as the combination of the values carried by two companies,

and thus creating a greater value and impact. Synergy in company mergers means that companies that are parties to the merger can earn more profit from their individual total profits. Therefore, more value will be created for the shareholders of the merging companies. Reasons such as decreasing firm expenses with increased activity efficiency, increasing profit margin, increasing management efficiency, gaining a competitive advantage and stronger position in the market can be counted among the causes of synergies that arise in company mergers.

In mergers and acquisitions; synergy can be created in terms of activities and finance. The activity synergy means the unification of a number of overlapping activities and the increase in the production capacity and efficiency in the economic sense with the merge of companies. For example, two companies can reduce their unit costs as well as improve their product and service quality by merging their sales and marketing departments or technologies (Trautwein, 1990, 284).

Financial synergies can be realized when the company's financing costs decrease and the company value increases. Each company has a credit rating and since the company that will be formed as a result of the merger of the two companies will be a bigger one, its credit rating will increase and loan costs will decrease (Gaughan, 1996). Also, the loan capacity of the company will increase. In other words, the growth of the company will mean the possibility of using cheaper capital (Trautwein, 1990, 284). The improvement of the financial structure of both companies and the reduction of the risks associated with the new company are expected from the mergers.

3.3. Increasing Management Skills

The effects of mergers on management and employment are of great importance for companies.

Especially senior executives of public companies have a significant impact on market values. If there are expert managers who will increase the efficiency of the company with the merger of the two companies, a managerial synergy will be realized. It is possible with mergers and acquisitions to contribute to companies with managerial deficiencies and create value for them. According to the analysis made by Investors based on data obtained from William O'Neil + Co, the shares of S&P 500 companies that started working with a new CEO after January 1, 2018 gained 21,6% value between January 1 to July 30. On the other hand, as the partnership structure of the companies is important for capital market investors, mergers with strong capital partners will have an impact directly on the value of the company.

3.4. Making Use of Economies of Scale

The economy of scale is especially present in horizontal mergers and plays an important role in gaining competitive advantage in the market by increasing the market share of companies. Economies of scale is enabled by the decrease in the costs with the increase of companies' operational capacity, namely their production (Kinne, 1999: 297-298). Especially with fixed values such as the machinery and equipment to be used in production, companies can reduce costs by directly increasing the capacity instead of investing from scratch. It is more risky for a company to make its investments from scratch than merge. It will be more effective with mergers to increase the existing customer potential by making use of the best equipment, personnel and technology of the two companies.

3.5. Diversifying Activities

Diversification is the increase of the number of industries in which companies operate in order to expand

their customer portfolio and get a larger share of the market. Diversification may be necessary to increase earnings, achieve more consistent growth and profitability in the long run (Evans et al., 2000: 3).

Diversification of activities can take place in the form of horizontal or vertical growth. The main motivation in diversification of activities is the companies' desire to become stronger by maintaining their competitive advantage or to grow by investing in different sectors with high profit potential in the market. In most mergers, activity diversification is carried out with the aim of reducing the instability in profit or sales. If the companies operate in sectors that produce seasonal goods and services, then they may want to diversify their activities to produce in different sectors to reduce the level of exposure to seasonal fluctuations. Stability in companies' profits is important for employees, shareholders, customers, suppliers and lenders. Generally, companies that are not stable in profitability and sales are small companies that have liquidity shortages. Generally, liquidity congestion of these companies is solved with the merge or acquisition by large firms.

3.6. Globalization and Global Changes

Globalization refers to the increase in international social, economic, political and cultural mutual relations in terms of speed and dimension and worldwide homogenization (Wiarda, 2008: 3). The globalization of markets and industries has been one of the most important changes in the world economy. Many factors such as the removal of multilateral and regional trade barriers, the reduction of international trade and communication costs, the global integration of financial markets and the reforms of countries have contributed to the emergence of globalization (Wiersema and Bowen, 2008: 115). While globalization provides opportunities for companies to

increase their sales and profits, they also participate in a global competition. (Wiersema and Bowen, 2008: 118).

Companies wishing to survive in an increasingly competitive environment with globalization may choose to merge with national or international companies. The amount of capital required by companies in global competition situations might be met through mergers in the shortest way, thus the investment amounts are increased. Especially companies that want to compete in international markets can expand in their target markets by merging the company in the country they want to trade.

4. Mergers and Acquisitions in the Banking Sector

Merger activities, which increased in the 2000s, manifested themselves in sectors such as communication, chemistry, banking and finance, where global competition was intense. The increase in portfolio investments due to diversification in direct foreign investments, international bank loans, and financial instruments has significantly increased the international movement and highlighted the financial markets in which money was created.

Thanks to the liberalization in foreign trade, the importance of especially the banking sector in international markets has increased. Increasing credit demand in the markets caused the banks that wanted to grow to turn their eyes to banks outside their own country. The banks need to keep up with technological developments, even lead these tech developments in their sector, intensify their R&D activities and create customer value by strengthening their brand to be able to survive. The need for technology is one of the most important reasons that force banks, which are the center of money-saving, to merge.

Looking at the examples of mergers in the world, it is seen that mergers have different features depending on the

general economic conjuncture. While mergers in some countries are required because of the deterioration in the financial structure of banks, in some countries, it is aimed to increase the income of the bank. The main purpose of bank mergers is that the new structure that is actually formed is more effective in administrative, financial, marketing, legal, economic and technical aspects. The efficiency of the target country's economy is increased especially with foreign banks' making more profitable transactions with strong capital structure, foreign capital in banking industries' contribution to the development of the banking sector in the target country, and increasing productivity with the diversification of service quality and types.

The effects of mergers realized by multinational companies established in developed countries are much more than the merging effects of companies operating in national markets. At the same time, there are differences between the impact created by foreign banks in developed countries and the impact in developing countries. Foreign bank entry into the country is more effective in the developing countries.

During the economic crisis periods in the countries, the financial structure of the banks may deteriorate due to the increase in the rate of problematic loans, and banks may need to merge because of necessity or their activities are terminated by government intervention. The gigantic loan programs of Federal Reserve that saved the Wall Street in the fall of 2008 can be an example of government intervention and classified as the most costly financial system recovery operation of the last period. Such situations that take place during the economic crisis are important for the continuation of real economy activities and preventing the banking crisis, which will create a chain crisis in the financial system.

Turkey's twin crisis in 2001 had also deeply affected the banking sector and there had been many bank mergers and acquisitions in that period. After the crisis, it was aimed to make the banking system more efficient and reliable, and the strong capital structure in the banking sector gained great importance. Thus, the entry of foreign capital into the country has gained importance; the competition was to be increased by both reducing the effectiveness of the public in the market and enabling strong capital structure in the market. Today, the share of foreign banks in Turkey in total banking sector is around 50%.

5. Effective Market Hypothesis

In addition to strengthening the real economy, developed, stable financial markets are needed to create a healthy economic structure. The development of capital markets is measured by factors such as the number of public companies, the number of investors and the transaction volume. In this regard, developed countries also have developed financial markets. With the development of financial markets, a healthy capital market is expected to be effective.

The "Effective Market Hypothesis", which is accepted as one of the cornerstones of the finance literature and developed by Fama (1965), is based on the assumption that there are many rational actors and that the information is easily and inexpensively available to all participants. EPH assumes that thanks to information efficiency, the stock prices reflect all company information, the only factor that drives price movements is new information entries, therefore investors are not able to obtain abnormal returns.

The effectiveness of capital markets is shaped according to the time when the information and news that

emerge are reflected in prices. Publicly traded companies are liable to disclose any financial or administrative information of the company to the public in a timely manner. In order for investors to make sound investment decisions, the information flow with the company must be continuous and simultaneous.

An investor operating in the capital markets should follow the developments in the national and international markets, which may affect the company's market price. EPH argues that all information in the market is reflected on stock prices, thus abnormal returns cannot be obtained using basic and technical analysis methods. However, the way investors interpret the information they obtain will differ from each other and their responses to information may also differ.

Capital markets are the source of funds for companies and trust is one of the most important factors in the capital markets as in the banking sector. In order to make investors trust to the market; it is necessary to make sure that the prices are freely determined in the market, the deliberate actions (manipulation and speculation), insider trading and severe actions are present. It is also important for companies to determine the market prices in a healthy way both in terms of market value of the company and for paving the way for new companies that shall enter the market. Capital markets that do not operate effectively will increase the fund costs of companies; decrease the number of publicly traded companies and decreases the number of investors in the market.

The main problems faced by investors trading in the capital markets are related to the order and functioning of the markets. The investors need protection for above-mentioned problems. Transparency and public disclosure are indispensable elements in order to create an effective price in the market, especially in public companies.

The regulations made in the capital markets, corporate governance principles and technological developments that enable the information to reach the investors quickly, the sanctions on the insider information contribute to the formation of a transparent and fair public disclosure.

It is widely used in the studies to analyze whether there is a change in stock returns before and after the merger in order to examine the effects of acquisitions and mergers on company performance. In this context, bank mergers and acquisitions experience in the world, the European Union and Turkey will be examined.

6. Methodology and Data

The public banks operating in Turkey and the effect of international merger announcements on stock returns were examined in this study. The date of the merger announcements and purchase share of the target bank and purchasing bank are shared in Table 1.

Table 1: M&A Data

Purchasing Bank	Target Bank	Date	Share
Sberbank	Denizbank	08.06.2012	%99.85
NBD Emirates	Denizbank	30.01.2018	%99.85
QNB	Finansbank	12.10.2015	%99.81
BBVA	Garanti Bankası	02.11.2010	%24.9
BBVA	Garanti Bankası	21.02.2017	%9.95
Uni Credit	Yapı Kredi	16.01.2005	%41

The target banks in Table 1 are Turkey's largest banks and have at times attracted the interest of foreign investors. Denizbank has other acquisitions and mergers in its history. However, the largest international purchase was made by Russia-based Sberbank of Russia in 2012 and the National Bank of Dubai Emirates (NBD Emirates) in 2018. Another bank that attracted the attention of the United Arab Emirates was Finansbank; it was purchased by Qatar National Bank and its name was changed to QNB

Finansbank. Spain-based BBVA started to be interested in Garanti Bank in 2010, made 2 purchases in 2010 and 2017, and finally changed its name as BBVA Garanti Bank in 2019. The cooperation between Yapı Kredi Bank and Unicredit started with Koç Bank's acquisition of Yapı Kredi Bank shares in 2005, and it naturally partnered with Unicredit, a 50% partner of Koç Financial Services.

Primarily abnormal returns are calculated in order to compare the performance after the announcement of purchase of target banks operating in Turkey. It is aimed to calculate abnormal returns on risk adjusted returns and abnormal returns are defined as the difference between actual returns and expected returns.

$$AR_{it} = R_{it} - E(R_{it}) \quad (1)$$

When calculating the abnormal return, the difference between the actual return and the expected return is taken. Actual return is calculated based on the market prices of the stock. The return formula used in the study is given in equation no 2.

$$R_{it} = \frac{P_{it} - P_{it-1}}{P_{it-1}} \quad (2)$$

The market formula was used to calculate the expected return. The formula used is given in equation no 3.

$$E(R_i) = \alpha_i + \beta_i(R_m) \quad (3)$$

R_m in the formula shows the market return for day t in the event window. The market model is the most used method in calculating expected returns on the basis of days in the event window. (Weston, Chung ve Hoag, 1990: 218).

Systematic risk is calculated with the formula 4 that reveals the relationship between market return and stock return.

$$\beta_i = \frac{\text{COV}(R_m, R_i)}{\text{VAR}(R_m)} \quad (4)$$

After calculating the abnormal return of each stock within the event window, the average abnormal returns are calculated. Average abnormal returns are calculated by the formula below:

$$AAR_{it} = \frac{1}{N} \sum_{i=1}^N AR_{it} \quad (5)$$

The statistical significance of AAR values was tested with the help of equation 6:

$$t(AAR_t) = \frac{1}{\sqrt{N}} \sum_{i=1}^n \frac{AR_{it}}{\sigma_i} \quad (6)$$

Average abnormal returns are used to calculate cumulative abnormal returns (cumulative average abnormal returns). Formula 7 was used to calculate cumulative abnormal returns:

$$CAAR_{it} = \sum_{i=1}^N AAR_{it} \quad (7)$$

The statistical significance of CAAR values was tested with the help of equation 8:

$$t(CAAR_t) = \frac{AAR}{S(AAR_t)} \quad (8)$$

7. Analysis and Findings

The purchases by international banks of 4 public banks operating in Turkey were examined. There are 2 shares of Denizbank and 2 shares of Garanti Bank

among the total of 6 purchases. As the event window; -10, +10 day interval has been determined and the day of announcement has been accepted as 0. In this way, there are 21 observations for each bank.

Table 2 shows the Beta coefficients that show the systematic risk of the banks used in the study. Since 2 acquisitions of Denizbank and 2-share sale between Garanti Bank and BBVA in different periods are mentioned in the study, their coefficients in different periods were calculated.

Table2 : Beta Coefficient of Banks

Banks	Beta
Sberbank	1,06967
Denizbank(2012)	-1,32142
Denizbank(2018)	3,16399
NBD	-0,32905
QNB Finansbank	2,21211
QNB	0,04516
Garanti(2017)	1,62496
Garanti(2010)	1,53257
BBVA(2017)	1,41737
BBVA(2010)	0,92542
Yapı Kredi	1,33799
Unicredit	0,63656

Looking at the Beta coefficients in Table 2; it is noteworthy that the coefficients of banks other than NBD Emirates, QNB and Unicredit are close to 1 or above 1. 2 banks with low systematic risk are banks operating in UAE. On the other hand, it is seen that Denizbank has higher market risk in the second merger period.

Firstly, the abnormal returns of the banks were calculated and given in Table 3 together with the t statistical values. While calculating abnormal returns, Bist100 index returns were used as market returns.

Table 3: AR Values of Target Banks

Deniz	t stat.	Finans	t stat.	Deniz	t stat.	Garan1	t stat.	Garan2	t stat.	Ykbn	t stat.
0,0080	-0,9017	-0,0028	0,4212	0,0338	0,0439	0,0053	-0,3296	0,0041	-0,8298	0,0315	-0,7505
-0,0638	0,6910	-0,0210	0,6497	-0,0346	1,0623	0,0009	0,0364	-0,0065	1,0363	0,0117	-0,1133
-0,0097	-0,5102	0,0509	-0,2550	-0,0508	1,3035	0,0022	-0,0689	-0,0043	0,6385	-0,0569	2,0877*
-0,0571	0,5426	-0,0240	0,6883	-0,0688	1,5717	-0,0138	1,2577	-0,0053	0,8292	-0,0312	1,2635
-0,0006	-0,7111	-0,0524	1,0455	-0,0023	0,5810	-0,0123	1,1356	-0,0007	0,0161	0,0606	-1,6823
-0,0056	-0,6012	-0,0207	0,6467	0,0226	0,2099	-0,0052	0,5399	0,0029	-0,6196	0,0182	-0,3228
0,0109	-0,9667	0,0019	0,3625	0,0853	-0,7226	0,0206	-1,5981	0,0031	-0,6572	0,0811	-2,3419*
-0,0070	-0,5707	-0,0439	0,9382	0,0836	-0,6979	0,0016	-0,0190	0,0008	-0,2538	0,0223	-0,4547
-0,0468	0,3127	-0,0247	0,6967	-0,0229	0,8881	0,0056	-0,3502	-0,0076	1,2290	0,0605	-1,6804
-0,0437	0,2455	0,1114	-1,0161	0,1862	-2,2249*	-0,0102	0,9624	-0,0172	2,9163*	0,0113	-0,1018
0,0130	-1,0134	0,1502	-1,5033	0,1827	-2,1732*	-0,0147	1,3281	0,0035	-0,7155	0,0019	0,2011
-0,0166	-0,3575	0,0105	0,2531	0,1387	-1,5177	0,0061	-0,3909	-0,0070	1,1141	-0,0112	0,6213
-0,0297	-0,0651	-0,0325	0,7949	0,0305	0,0928	0,0021	-0,0619	0,0032	-0,6673	-0,0113	0,6244
-0,0281	-0,1009	-0,1131	1,8087*	-0,0186	0,8242	0,0189	-1,4600	0,0085	-1,5933	-0,0171	0,8109
-0,0304	-0,0497	0,1143	-1,0525	0,0283	0,1254	-0,0065	0,6510	0,0002	-0,1405	0,0008	0,2354
-0,0269	-0,1273	0,1154	-1,0660	0,0131	0,3515	-0,0039	0,4364	0,0068	-1,2921	0,0028	0,1706
-0,0263	-0,1417	0,1781	-1,8539*	0,0361	0,0096	0,0101	-0,7240	0,0022	-0,4926	-0,0121	0,6493
-0,0123	-0,4525	0,0727	-0,5290	-0,0144	0,7620	0,0110	-0,7982	-0,0019	0,2321	0,0020	0,1980
-0,0154	-0,3843	-0,0416	0,9096	0,0597	-0,3417	-0,0177	1,5838	0,0035	-0,7120	-0,0084	0,5299
-0,1041	1,5850	0,1618	-1,6498	0,0462	-0,1402	0,0302	-2,3907*	0,0000	-0,1090	0,0258	-0,5668
-0,1938	3,5773*	0,0537	-0,2894	0,0373	-0,0076	-0,0018	0,2602	-0,0010	0,0709	-0,0112	0,6225

**Significant at 0,05 level.*

The calculated abnormal return values show whether or not there is a return on the market on the day when the merger negotiations are announced. If AR values are statistically significant, then abnormal returns can be obtained by using company-related information; that is, it will show that the market is not active in semi-form. The values in the first column in Table 3 belong

to the announcement of Denizbank's sale to Sberbank. It seems that AR value is only significant on the day -10. The other AR values that were significant before the announcement belongs to the first share sale of Finansbank and Garanti Bank to BBVA. There can be two reasons why the abnormal returns are high before the day of the announcement; the news of the merger has been heard in the market before, or insider information. In the announcement of the purchase of Garanti Bank shares by BBVA in 2017, abnormal returns occurred after the announcement date. The only value found significant on the day of the announcement is seen on the date of the announcement of the NBD interview by Denizbank.

After the AR value of the purchased banks in Turkey, the values of the purchasing banks and t statistics are given in Table 4.

Table 4: AR Values of Purchasing Banks

Sberbank	t stat.	QNB	t stat.	NBD	t stat.	BBVA1	t stat.	BBVA2	t stat.	Unicredit	t stat.
-0,0008	0,2025	-0,0021	0,2574	0,0113	-0,5467	0,0098	-0,8623	-0,0096	0,7230	-0,0060	0,9049
0,0017	-0,0084	0,0059	-1,0320	0,0118	-0,5776	-0,0188	0,8794	0,0078	-0,6976	0,0034	-0,6397
0,0164	-1,2761	-0,0054	0,8024	0,0059	-0,2512	0,0424	-2,8523*	0,0133	-1,1415	-0,0033	0,4645
-0,0003	0,1612	-0,0044	0,6416	-0,0205	1,1981	-0,0311	1,6268	0,0171	-1,4545	-0,0005	0,0027
0,0074	-0,5019	-0,0059	0,8780	0,0059	-0,2521	-0,0049	0,0274	-0,0123	0,9407	0,0011	-0,2528
0,0134	-1,0144	-0,0050	0,7365	-0,0259	1,4969	0,0101	-0,8850	-0,0044	0,2969	0,0002	-0,1080
-0,0119	1,1636	0,0007	-0,1988	-0,0225	1,3072	-0,0356	1,8985*	0,0124	-1,0724	-0,0014	0,1561
0,0046	-0,2610	0,0021	-0,4117	0,0113	-0,5490	0,0030	-0,4503	-0,0169	1,3197	0,0162	-2,7364*
0,0075	-0,5099	0,0024	-0,4693	-0,0221	1,2872	-0,0173	0,7862	0,0115	-1,0011	0,0061	-1,0793
-0,0096	0,9693	-0,0048	0,6998	0,0000	0,0722	0,0174	-1,3274	-0,0088	0,6537	-0,0030	0,4082
-0,0071	0,7476	-0,0029	0,3844	0,0621	-3,3397*	-0,0146	0,6215	-0,0121	0,9278	0,0066	-1,1573
0,0129	-0,9718	0,0017	-0,3557	0,0001	0,0683	0,0013	-0,3498	-0,0112	0,8566	-0,0126	1,9989*
0,0054	-0,3291	0,0151	-2,5224*	-0,0081	0,5190	-0,0067	0,1370	0,0000	-0,0614	0,0027	-0,5279
-0,0054	0,6038	0,0010	-0,2445	-0,0035	0,2654	-0,0101	0,3446	0,0209	-1,7671*	-0,0086	1,3324
-0,0204	1,8972*	-0,0026	0,3424	-0,0057	0,3864	-0,0094	0,3022	0,0179	-1,5187	-0,0071	1,0820

-0,0219	2,0291*	-0,0094	1,4430	0,0017	-0,0197	-0,0185	0,8599	-0,0018	0,0884	-0,0001	-0,0573
0,0175	-1,3745	0,0148	-2,4745*	-0,0016	0,1627	-0,0051	0,0411	-0,0050	0,3461	-0,0047	0,6874
0,0067	-0,4421	-0,0014	0,1464	0,0105	-0,5066	-0,0027	-0,1025	-0,0150	1,1627	0,0049	-0,8787
0,0219	-1,7505*	-0,0029	0,3926	0,0012	0,0049	-0,0019	-0,1534	-0,0210	1,6547	-0,0023	0,3004
0,0025	-0,0790	0,0006	-0,1791	-0,0028	0,2280	-0,0030	-0,0830	0,0009	-0,1337	0,0029	-0,5557
-0,0070	0,7445	-0,0077	1,1638	0,0187	-0,9536	0,0031	-0,4588	0,0008	-0,1223	-0,0045	0,6558

**Significant at 0,05 level.*

In the first column of Table 4, AR values of Sberbank, which purchased Denizbank in 2012, are given. For Sberbank, as in Denizbank, investors have seen excessive returns before the day of the announcement. Other bank shares with excessive returns before the announcement belong to the 2nd Purchase of QNB and BBVA. For QNB and Finansbank, excessive returns have been achieved before the announcement in both countries' markets, which strengthens the possibility of the news being heard in two countries beforehand. Based on information obtained from Tables 3 and 4, results contradictory with efficient market hypothesis occur as excess returns are obtained in Turkey and other purchasing countries.

After evaluating the abnormal returns, the average abnormal returns (AAR) of the purchaser and target banks are calculated and the results are given in Table 5.

Table 5: Purchasing and Target Bank AAR Comparison

Days	Purchasing Bank		Target Bank	
	AAR	t AAR	AAR	t AAR
10	0,00044	-0,38879	0,01332	1,15148
9	0,00197	0,73584	-0,01889	-1,17916
8	0,01154	1,62515	-0,01142	-1,11103
7	-0,00662	-1,00000	-0,03339	-2,31837*
6	-0,00144	-0,45434	-0,00131	0,03646

5	-0,00195	-0,32511	0,00205	0,25355
4	-0,00970	-1,44011	0,03381	2,61203
3	0,00338	1,14928	0,00958	0,62545
2	-0,00198	0,29099	-0,00599	-0,25383
1	-0,00146	-0,71413	0,03963	-0,12544
0	0,00534	0,62959	0,05610	1,77597*
-1	-0,00132	-0,62055	0,02009	0,30686
-2	0,00141	1,02522	-0,00629	-0,09949
-3	-0,00093	-0,32995	-0,02493	0,07535
-4	-0,00454	-1,12885	0,01779	0,28778
-5	-0,00835	-1,88480*	0,01788	0,81695
-6	0,00266	0,95453	0,03134	1,23596
-7	0,00051	0,14181	0,00950	0,43348
-8	-0,00084	-0,29482	-0,00332	-0,45363
-9	0,00018	0,21595	0,02665	1,52919
-10	0,00057	-0,53188	-0,01949	-1,53495

**Significant at 0,05 level.*

The purchasing banks found AAR values given in Table 5 statistically significant in the period before the announcement. AAR values are statistically significant at the announcement date in target banks. If we compare the AAR values on the date of the announcement; stocks of target banks in Turkey brought 10 times more to the investor than the average of stock shares of purchasing country.

CAAR values were obtained by summing AAR values of stock returns cumulatively. CAAR values of the purchasing and target banks and test statistics of these values are given in Table 6.

Table6:Purchasing and Target Bank CAAR Comparison

Days	Purchasing Bank		Target Bank	
	CAAR	t CAAR	CAAR	t CAAR
10	-0,01113	0,09726	0,15271	0,59453
9	-0,01157	0,43799	0,13939	-0,84318
8	-0,01354	2,56690*	0,15828	-0,50988
7	-0,02508	-1,47246	0,16970	-1,49067
6	-0,01846	-0,32034	0,20310	-0,05827
5	-0,01702	-0,43310	0,20440	0,09139
4	-0,01507	-2,15813*	0,20235	1,50943
3	-0,00537	0,75068	0,16854	0,42769
2	-0,00875	-0,44033	0,15896	-0,26734
1	-0,00677	-0,32444	0,16495	1,76886*
0	-0,00531	1,18875*	0,12532	2,50426*
-1	-0,01065	-0,29292	0,06922	0,89698
-2	-0,00934	0,31373	0,04913	-0,28099
-3	-0,01075	-0,20761	0,05543	-1,11276
-4	-0,00981	-1,00981	0,08035	0,79417
-5	-0,00527	-1,85707*	0,06256	0,79835
-6	0,00308	0,59119	0,04468	1,39915
-7	0,00042	0,11261	0,01333	0,42416
-8	-0,00009	-0,18582	0,00383	-0,14839
-9	0,00075	0,03978	0,00716	1,18962
-10	0,00057	0,12676	-0,01949	-0,87013

**Significant at 0,05 level.*

According to the values in Table 6, the CAAR value was found statistically significant in 4 days in the event window for the purchasing banks. CAAR values of the purchasing bank and the target bank were found statistically significant on the day of the announcement. It is noteworthy that the value was found statistically significant 5 days before the announcement day. When CAAR values are compared for the two groups on the day

of the announcement; the average cumulative abnormal returns obtained in Turkey appears to be higher than the purchasing country. If CAAR values would be compared in the entire event window determined as -10, +10; the CAAR obtained in the target countries on the 10th day was lower than the purchasing countries, but on the day +10, this situation reversed and the value started to increase. As a result, it might be said that the merger announcement provided more CAAR for the banks in Turkey, while this value was lower for the purchasing banks.

Conclusion and Evaluation

It is investigated in the study, if there is a significant increase in the target bank stock returns or purchasing bank stock returns after the acquisition announcement of the banks purchased by foreigners in Turkey. A period of -10, +10 days was examined in the study where the event study was used. For this purpose, six-mergeroperation of four public banks in Turkey is included in the study. Firstly, beta coefficients of banks were examined and the systematic risk of all banks bought in Turkey was found high.

Two groups as the purchaser and target bank was made in the analysis and the results were evaluated in this way. First of all, excessive returns of target banks in Turkey were evaluated and excessive returns before the announcement of the first share sale of Finansbank and Garanti Bank to BBVA were found statistically significant. The only AR value found significant on the day of the announcement belongs to DenizBank's NBD interview announcement. Similar results were found in the AR values of the purchasing banks and the excessive return values before the announcement were significant in Sberbank and QNB. The AR results obtained strengthen the likelihood that the news might have been heard for this merger in these two countries before.

When the average abnormal returns of the purchaser and target banks are evaluated; it is concluded that the stocks of target banks in Turkey bring 10 times more profit to the investors than the average of stocks of purchasing country. Although high systematic risk coefficient of banks in Turkey coincides with high return result, it might be said that the target banks provide higher return. Cumulative average abnormal returns have similar results with AAR. Investments generated higher cumulative returns from target banks in a period of -10, +10 days.

As a result, it was determined that the merger announcements made by the banks regarding the special situation announcements were effective on the stock returns and the stock owners could obtain excessive returns from this situation. Since the data used in the study are both from developed and developing countries, the results cover both groups of countries. Especially in previous years, excessive returns obtained before the merger announcement in some banks bring to mind the possibility of an insider trader information or the information being spread before the merger was made public. Companies are obliged to announce to the public any information about the company that may affect the stock price. Therefore, in order to prevent the victimization of the shareholders, it is necessary to prevent insider trader information or the information from being heard beforehand in certain areas. At the same time, the results are in contradiction with the market efficiency in semi-active form, and therefore hypothesis that “it is not possible to get excessive returns because the information about the stock is reflected in the price instantly” becomes invalid.

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Chapter 20

PAN-TURANISM IDEOLOGY AND THE BIRTH OF TURKISH NATIONALISM THOUGHTS' AS A THEORY OF AN INTERNATIONAL RELATIONS

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INTRODUCTION

The word has been used as “kam” in Turkish. The religion of Shamanism requires believing in sorcery and existence of souls. Kam is believed to be related to these souls. Therefore, the kam is very effective and can make the magic of his choice. Shamanism is based on the dualism of the dark underground in the bright sky. Sky has seventeen, underground has nine layers. The god (the god of heaven named *ülgen*) sits on the top floor of the sky. Sky is the Heaven where the good people go and underworld is the hell where the bad people go.

According to the great Turkish materialist Shaykh Bedreddin (1317-1420), God created the world and gave it to the people, earth and all products of earth are the common property of humanity. People are created equally, it is against God’s purpose that some people are hungry while others acquire property. I should be able to sit in your house like my own home, you should be able to use my things as your own, because all these are meant to be for all of us and belong to all of us.

Another important criterion is to maintain stability in the import and export balance. For example, a country having exports amounting to \$ 30 billion, has to realize the same amount of imports in return. Otherwise, the country’s economy may face serious deficits, inflation and deflation. If we study the example of Turkey in this respect, we observe that the drinks and beverages market in Turkey is dominated by the coca cola brand. But Turkey and all Turks has a traditional drink called *ayran*. Why don’t we make it a national brand and consume it ourselves? Moreover, why do not we develop it to have a better quality and export it to the world markets as a national Turkish drink? Here again NEP is emerging.

The concept of faithfulness to nationalism and national traditions and customs is what makes the difference.

Today a Russian never chooses to drink coca cola. A Russian prefers the lemonade which they made their national beverage. If we investigate this in the alcoholic beverages sector, there is nothing changing again. The same way, a Russian will never any alcoholic beverage with Vodka, which is a Russian national alcoholic drink. (Netcheolodon 1996: 44). Why the same does not apply to the Turkish national drink Raki? This proves that we are quite unsuccessful in the NEP project. Today in Turkey vodka could take place in market shelves. But I did not meet Raki in my life in Russia. As I said, these are just ordinary examples that come to my mind right now. Examining all relevant sectors, we can conclude that Turkey does not pursue NEP policies in any way whatsoever.

ABOUT THE NATIONALIST MOVEMENTS IN TURKEY

The nationalist elite advocates a model of nationalism that goes beyond the nationalism of official ideology. They support the cooperation and even the integration with the regions they consider as the historical homeland of the Turks. The first advocates of Pan-Turkism claimed that the East provided important opportunities for the reconstruction of the Ottoman Empire. According to the Pan-Turkism ideology, all Turkish-speaking people from Anatolia to Asia are one nation, in the broadest sense of the word. In order to better understand nationalist foreign policy, it will be useful to look at the Nationalist Movement Party (MHP), the most popular party among Turkish nationalist masses. Support for this party in Turkey continued to increase and the party became the coalition partner after the 1999 parliamentary elections. Nationalist Movement Party is making utmost efforts in order not to give way to any privileges in Turkey's Kurdish policy with respect to foreign policy. As a matter

of fact, this party has taken a stance against education in Kurdish language and abolishment of death penalty which passed into law within the scope of the European Union harmonization laws adopted in August 2002 on the grounds that Kurdish separatism could be exacerbated and the PKK leader Abdullah Öcalan's criminal charges could be dropped.

The fact that Turkish nationalism could not achieve its foreign policy goals when it was a partner of power and that it could only take reactionist positions in the main foreign policy issues is not periodic but the product of structural problems. The foreign policy pursued followed a wide margin, and ultimately transformed itself into internal political fault lines, breaking down key problems from their own contexts. The aim of Turkish nationalists is to oversee the interests of the country, and this process stipulates long-term strategies and policies that are compatible with these strategies, which are quite flexible, compatible with world realities, far from being temporary positioning ideologically and keenly. On the other hand, the internal context of foreign policy is very important. Turkish nationalism should not exclude any group or formation that considers the interests of the country and be aware of the fact that the concept of country interests can be expressed in quite different meanings. This sensitivity will lead to the separation of foreign policy from the bureaucratic - authoritarian context and linking it with social demands.

The lack of vision in foreign policy brings forth the regional foreign policy and Eurasianism. The lack of vision raises the third worldist and anachronistic leftist foreign policy perceptions. However, no matter how much they are polished, these are problematic approaches which nationalists cannot adopt and never deserve. The foreign policy of Turkish nationalism should no longer be

shaped on the wrong geo-political readings and concepts such as “rent of geography”.

The most suitable foreign policy for Turkey is the one, which considers Turkey as the builder of bridges instead of being a bridge, as a powerful-prosperous red apple based on international norms through the social demands and culture-civilization filter instead of being based on narrow-limited geography. The geography we are in, the countries that are close or far from ours with which we share interests, international regions, basins, should be reinterpreted with the infrastructure seen in high and modern-successful examples of self-confidence. Even though their numbers are very limited in recent years, promising research institutions have created independent discussion environments in a wide range. The increase in the number of these institutions will make positive contributions to the foreign policy production process by putting forth an intellectual wealth. The new nationalist understanding of foreign policy will broaden the horizon of the country.

Interpreting the process of Turkey’s accession to European Union as a process of dividing Turkey into federal states, implies lack of a self confidence and means to ignore the dynamism the country has. By taking different international regions and formations and putting them at the two ends of a fault line, making foreign policy through oppositions means getting out of time. These conflicts, which make sense in the internal political environment, unfortunately do not express a meaning in the process of foreign policy formation. In the early years of the 21st century, the new red apple must be democratization, political and economic stability and development. In a world where geopolitics is replaced by geo-management, isolation is replaced by integration, nationalist foreign policy must be active and participatory.

It is not difficult to explain with theoretical evidence that it is almost impossible for nationalism to coincide with the requirements of a peaceful and civilized society. But we don't really need the theoretical analysis to understand that. Because, particularly in recent times what is happening in Turkey says that almost like shouting. This situation has made it an inevitable moral duty to express the dangers of nationalism in a straightforward way without bending the word and resorting to the roundabout. Because, in many national issues, references to nationalism became a complete delusion. (Erdogan 2004) We live in the times of the nationalist delusions indifferent to the fate of their "nation" to an extent to sacrifice the goodness of the general to the nationalist myths and dreams imbued in their consciousness. As an example, remember the way in which the Cyprus question is discussed. Are we not witnessing how a scribble literature is used? Sayings like "selling Cyprus", "dishonesty", "treachery", "sons of ..." shows that such a scribbling language kneaded with outrageous and out of measure allegations, accusations and profanity have found approval among the nationalists?

We should see this very clearly: Nationalism, as some nationalists claim, is not something that can be defined by "loving the nation" or by being on the side of the nation or by taking care of its interests. Such sensitivities are neither specific to nationalism nor are they distinguishable from other ideological positions. History has also shown that nationalist obsessions have caused great harm to the nations which are supposed to be favoured. For him, the main function of such slogans is to make it easier for nationalists to label those who do not think like themselves as traitors.

Going beyond the national boundaries by means of communication has made positive and negative impacts on humanity. What is important is to break the dominance

on the earth and over all humanity of multinational capital, multinational monopolies and rich countries monopolizing information and communication, to close the steadily increasing gap between the poor countries and rich countries. Therefore, while the CTP is approaching positively to the economic and political unions in the regional and global context, it attaches great importance to the international cooperation of the peoples of the developed and developing countries in order to prevent this process from developing under the dominance of certain forces.

In this process, as the regional and continental unions develop, it is essential to fight seriously with the catastrophe introduced by both separatist nationalism and the hegemonic nationalism against the world people. While the CTP wishes national and social characteristics and values to be developed and strengthened by universal human values, it is opposed to the role of the USA as the sole determiner of international security. Therefore, it is against the economic, cultural, social and political structuring of a unipolar structure of all the peoples of the world, while advocating the reconstruction of the structure of the UN in a democratic way.

In the last thirty years, the liberalization in the countries led by developed countries and the restrictions on cross-border capital movements have diminished and as a result the global financial division has disappeared and the international financial system has become to function just as a complete market. This development is called financial integration. The most important actors of this system are the IMF and the World Bank. What is important now for countries is to achieve financial integration in a healthy way (Alp 2000).

CONCLUSION

It is seen that national / regional policies are shaped by integration into these global / regional systems. However, one of the pillars of this financial integration system is the development of public-private partnerships. Such partnerships are encouraged by defending the idea that economic growth and development can be achieved due to the strong relationship between public and private sectors. The changing relations between these two sectors suggest a system dominated by market conditions. In such a system, the main investment of the state will be directed towards internal and external security, defense, the presentation of some basic services and training.

The rise in the economies of both Japan and Germany, which were both defeated in the Second World War, owed only to the NEP project. Economic development is possible without implementing the NEP project which is a result of the application of nationalist philosophy to the economic field. But these are seen in empire. At present, the US has declared its own empire in the world and invaded Afghanistan and Iraq. There is no compulsory military service in the USA. But the US is the only superpower in the world today, both economically and militarily, by applying the MEP project partly in determining economy and foreign policy. The US's GNP, which has declared economic full world sovereignty today, is worth \$ 11 trillion. In the military field, the US military is a force with almost the same power as Russia, although not entirely.

Turkey should also comply with the NEP project. Concretely Turkey should establish its own space station, should develop its own atomic bomb and should launch their satellites into space. Today, Turkey has launched in the upper Turksat France and France has paid a lot of money to the empire. Turkey makes itself its own satellite

and rocket research to set up its own space station if you follow the MEP project in this field. MEP project in Turkey even large technology budgets should allocate the necessary scope of spying. Because some big states want the space station and the atomic bomb technology to be on their own. If Turkey economically, which is not Machiavelli's philosophy of power to obtain them "lawful each way for the state and the nation's interests" should apply, technology should take steps to become a superpower in the world by referring also to espionage or other similar means. The NEP project advocates an independent, independent and national economic doctrine, rather than being constantly exploited and enslaved by external imperial powers.

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Chapter 21

TURKEY AND EUROPEAN UNION COUNTRIES' GROUPING IN TERMS OF ASPHALT PAVEMENT APPLICATION USING CLUSTER ANALYSIS

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Introduction

The relationship between infrastructure services and economic growth made a lot of scholars wondering whether there is a positive relationship between them (Cronin et al, 1991; Rauch, 1994; Esfahani and Ramirez, 2003; Sahoo and Dash, 2009; Sahoo et al, 2010; Czernich et al, 2011; Castells, 2017). Actually, we can think of infrastructure as two sides of the same coin. In which it can improve communities' quality of life and it can effect positively on economic growth.

The road transport as one of the important services provided by infrastructure, can be though as the key element for achieving communities' welfare. Not by just eases the movements of people and goods from one place to another but also by increasing productivity which in turn effects positively on economy. It can be easy to define road transport infrastructure, but it is not easy to understand the functionality of each of its components completely unless, we divided them and study each one of them separately.

One of the most important components of road transport infrastructure is asphalt. The first recorded use of asphalt as road-building material was in 625 B.C. in Bablyon. From that time until now, asphalt and road-building processes have gained lots of interest. Now, there are different types of asphalt applied in different situation and for different purposes by different techniques.

The demand for asphalt as pavement construction, whether for maintenance, improvement, or development of accessibility of road transport continues to increase along with the growth of the construction. The needs of asphalt as materials for road pavement are very huge. Concerns rise with the increasing price of petroleum in this decade (Setyawan, 2017). As asphalt results from mixing different combination of materials, each one of

these materials' prices are subject to market demand and supply which might effect on cost of producing asphalt.

When constructing a road, there are important things that a constructor or decision maker should keep in mind. The length of road that will be paved?, from where pavements should be started and to where should be ended?, which the best asphalt mixture satisfies pavement needs? And many other questions. Answering to these questions can help constructor or decision makers to set pavements plans effectively. Although, a lot of constructors are well informed about these questions and of course their answers but still facing obstacles regarding pavements. The origin of those obstacles might come from the fact that resources are limited and needs are unlimited.

Asphalt not like any other product in the world. To produce any type of asphalt mixture, lots of effort, workforce, materials and equipments are involved. Nevertheless, the cost of these resources differs according to country's economic situation. Some countries are blessed enough to obtained these resources locally but other countries neither they can obtain them locally nor they have money to outsource them. Thus, Efficient utilization of resources is considered crucial.

Each country has its own characteristics which might be similar or dissimilar to other countries. In asphalt pavement applications for example, each country has its own policies and procedures, but if we want to evaluate the performance of asphalt for each country, then we need to compare its performance with other similar countries performances. If we about to consider Turkey, it has a strategic location in which it links Asia to Europe. When we compare Turkey's performance in terms of asphalt pavement applications with other Asian or European countries, we might base our comparison in strong ground. In which, Turkey might share the characteristics of both

Asian and European countries. Hence, in this chapter we aimed to classify Turkey and European Union countries according to their asphalt pavement applications as a start point for our further analysis in the next chapters. In order to do so, we need to conduct a brief discussion about the importance of countries classification.

In order to clarify the importance of classification clearly, we need to tell a brief scenario about identical twins. In case of meeting identical twins, first thing comes to mind is of course knowing their names, then trying to define the differences between them to be able to recognize them next time you meet those twins. Identical twins might have same eyes, same nose, same face shape but different attitudes. Some people might even recognize them according to their attitudes. In another word, they might have a similar appearance but dissimilar personality.

Now, by applying the identical twin's scenario into countries classification scenario, we can emphasize on the importance of classification. When we classify countries in terms of any exact topic into groups according to similarity and dissimilarity, we can find that according to their similarities; they are located in one group, and according to their dissimilarities; they are located in different groups. In another word, when we classify countries into clusters, we strive to find similarity and/or dissimilarity between them so that we can understand the behaviour or attitude of each cluster which in turn makes the process of studying and analysing those group much easier.

The importance of classification relies on the fact that when we aimed to study some sample as a whole without taking into consideration the differences between objects in the same sample, the results of this study might not be a reliable at least in some cases. So, when we classify objects into groups according to similarity and/or

dissimilarity between them, we can be able to study each group separately and obtain a reliable result that can be generalized.

In this chapter, we aimed to classify Turkey and European Union countries into groups in terms of asphalt pavement applications by using cluster analysis. Cluster analysis can classify countries into clusters according to similarity and/or dissimilarity between them in terms of asphalt pavement applications. we analysed the data of different variables combinations by using k-mean clustering method.

Literature Review

There are by the most recent count –about 200 nation-states in the world. These 200 countries vary in almost any dimension one can imagine: location, climate, size, language, religion, density of population, level of literacy, economic development etc.. . It is simply not possible to provide detailed descriptions of some 200 countries individually and make sense out of it all. Hence, researchers, policy makers and government officials tend to simplify the complex reality by grouping the large set of individual countries into a smaller set of country clusters (Smit et al, 2008).

We can find many research examples used cluster analysis as a method to define similarity and/or heterogeneity between countries. Kuskaya and Gençoglu (2017) the objective of their study was to examine the OECD countries' situation in terms of anthropogenic greenhouse gas emissions. In accordance with this purpose, they compared emission values for the years 1995-2015 for 31 countries, taking into account the greenhouse gas emission data issued by the OECD Stat. Clustering analysis is done by using carbon dioxide, hydro fluorocarbon, methane, nitrogen oxide, per fluorocarbon

and sulfur hexafluoride emission indicators belonged to the OECD countries. The Ward method is preferred for clustering analysis. According to the obtained results, countries were grouped in four clusters for each of two years in terms of greenhouse gas emissions. Generally, countries were being placed in the same cluster group, depending on the environmental and climate policies and implemented the obligations of their international contracts.

Gencoglu and Kuskaya (2016) The purpose of this study was to analyze the countries' situation in terms of gender mainstreaming. To achieve this purpose, they analyzed 38 European and Middle Eastern states based on the year-2015 data of the Global Gender Gap Index (CCGI) prepared by the World Economic Forum (WEF). Clustering analysis is done by using the economic, political, education and health indicators belonged to the countries. For clustering analysis; they preferred to use Ward's method which is one of the hierarchical clustering analysis methods. According to obtained results, countries were grouped at 6 sets in terms of gender gap. Moreover, they have found that countries, whose GDP income per capita level was close to each other, take place in the same group.

Michinaka et al (2011) used cluster analysis to group 180 countries contained within the Global Forest Products Model (GFPM), using cross-sectional data for per capita gross domestic product (GDP), forest coverage, and per capita consumption of forest products, for forest products including plywood, particleboard, fibreboard, newsprint, printing and writing paper, and other paper and paperboard. The application of cluster analysis prior to estimating the elasticities of demand solved the problem of data availability in estimating elasticities by grouping countries based on variables identified from economics theory and enabling the extension of elasticity estimates

to countries that were similar to others in a cluster, but without data for directly estimating elasticities. They used mean absolute deviation for data standardization, and the k-medoids approach and silhouette technique in cluster analysis. Statistics of clusters for every forest product showed various combinations of countries with similar levels of per capita GDP, forest coverage, and consumption, such as a cluster with high per capita GDP, low forest coverage, and high consumption of the discussed forest product. They validated the results of the cluster analysis by a one-way analysis of means and multiplied comparisons. Also, they selected countries for panel analysis based on time series data availability and quality. In this research, they estimated long-run static models, short-run dynamic models, and long-run dynamic models of demand by using panel data analysis for countries in each cluster using data from 1992 to 2007 and 9 to 44 countries in each cluster. They found that long-run dynamic elasticities are higher than short-run dynamic estimations, and dynamic model estimations outperform static model estimations as shown in RMSE statistics.

Tsangarides and Qureshi (2008) examined the suitability of countries in the west African region to form the proposed monetary unions, the West African Monetary Zone (WAMZ) and the Economic Community of West African States (ECOWAS). Their analysis revealed that, considerable dissimilarities in the economic characteristics of member countries, particularly WAMZ countries. Furthermore, when west and central African countries are considered together, they found significant heterogeneities within the Central African franc (CFAF) zone, and some interesting similarities between the central African and WAMZ countries.

Diaz- Bonilla et al (2000) employed various methods of cluster analysis (including an approach based on fuzzy sets) and data for 167 countries to identify groups of

countries categorized according to five measures of food security: food production per capita, the ratio of total exports to food imports, calories per capita, protein per capita, and the share of the non-agricultural population share. This analysis identified 12 distinct clusters characterized by similarities and differences across the various measures. It suggested that the Least Developing Countries (LDC) category consists of largely food insecure countries, but that there also were food insecure countries that were not LDCs. Net Food Importing Developing countries (NFIDCs) is less precise as an indicator of food vulnerability, with more than a third of those countries not falling under any of the food insecure groups.

Moreover, some research scholars have preferred to use Cluster analysis and MDS analysis to group and define similarity and/ or dissimilarity between countries. (Yenilmez and Girginer, 2016; Girginer, 2013; Akkucuk, 2011).

Research and Method

The main objective of this chapter is to group Turkey and sixteen European Union countries according to asphalt pavement applications. To achieve this chapter objectives, we used cluster analysis to group countries.

Cluster analysis allows classifying observations with similar attributes are grouped together therefore variables for this analysis should be chosen with a care as this choice can lead to different results (Brauksa, 2013). There are two major types of clustering methods which are Hierarchical clustering and Non-hierarchical clustering.

Hierarchical clustering is a clustering method which grouping (n) objects into groups or clusters, where the number of groupings that will appear is unknown, so we need to find the optimal number of groupings (n , $n-1$, $n-2$, ... , 1). Whereas, Non-hierarchical clustering

method - such as k-means - is a method that groups those that are known or predetermined, so that in this method the number of clusters can be adjusted depending by researcher (<https://medium.com/@deindaafiya/the-diffence-between-hierarchical-and-non-hierarchical-clustering-2599e45c395> , 29.11.2019). In the interest of this chapter, we preferred to use Non-hierarchical clustering method of k-means.

k-means clustering algorithm can be described as follows (Li and Wu, 2012):

Given N samples of pattern $\{x_1, x_2, \dots, x_N\}$, which are waiting for classifying. They need to be classified to K clusters.

- 1) Choose any one among $\{x_1, x_2, \dots, x_N\}$ to act as the role of first cluster focal point z_1 , for example, we choose $z_1 = x_1$
- 2) Choose another point which is as much as possible far apart to z_1 to be the focal point of the second cluster and calculate the distance between each sample and z_1 :

$$\|x_i - z_1\|, \quad i = 1, 2, \dots, N \quad [1]$$

If:

$$\|x_i - z_1\| = \max\{\|x_i - z_1\|, \quad i = 1, 2, \dots, N \}, \quad j = 1, 2, \dots, N$$

Then choose x_j to be the focal point of the second cluster, and $z_2 = x_j$.

- 3) Calculate the distance between each sample among $\{x_1, x_2, \dots, x_N\}$ and $\{z_1, z_2\}$ one by one.

$$d_{i1} = \|x_i - z_1\|, \quad i = 1, 2, \dots, N \quad [2.]$$

$$d_{i2} = \|x_i - z_2\|, \quad i = 1, 2, \dots, N \quad [3]$$

Choose the minimum of the outcomes:

$$\min(d_{i1}, d_{i2}), \quad i = 1, 2, \dots, N$$

Gather the minimums of all samples of pattern and $\{z_1, z_2\}$. Choose the maximum among the minimums to be the third cluster focal point z_3 .

If:

$$\begin{aligned} \min(d_{i1}, d_{i2}) = \\ \max\{\min(d_{i1}, d_{i2}), \quad i = 1, 2, \dots, N\} \end{aligned} \quad [4]$$

$$\text{Then:} \quad z_3 = x_j \quad [5]$$

- 4) Suppose that we have got r ($r < k$) cluster focal points $\{z_i, \quad i = 1, 2, \dots, r\}$, we need to determine the $r+1$ th cluster focal point, namely if:

$$\begin{aligned} \min(d_{j1}, d_{j2}, \dots, d_{jr}) \\ = \max\{\min(d_{j1}, d_{j2}, \dots, d_{jr}), i \\ = 1, 2, \dots, N\} \quad j = 1, 2, \dots, r \end{aligned}$$

$$\text{Then: } z_{r+1} = x_j.$$

- 5) Repeat, till $r+1 = K$.
- 6) Now we have chosen K initial cluster focal point $z_1(1), z_2(1), z_k(1)$. the numbers in parenthesis are serial numbers used in iterative operations to seek cluster points.
- 7) According to the rule of minimizing distance, allocate $\{x_1, x_2, \dots, x_N\}$ to one of the K clusters, namely, if:

$$\|x - z_j(t)\| =$$

$$\min\{\|x - z_i(t)\|, \quad i = 1, 2, \dots, K\}, \quad j = 1, 2, \dots, K \quad [6]$$

Then: $x \in s_j(t)$.

The symbol t in the formula is the serial number of iterative operation, s_j stands for the j th cluster and the cluster focal point is x_j .

- 8) Calculate the new vector values of each cluster focal point:

$$z_j(t+1), \quad j = 1, 2, \dots, K.$$

Calculate the mean vectors of samples of each cluster:

$$z_j(t+1) = \frac{1}{N_j} \sum_{x \in s_j(t)} x, \quad j = 1, 2, \dots, K \quad [7]$$

The symbol N_j in the formula above stands for the number of samples of the j th cluster s_j . Calculate the mean vectors of samples of the K clusters respectively. Making mean vectors be new clusters can minimize cluster criterion function

$$J_j = \sum_{x \in s_j(t)} \|x - z_j(t+1)\|^2, \quad j = 1, 2, \dots, K \quad [8]$$

- 9) If: $z_j(t+1) \neq z_j(t) \quad j = 1, 2, \dots, K$, then turn back to 7), classify samples of pattern one by one again, and repeat iterative operations. If $z_j(t+1) = z_j(t) \quad j = 1, 2, \dots, K$, then the convergence of the algorithm is finished.

Findings

We used cluster analysis to choose the best variables combination. In another word, we used asphalt variables along with other economic indicators to choose the best

variables combination. Thus, in upcoming sections we aimed to group countries according to different variables combinations at first by using K-mean cluster analysis. The variables used in analysis along with their abbreviations presented in Table 1.

Table 1: Variables used in countries' grouping

Variables	Abbreviations
Economic Indicators:	
• population density (person per sq.km)	PD
• surface area (sq.km)	SA
• total population	TP
• GDP per capita (us\$)	GDP
• GNI per capita	GNI
Asphalt variables:	
• Number of companies in asphalt industry (production and laying)	X1
	X2
• Total of bitumen consumption (in million tonnes)	Y1
• Total production of asphalt (in million tonnes)	Y2
• Total length of motorways and main roads (km)	

In K-mean clustering, we used different variables combination. For the first variables combination we used only asphalt variables data without any economic indicator. For other variables combinations, we used all asphalt variables along with different economic indicators in each trial. We applied cluster analysis into nine variables combinations, the analysis results are shown in Table 2.

Table 2: The Analysis Results of All variables Combinations

Variables combination	Cluster analysis	
	1	2
x1, x2, y1, y2	Czech Republic	All other 16 countries
x1, x2, y1, y2, SA	Austria, Belgium, Croatia, Czech Republic, Denmark, Great Britain, Hungary, Netherlands, Slovakia, Slovenia	Finland, France, Germany, Italy, Norway, Spain, Turkey
x1, x2, y1, y2, TP	Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, Hungary, Netherlands, Norway, Slovakia, Slovenia	France, Germany, Great Britain, Italy, Spain, Turkey
x1, x2, y1, y2, GDP	All countries except Hungary	Hungary
x1, x2, y1, y2, GNI	All countries except Czech Republic	Czech Republic
x1, x2, y1, y2, GDP, GNI	All countries except Hungary	Hungary
x1, x2, y1, y2, GDP, GNI, PD	All countries except Hungary	Hungary
x1, x2, y1, y2, GDP, GNI, PD, SA	Hungary	All countries except Hungary
x1, x2, y1, y2, GDP, GNI, PD, SA, TP	France, Germany, Great Britain, Spain, Turkey	Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, Hungary, Netherlands, Norway, Slovakia, Slovenia

Results and Discussion

Each country has its own characteristics which might be similar or dissimilar to other countries' characteristics. Grouping countries according to similarity helps in

studying and analysing these countries from different aspects and perspectives.

In this chapter, we aimed to group Turkey and the European Union countries according to asphalt pavement application by using different variables combinations consist of all asphalt variables which are (number of countries in asphalt industry, total of bitumen consumption, total production of asphalt, total length of motorways and main roads) and some economic indicators of (population density, surface area, total population, GDP and GNI). To achieve the objectives from this chapter, we preferred to use one method of analysis which is cluster analysis.

The overall results of this chapter can be summarized into the following points:

- The maximum number of variables used to analyze data was nine variables which is more than the number of variables used by (Girginer, 2013) study, and less than the number of variables used in (Akkucuk, 2011) study. Point the fact that, they both used cluster analysis and MDS analysis in their studies.
- According to data availability, we were able to obtain the data of only 17 countries which are (Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Great Britain, Hungary, Italy, Netherlands, Norway, Slovakia, Slovenia, Spain and Turkey).
- Analysing different variables combinations by using k-mean clustering method gave the same grouping results by using variables combinations no (1 and 5) and variables combinations no (4, 6, 7 and 8). Variables combinations no (2, 3 and 9) gave different grouping results.

Moreover, we can point out some limitations of this chapter. First, studying Turkey's position regarding asphalt pavements by comparing it with other European Union countries needs gathering data of all 28 EU countries, in this study we obtained only the data of 16 EU countries. Second, in this chapter we considered one method of grouping, other clustering methods might be more accurate. Thus, analyzing the same data by using other clustering methods might be considered in other researches.

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Chapter 22

PALLIATIVE CARE AND END OF LIFE CARE IN SOCIAL WORK PRACTICE IN TURKEY

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INTRODUCTION

Palliative care is an approach that improves the quality of life of patients and their families who face problems associated with life-limiting disease. In this respect, palliative care is defined as an approach that aims to eliminate the problems caused by the disease itself or caused by treatment methods and to improve the quality of life of patients and their relatives. According to this approach, pain and other physical, psychosocial and mental problems can be prevented by palliative care, early diagnosis and comprehensive evaluation applied to newly diagnosed patients during treatment and terminal periods (WHO, 2003).

The Center to Advance Palliative Care (CAPC, 2012) describes palliative care as follows; It is a special medical care for people with serious illnesses that clearly aims to improve the quality of life of both the patient and his family, focusing on relief from symptoms, pain and stress to patients regardless of diagnosis. Palliative care; doctors, nurses, social workers and other professionals who can provide curative treatment and work with doctors from other branches of the patient to provide extra support.

According to Uslu and Terzioğlu (2015), there are three types of palliative care models in the world; hospital-based palliative care, home-based palliative care, community-based palliative care.

Hospital-based palliative care: General patient services may not be suitable for cancer patients with specific physical and psychosocial problems and requiring a specialized approach. This type of palliative care model has been established in order to improve the quality of life of patients suffering from pain symptoms.

Home-based palliative care: While traditional medical care and support is based on an institutional

model (hospital), the home environment in palliative care is the primary environment for care. The aim of palliative care at home is to ensure that the palliative care at the level of the hospital can be given in the patient's own home environment. The patient can reach palliative care support 24 hours a day, seven days a week.

Community-based palliative care: A method developed for outpatient patients. There are services such as providing training to the families of patients and providing psychosocial support.

Palliative care works to meet the individual's medical, emotional, spiritual and other physical needs. However, it is not just a care for patients with fatal disease or in the final stage of their illness. It fights with the curable symptoms of individuals' healable diseases and makes pain control (Önal Dölek, 2012). To fully understand palliative care, it is possible to understand with not present hospice in Turkey (Saruç, 2013). Hospice, patients in the last period of life, despite all the available treatment methods have been tried because of no results or treatment is no longer applied or search for a treatment has already been stopped, the palliative care philosophy and the patient's quality of life is controlled by keeping the best possible level, this It is a health service provided within the institutional structure where individuals can be provided with the home environment and conditions in order to spend the last periods of their lives (Bağ, 2012). Hospice focuses on death rather than life experiences, emphasizing the quality of life of the patient in the terminal period. The patient's acceptance of hospices is a disease that is unlikely to heal, and the doctors estimate that the risk of losing or surviving the patient in six months or less is greater than the expected benefit. In hospital-based palliative centers, these are not necessary (Saruç, 2013).

In many discussions, end-of-life care and palliative care are treated as the same thing, and palliative care is seen as a professional specialty covering the entire field. However, there is a difference between them. Palliative care is a care in cases where pain and symptom control affect the dying person, his family and his environment in psychological, social and spiritual terms. Palliative care arises from the provision of services to people with cancer and other serious chronic diseases. It is also a short-term service that holds a very important place in medical and nursing care. End-of-life care is a care service provided to people who are nearing the end of their life. This care is recently carried out at a time when most people become weaker and more affected by many illnesses. People in this situation may not need medical and care assistance, which requires extensive expertise. However, their families and their immediate surroundings are becoming more and more in need of health and social services in their communities (Payne, 2009: 513-514).

Social work in palliative care and end of life care

Since the beginning of the twentieth century, the social work profession has specialized in the field of health and has been an important element of palliative care and end-of-life care. In palliative care, the person is approached in a holistic way and requires a care team to work with the patient, family and the social environment of the patient. Family and social environment can be supportive in achieving personal goals of the patient at the end of life as well as being preventive in many ways. This is decisive for the patient to have a good or bad end-of-life process (Payne, 2007). Social workers are complementary to the functions of health care workers and patient care staff, as well as assessing social, environmental and psychological problems that affect the health and treatment of patients

and their families in hospitals since 1900's in the world and since 1960's in Turkey (Tuncay, 2019).

Palliative care was first developed by nurses and social workers working with cancer patients. This model has been developed because of the intense suffering and many different needs of cancer patients undergoing or difficult treatment. In addition, the level of distress experienced by the family and its members increases in this period and this situation affects the family order intensively. The fact that family members play the role of caring for cancer patients in this period brings additional responsibilities to the family and their members (Özçelik et al., 2014).

The American National Association of Social Workers (NASW, 2003) prepared the Standards of Practice for Palliative Care and End-of-Life Care Social Workers, a guideline for professionals working in this field in 2002. These standards address the basic stages of social work practice in palliative care and end-of-life care in various disease groups (HIV/AIDS, cancer, organ failure, etc.). According to this; individual guidance, family guidance, crisis counseling, information and training, support groups and post-mortem mourning groups, guidance on various resources (caregivers, financial and legal requirements, etc.) are among the tasks of the social worker. Social work is about improving the welfare and quality of life of individuals, their families and caregivers (NASW, 2003).

The functions of the social work profession in end-of-life care are largely related to helping the patient and her family maintain their psychosocial well-being (Allison, Gripton, & Rodway, 1983). End-of-life care has gained importance in the institutional context for the individual, the family and the community in the final stage of life (Taylor Brown, & Mary, 2004).

The needs of the family may also change during the period from the beginning of the disease until death. For this reason, family members should not consume enough energy to use them in a balanced way and become useless when they are needed most. Social workers, who are members of the end-of-life care team who have emotionally prepared themselves to listen to the concerns, wishes and needs of the family, can help families (Işıkhan, 2008).

In a comprehensive literature review on social work in palliative care, Small (2001: 961-971; cited in Işıkhan, 2016) emphasizes that social work contributes to palliative care in a process of social change-oriented practice. These:

- In clinical practice, social work is often associated with loss, and therefore death is an important area involved in the implementation of social work.
- Social work brings a holistic system approach to death. This approach naturally shows that family, society and cultural perspectives affect the health system of the countries.
- Social work deals with the practical and social implications of change.

In palliative care, social workers have adopted the principle that people should live their lives as long as possible. They acknowledge and respond to the impact of diversity, disadvantage and discrimination on people's situations. People who are dying to identify and meet their needs strongly defend their rights on behalf of their relatives, families, free careers, friends and society. Social workers in palliative care have specific knowledge and skills to help support people. They contribute to collaborating in a spirit of cooperation, with a sense of confidentiality and trust in professional perspectives.

They help others to develop their skills and knowledge and support their colleagues.

According to the British Association of Social Workers (BASW), social workers in palliative care settings;

- Help people to express what is important to them,
- Help people to speak openly about death and mourning and make choices,
- Provides support for mourning such as group work, counseling, art groups, storytelling and other forms of assistance.
- Support families in making decisions with and with young people and children,
- Defends or finds people to defend,
- Ensures that people benefit from their rights, housing and other resources / supports they deserve,
- Investigates and takes security measures with persons at risk of abuse,
- Uses relevant legislation to ensure the rights of persons deemed to be incapable of making decisions,
- Use relevant legislation to help people when their freedom is restricted,
- Coordinates the maintenance service by dealing with the bureaucracy and managing the paperwork, if necessary.
- Facilitate discussions that resolve chaos and conflict and find solutions to discussions about how people will live,
- Supervises life coaches, mentors and volunteers,

- Creates support groups for employees to talk about the emotional impact of their work,

- Train and conduct employees.

For patients who are in their last days or hours;

- Helps the relationship between dying patients and treatment professionals,

- Help people make the choices they think are right for them,

- Protects people's rights by using laws,

- Facilitates discussions with differences of opinion,

- Help people talk about how they feel and accept this,

- Helps the family and others to get the support they need and how they want to be involved,

- Identifies and meets the spiritual, religious, cultural and social needs of people,

- Supports the dying person and the person they choose to play as active a role as possible in planning their care at each stage,

- Organize services quickly and coordinate maintenance plan,

- Help people get advice to deal with post-mortem planning and legal arrangements,

- Helps people to accumulate and leave memories behind,

- Stay in touch with people who have lost their relatives,

For wider social care and health;

- Works in partnership with people who experience death and mourning so people can learn these experiences directly,
- Advises policy makers, funders, leaders and employers on good palliative, end-of-life and mourning care,
- Find evidence about the impact of social work in palliative care,
- To share the best practices in social work practices in palliative care,
- Create awareness, become a mentor, teach and support others,
- Provides advice, information and assistance for other social care workers (BASW, 2016).

Social work supports the goals of palliative care and end-of-life care as a discipline that seeks to improve people's quality of life and social well-being. In this review, social work, aimed to referred to palliative care and end of life care issues and practices in Turkey. For this purpose, it will be addressed primarily to the development of social work and medical social work in Turkey.

MEDICAL SOCIAL WORK IN TURKEY

Medical social work is one of the oldest areas where social work practices are carried out. Medical social work is a practice area of the social work profession, which uses individual social work and sometimes group work method to deal with the solution of social and emotional problems affecting the disease during its disease and treatment (Friedlander, 1963). Barker (1995) defines medical social work as social work practices carried out in hospitals and other health institutions in order to prevent and solve the psycho-social problems of patients

and their families. Medical social work aims to increase the well-being of the patient with a holistic evaluation by directly interfering with the patients' biopsychosocial problems, and to increase the social functionality by minimizing the adverse conditions that it has due to the disease and hospital environment. Considering the workload of physicians and other professional staff in hospitals, medical social work practices and medical social workers are very important in terms of ensuring a complete well-being of patients and maintaining their health. The medical social worker carries out professional studies to ensure that patients are disadvantaged due to and/or prior to the disease, their social and economic deprivations, the difficulties experienced during the disease process and these difficulties. It aims to increase the functionality of the patient by creating intervention plans that support the development of strengthening and coping skills for patients while solving problems. In this regard, empowering patients in terms of biopsychosocial aspects supports the understanding of healthy individuals and healthy society. For this reason, the need for medical social work practices and medical social workers should not be ignored in interventions in the field of health.

United Nations Social Welfare Counselor Miss Hersey's coming to Turkey in 1957 as a result of the activities carried out by the UN's least developed and developing countries is an important development for social work as a discipline and profession in Turkey. Miss Hersey's leadership as a result of work in accordance with the discipline of social work in Turkey and in a professional manner reorganization decision was taken. Based on this decision, "Law on the Establishment of the Institute of Social Work" was enacted. In 1961, the Social Work Academy was established in accordance with Article 1 of the Law No. 7355 on the Establishment of the Social Work Institute. Thus, for the first time in Turkey,

social work education has started. With the increase in the number of educational institutions and the number of graduates and the effect of the social work perspective in the policies, the working areas of social work have varied over time. One of these developments is the development of the field of medical social work. Dr. İhsan Doğramacı founded Hacettepe Children's Hospital in 1957 and employed a Danish social worker at this hospital. Thus, the first social worker began to work in the medical field in Turkey (Kut, 1987). After this development, with the graduation of the Social Work Academy in 1965, the first Turkish medical social workers started to work at hospitals (Özbesler & İçağasıoğlu Çoban, 2010). The Regulation on the Management of Inpatient Treatment Institutions in 1983, has a special place in the development of medical social work in hospitals. With the regulation, the roles and responsibilities of the social workers that work at hospitals have been identified. Until the 2000s, poorly conducted social work practices in the field of health began to spread with the health transformation program in 2003. In 2011, the Medical Social Work Directive was the second legislative work in the field of health in social work. With the developments in the corporate health sector, social work practice is implemented in healthcare hospitals (psychosocial services, psychosocial support and crisis intervention units, patient rights and employee safety units, social services units) in Substance Addiction Treatment Centres (AMATEM), Child Adolescent Substance Addiction Treatment Centres (ÇEMATEM), Substance Addiction has started to be carried out in Outpatient Treatment Centres (ATM), Community Mental Health Treatment Centres (TRSM), Child Monitoring Centres (ÇİM) and Organ Transplantation Centres.

In Turkey, medical social workers work in the social environment of patients admitted to hospital who

identified psychosocial and socio-economic issues, planning issues, and implementing the social work interventions, are graduates of medical staff from four-year social work departments of universities. Social workers work with orphaned, abandoned and in need of care, disabled, without health insurance, poor, victims of violence, neglect and abuse, children, refugees and asylum seekers, elderly, widows and orphans, chronic patients, mental health impaired patients, alcohol and drug addicts in medical settings. They provide the necessary social work interventions to ensure the compliance of patients who have difficulty in adapting to the disease and the treatment process. They coordinate the transfer to the residence of patients who are too fond of hospitalization and have no one or who are not taken by their families. For this purpose, they coordinate this with local administrations. They also planned and implement social work intervention in disasters. In addition to these roles they provide training to hospital staff, patients and their families on issues related to medical social work. They keep report and record of interventions (RTMH, 2011).

Social workers working in health institutions in Turkey working with a generalist approach and can work with a client from each group. As a member of the team working in health institutions, patient communication units, employee rights and security units, social work units, chronic physical and mental patients treated clinics, palliative care units, health tourism units, psychosocial support and crisis intervention units, home health services units. psychosocial aspects of social work practice. According to Republic of Turkey Ministry of Health [RTMH] (2015), there are 1007 social workers actively working in the field of health (Bekiroğlu, 2016).

PALLIATIVE CARE AND END OF LIFE CARE IN TURKEY

Palliative care services in Turkey are primarily provided to control the pain of cancer patients in oncology hospitals and clinics and other symptoms. In 2013, Ankara Ulus Hospital was selected as a pilot hospital and started to provide services to patients who need palliative care other than cancer. This service has created a role model for all of Turkey. Directive on Procedures and Principles of Application of Palliative Care Services was published by RTMH in 2015. With this directive, early identification and evaluation of pain and other symptoms in patients experiencing problems related to life-threatening diseases, palliative activities to alleviate or prevent pain by providing medical, psychological, social and spiritual support to these individuals and family members, and maintenance centers have started to be established. Article 5, paragraph 1 of the relevant directive, describes who shall perform the palliative care services: “palliative care services are carried out by palliative care centers in inpatient health facilities, and by family physicians and home health service units outside inpatient health facilities” (RTMH, 2018a).

With this procedures and principles of application, it was also identified basic criteria of palliative care centers in Turkey. According to this, palliative care centers should be located in the campus belonging to the central health service provider (additional building is also accepted within the campus). A doctor from the center should be responsible. If needed, psychologist, social worker, physiotherapist or physiotherapy technician and dietician should be appointed at the center. There should be a multi-purpose hall / area that patients and their relatives can use for rest. There should be an interview and examination room with medical equipment and suitable environment

for the purpose in which the doctor can intervene in her/his patient and provide services such as family interviews, psychological and social services. There should be a team room for the use of the staff in charge. Shower facilities should also be provided for patients when necessary. There should be a bedside panel with medical gas and vacuum provided that it is separate for each patient bed. Conditions that have basic monitoring methods (ECG, rhythm, oxygen saturation, blood pressure, pulse, fever), fluid and blood product replacement, intubation, cardiopulmonary resuscitation and the patient's initial stabilization should be provided. Centre should serve 24/7. These criteria aim to standardize the working and care conditions of healthcare professionals, patients and their relatives (RTMH, 2018a).

Palliative care services in Turkey are provided by 5544 bed with 414 healthcenters in 81 cities (RTMH, 2019). This rapid increase in the number of beds and units within a short time shows the importance of palliative care in Turkey. Recently, children palliative care centers were opened in hospitals in Turkey. According to this, palliative care centers are reserved to serve for different age groups, taking into account the needs of patients.

The fact that the World Health Organization (WHO, 1998) states that palliative care for children and their families differs, has been effective in the establishment of children palliative care centers in Turkey.

Palliative care for children;

- It is the holistic care of the child's body, mind and soul, this care also includes the family.
- Child palliative care starts as soon as it is diagnosed with the disease.
- Multidisciplinary palliative care team should evaluate symptoms of the child's holistic (phys-

ical, psychosocial) care and plan all needs for relief.

- For Palliative Care service, family should definitely take an active role as a multidisciplinary team member, and all resources should be used effectively and efficiently. In addition, palliative care service for children, Primary Health Care Services, Community Health Centre, Home Health Services should be provided at the child's home.

This rapid growth of palliative care services in Turkey is causing some problems. Firstly, the lack of clear concepts and rules about palliative care in national health policies poses an important problem. Secondly, another problem is the lack of education and palliative care awareness of healthcare professionals. Third, the deficiencies in the palliative care directive draw attention. One of these deficiencies is that the duties and responsibilities of the healthcare professionals working in the palliative care team are not clearly expressed. In palliative care, which is a multidisciplinary field of study, the role and responsibility of each team member should be clearly stated. Fourth, it is a problem that physicians assigned in palliative care centers are timed and preferably anesthesiologists. Fifth, the problems in the planning of multidisciplinary team members who will provide palliative care services come to the fore. Multidisciplinary team in palliative care consists of physicians, nurses, dieticians, psychologists, social workers, spiritual care specialists, physiotherapists, occupational therapists and other health professionals. Unfortunately, in palliative care clinics, it is seen that basic team members do not provide service to the patient, and only necessary physician and nurse try to provide the necessary holistic care. Sixth, the opening of palliative care centers in hospitals where

there are no multidisciplinary team members is another problem. The standards and conditions of opening a palliative care clinic should be clearly defined in the directive, and the continuity of the conditions created for registration should be checked with intermittent inspections. Seventh, there are problems in the integration of palliative care and home health care. Finally, general legislative issue and keeping other stakeholders out of the process is an important issue. As a result, the necessity of developing a new model for providing palliative care services in our country is evident. In this model, Ministry of Health (MoH), Ministry of Family, Labor and Social Policies (MCHPP), Social Security Institution (SGK), Universities, Presidency of Religious Affairs (DIB), Civil Society Organizations (NGO) should be included in the service delivery. In addition, the contribution of volunteers should be increased (Aksakal & Göksel, 2019).

Contrary to the rapid increase in the number of teams and units providing palliative care, no legal arrangements have been made within the scope of end-of-life care services. The workshop held by the Ministry of Family, Labor and Social Services with the patronage of the Presidency of the Republic of Turkey in 2019, the issue of end-of-life care services was discussed and a common consensus was reached on making legal arrangements (Old Age Council, 2019).

Conclusion

As a result, palliative care is a type of care that was created to solve, prevent and alleviate the problems that affect the lives of people related to the disease and to provide multidimensional support to patients and their families in this process. End-of-life care is a care that is provided to people who are nearing the end of their life. As it is known, people may have many psychological, social and economic problems in addition to medical problems.

In this process, multidisciplinary support of families can be realized in a multidisciplinary way.

Social workers are professionals who have acquired the necessary training and skills to manage these problems and manage the crisis response process. In addition, they can produce solutions to both psychosocial and bureaucratic problems encountered in the process and serve for the best interests of their clients. A social worker in the field of palliative and end-of-life care is one of the important professionals who can help the client and his family against such problems.

On the other hand, according to the ecological approach, the social worker handles the individual in his/her environment. Only the family and other systems to which the state of well-being can be established will be handled together with the client and perform the service delivery. Within the framework of this method, both the palliative and end-of-life care services for the client to create a state of well-being, as well as the client's family is considered to be of great benefit. Thus, services are provided to both the family, the client and the other connected systems, which has significant positive contributions to the patient's health process.

The field of palliative care with positive developments in the health field in recent years Turkey has also started to develop and the number of social workers working in this field is increasing every year. However, there are no legal and actual arrangements for end-of-life care. Other than this problem; with end of life care in Turkey is seen as the mixing of the palliative care service applications. Considering end-of-life care as a part of palliative care is thought to be the most important obstacle to separate but coordinated walking of these services.

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