

Society Culture National Identity & Immigration



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SOCIETY CULTURE NATIONAL IDENTITY & IMMIGRATION

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INTRODUCTION

INSTITUTIONS, NATIONAL IDENTITY, POWER AND GOVERNANCE IN THE 21ST CENTURY

National identity is the product of the development of modern nationalism. Since the French Revolution, modern nationalism is not only an ideology but also a political and social movement based on this ideology. The most direct political product of modern nationalism is the nation-state. Any modern nation-state includes two important aspects. One is the nation-state system and the other is the national identity of the inhabitants in the territory of the state. Cultural identity as a manifestation of social attributes of human beings is also an important medium affecting the identity of individuals and ethnic groups and national identity. herefore, national identity refers to the identity of the citizens of a country with their own country's historical and cultural traditions, moral values, ideals, beliefs, national sovereignty, and so on. It is manifested as individuals or groups believe that they belong to a country as a political community.

„In a globalized world in **which** national and ethnic diversity have become more visible than ever before, how is national identity constructed? What are the connections between national identity and citizenship? Since its establishment, the nation-state has enjoyed access to substantial power and resources which often have been employed to generate a single national identity among its citizens. The intensification of globalization processes has prompted the transformation of the classical nation-state by breaking its monopoly over the economy, defence, the media and culture, among many other aspects and functions. Rising global interdependence and the emergence of transnational political and economic forces are shifting the locus of real decision-making elsewhere. At the same time, small political and economic units have become functional in a globalized world, and this in part accounts for the unexpected salience which nations without states are currently acquiring.“¹

Gradually throughout human history, the power to steer society has diffused away from the chieftain or king towards a broader base of elected representatives, managers, bureaucrats and interest group leaders. Movement along this long-run trend has been far from linear or painless, and no one decision-making model has prevailed. Over time, however, economic growth has combined with changing values and institutions to reshape the nature, scope and means of exercising authority throughout society – in government, firms, associations and families.

Recently, there has also been a growing recognition that the ability or power of collective institutions to chart a particular course depends to an increasing degree on the active involvement of the governed. Looking to the future, there are signs that the governed of yesterday could become the governors of tomorrow. This does not mean that every citizen or worker would become a politician or manager. Instead, tomorrow's dynamic societies, less governable by the old methods of command and obedience, may set and achieve both individual and broad social goals by enhancing decision-making capacities generally.

Such a change would mean a radical break with past as well as with most prevailing governance models. Traditionally, decisions have been made and implemented using centralised, top-down and predetermined structures operating in rigidly defined fields of action – whether in a family, a firm or a nation. Despite today's general tendency to

1 M. Guibernau, Nation Formation and National Identity. *Journal of Belgian History*, BTNG/RBHC; XXXIV, 2004, 4, pp. 657-682

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assign formal power to citizens and shareholders, in practice the choice of goals and of the means for reaching them remain largely delegated, centralised and hierarchical.

Prospects for such large-scale transformation of the ways in which freedom and responsibility are distributed will depend on a broad, interlocking set of changes in underlying technological, economic and social conditions. The characteristics, plausibility, desirability and policy requirements for these changes were explored in the previous books in this series. All three also envisioned a future that breaks with the patterns and methods of yesterday and today.

21st Century Technologies: Promises and Perils of a Dynamic Future established a strong case for the view that tomorrow's technological advances could have as wide-ranging an impact as past inventions such as printing, the steam engine and electricity.

The Future of the Global Economy: Towards a Long-Boom? underscored the possibility of a sustained period of above-average rates of growth and wealth creation due to the exceptional confluence of three sets of powerful changes – the shift to a knowledge economy, much deeper global integration, and a transformation in humanity's relationship to the environment.

The Creative Society of the 21st Century concluded that trends towards much greater social diversity, both within and between countries, may be sustained well into the future.

At a variety of levels – local, regional, national and supranational – political institutions play a crucial role in social and economic development, and the lessons drawn from the latter half of the past century have only enhanced our awareness of the complexity of their interaction.

In the industrialised countries, an unprecedented economic expansion has gone hand in hand with an equally unprecedented growth in the size of the public sector. While particular forms of government intervention, and the fiscal burden needed to sustain them, may well have reduced the growth rates of individual countries in certain periods, the main trend in the economies has been a mutually reinforcing expansion of both private and public activities.

In the third world, meanwhile, much smaller public sectors have frequently been seen to be overstretched and thereby to impair the conditions for economic development. Reducing public commitments was long a standard ingredient in the structural adjustment programmes prescribed by international financial institutions. Recently, a more favoured approach has been to give more emphasis to measures intended to bring about “good governance”.

As the Soviet bloc collapsed, one of the great surprises was the remarkable weakness of the government apparatus left behind. With its comprehensive and highly intrusive political machinery, the Soviet system had appeared to be the very epitome of “the strong state”, but many of the foundations of this structure, not least the moral ones, turned out to be so fragile that the whole edifice rapidly crumbled. Rebuilding a stable institutional framework of governance is now widely recognised as one of the key preconditions for the successful transition of the former Soviet-type economies to market conditions.

What is thus clear from just a quick glance in three different directions is that governance has become a central component in any explanation of economic and social development. It is both cause and effect, covering both independent and dependent variables in the evolutionary process. It is also linked to several different sides or

aspects of our common history: to the formation and propagation of values, to the creation and distribution of wealth, and to the emergence and consolidation of institutions. Although “governance” is sometimes used in a wider sense to cover steering and control activities in different spheres of society – enterprises, voluntary organisations, etc. – it refers principally to the exercise of authority in government and the political arena.

In 1900, governments in the West defined class and the threat of revolution as their social problem. In 2000, governments everywhere face the challenge of social diversity and ethnic conflict. They resolved the old problem with representative democracy and the welfare state; today, they look to governance to solve the new dilemmas.

The similarities of conditions at the two points in time provide the major premises for the analysis that follows. In each case, economic developments threaten an old ordering of society by releasing new and powerful social forces. The governing powers respond through a policy of social reconstruction. In each case, movements of capital create the problems for, and limit the capacities of, the governing powers.

The minor premises distinguish the two cases. In 1900 national governments asserted sovereign power internationally and sought to integrate society around the state. The outcome of the social transformation they effected, followed by global economic development, combine in 2000 to create a new politics of identity. The old national solution to class conflict had its costs: warfare on an international scale. The task of governance in our time is to find a solution to ethnic conflict at lesser cost.

We are, therefore, considering governing power as it exists today, in a global polity dominated by America and the rich countries. In their own interests, they have enlisted society, collectivities, networks and identities of all kinds, in a transformation of government into governance. This involves a much wider diffusion of sovereignty, and hence responsibility for co-operation on the part of all agencies. In the Global Age, governance permits no free riders. At the same time, economy and society, in their course and effects, are global. The pursuit of governance cannot stop short of the shaping of global institutions and a more generous non-national citizenship. The welfare and security of each country now depends on all.

In the 1990s, “society” returned to become a favoured term in political discourse. Whether qualified as “information society” or “knowledge society”, or – in the guise of community – “civil society”, “third sector” or “social capital”, national leaders acknowledged afresh that society was one of their concerns.

It was a renewed interest, overshadowed only by the dramatic rise of globalisation as the key marker for the decade. The rise of the one and the return of the other, in the same period, was no mere coincidence. For, although globalisation was construed mainly in economic terms, there was a general loosening of the bonds holding together that bundle known as the “country”, or the “nation state”.

Not just the economy, but culture and the environment, appeared as transnational forces and issues. The idea that society was held in the confines of the nation state, and was even coterminous with it, came into question. The welfare and social security systems that cemented society to the state had already come under stress through the fiscal crises in Western countries in the 1970s. Acquiescence in and support for globalisation by national leaders in the 1990s added to a general sense that there were no longer any agencies in control of the world. At the same time, influential academic discourse promoted an image of society in disarray.

Even the state itself has not been exempt from the general sense of flux. Governments find it difficult to behave as controlling agencies. The rise of the term governance expresses revised expectations of the kind of control that the state can exercise over society in a transformed world. Steering (not rowing) is the preferred metaphor (Osborne and Gaebler, 1993), and there are many hands on the tiller. Economic management is enabling, rather than directing.

This new relation of state and society is doubly reflexive. Each reflects and is the condition of the other. They thus tend to magnify each other's instabilities. When they are both also open to multiple impacts and influences from economy, culture and environment, then the quest for stable axioms and points of reference becomes urgent.

We can see governance in a simple way as the management of society by the people. More profoundly than that, it is implicated in the constant reconstitution of society, as much an intellectual as a logistical engagement. The second challenge to governance from social diversity is, therefore, to rethink society. A knowledge society requires a self-knowing society.

At the end of the 19th century, class was the social problem: at the beginning of the 21st, it is diversity. Not that it is in the nature of class and diversity to be social problems. In each case they become problems because of instabilities precipitated by the behaviour of capital. The 21st century state can no longer adopt the old national solution of preparing for war. It is to governance and not to the mobilisation of the nation that we have to look for solutions.

"Institutions are the rules of the game in a society, [...] the humanly devised constraints that shape human interaction. [...] They structure incentives in human exchange, whether political, social or economic." (North, 1990:4)

"Institutions exist to reduce uncertainty in the world. In a world without institutions, we would not know how to deal with each other. Institutions are the incentive systems that structure human interaction. They can make predictable our dealings with each other every day in all kinds of forms and shapes. They thereby not only reduce uncertainty in the world but allow us to get on with everyday business and solve problems effectively." (North 2003)

These research papers took analysis of formal and informal institutions as a departure point, in the context of which to evaluate the varying and evolutionary performances of developmental state and their frequently top-down policies aimed at adjusting or altering "the rules of the game" for their developmental problem-solving - if in accord with their own respective national identities.

ABOUT THE BOOK

This book is designed to introduce the latest advances in academic research of the identity, nationality and labour market issues. The book includes a wide range of topics from a variety of perspectives in social sciences. The first article of this book, titled "Japan and National Identity in Modernization" is written by Ljiljana Markovic. The article questions the relationship between Japan's national identity and modernization within the context of modernization paradigms. She asks that why was Japan the first to embark on the path of modernization which had the preservation of national identity as its paramount goal. She tries to answer this question by examining the Later Mino School's Works and Aizawa Seishisai's analysis of world outlook. This article is mainly lies on literature review and finally the intend of this chapter gives you some insights on Japan's national identity.

The second article of the book was written by Derya Demirdizen Çevik on migration policies. The author examines and compares the migration policies of two countries, Turkey and Canada. Demirdizen Çevik asks how women migration would be affected by the migration policies in migrant receiving countries. This article focuses on policy regulations of Turkey where women migration for domestic work have migrated irregular as the country did not accept domestic workers as migrants. On the other hand, this article also examines the migration policies of Canada where women migrate under the specific program for domestic workers. She finds in her research that immigrants do not have obviously different experiences as their working conditions are similar. However, the regulations of two countries affect their integration outcomes when migrant women can reach citizenship in Canada unlike Turkey. The author also claims that domestic workers irrespective of their status whether they are migrant or native would not be exempt from many types of discrimination hidden in care work. Therefore, the author focuses on migrant women's experiences as domestic workers in two different countries.

The third article of the book deals with a subject related to migration as well. The author, Mehmet Okan Taşar, specifically focuses on the impact of Syrian refugees on labour market in Turkey. Turkey has been receiving Syrian refugees since the outbreak of Syrian civil war in 2011. The author finds that the Syrian refugees with the 5 million population affected unemployment rate which has been increased after their arrival to Turkey. Taşar uses statistical data to analyse the relationship between unemployment rate and the increased population of Syrian refugees. Finally, he finds that the unemployment rate was increased by the arrival of Syrian refugees to Turkey.

In the forth article of this book, titled "The Relationship Between Psychological Empowerment and Social Loafing: A Study of Turkish Public Employees", Nart and Yıldırım examines the employee's attitude which is affected by social loafing. Social loafing suggests a theory that people exert less effort when they work with others than work alone. This research aims to investigate the interactive effects of the psychological empowerment dimensions on social loafing. The research was conducted through the survey method by using a questionnaire with 372 officers working for government in Bandırma, Turkey. The findings show that the treating workers well affects workers' success in their tasks. The research suggests that workers should be motivated by awards or participated to the decision making process to increase their efforts.

The fifth article of this book is written by Sertan Akbaba, titled "A Post-modern Analysis of the Nation: Natives, Non-natives and Invasives". Akbaba questions the notion of nativism in the concept of Western policies. The main thesis in his research is that the concept of nation is being restructured while migrants or

invasive groups, as he refers “non-native”, getting more visible by the emerged immigration policies in the Western nation- states. The article inquires how the old concept of nationalism got transferred into contemporary nation-state as well. The research method of the article is mainly based on literature review through a critical perspective.

The sixth and last article of this book, titled “The Origins of Institutional Trust in Serbia -Performance-Based Approach”, examines the citizens’ trust to institutions in Serbia. The authors obtained measures of institutional trust and assessment of institutional performances on the basis of data collected by the most recent Life in Transition Survey – LiTS. This research remarkably was conducted in regular 5 year intervals to display how economic and political changes affect people’s trust to institutions. The article concluded that the individual level performance variables significantly affect institutional trust. The citizens trust is firmly associated with the economic and political performance as bases of institutional trust.

The seventh article of the book explores the equalizing effect of female labor force participation (FLFP) on the income inequality during the recent economic crisis in Turkey. The author, Serkan Değirmenci, used the micro data from the Survey on Income and Living Conditions (SILC) of TurkStat for 2007-2011 in his analysis. The data was designed to be representative of the Turkish population and obtained from Turkish Statistics Institute. Besides the indicators of income and living conditions, SILC data also covers some comprehensive questions to discover the labor market situations at the individual and household levels. This study specifically argues that if women’s participation to labour market may help to lower income inequality in Turkey. Ultimately, the article helps to potential readers to understand how FLFP creates opportunities to eliminate income inequality during economic crises.

The last article of this book, titled “Analyzing Income Inequality in Turkey via Coalition Game Approach”, is written by Denктаş, Erkin and Koç. This study tries to explain the reason for the persistence of high levels of income inequality in Turkey. They use a game theoretic model to explain income inequality in Turkey, inspired by Marxian and institutional perspectives. In addition, they draw specific attention to socioeconomic groups in population; labour, owners of industrial capital and owners of financial capital. They showed that conflict between classes and, disunity within classes is the source of unstable democracy and high level of income inequality in the research.

1

JAPAN AND NATIONAL IDENTITY IN MODERNIZATION

Ljiljana Markovic¹

Abstract

This paper purports to enlighten the first successful modernization of the economy, society and culture carried outside of the European cultural tradition. We shall define the quest for modernization as a cultural phenomenon, outline its theoretical framework and answer the question which is of crucial importance for understanding the relationship between national identity and a successful modernization: Why Was Japan the First to Embark on the Path of Modernization which had the Preservation of National Identity as its Paramount Goal? In order to offer an answer to this, we shall look into the works of the Later Mito School, analyze the world outlook of Aizawa Seishisai, and follow other milestones on Japan's route to modernity. In that, the ruling Paradigm on the Eve of Modernization: A Neo-Confucian Framework Filled with Kokugaku – Contents, shall be outlined, and then, a New Paradigm: Modern Japan (Western Technology, Japanese Spirit): Science Received and Accommodated by the Recipient Culture, shall be presented.

Key words: *Later Mito School, a Japanese novel, the modernization of Japan.*

Novel in the Japanese literature

Japanese spiritual heritage, ethical, aesthetic, philosophical, literary is embedded in the processes of modernization of art and the advancement of science, and therefore life in Japan. Analyzing philosophical and moral attitudes The Later Mito (水戸) school, as well as a review of the development of Japanese literature, especially prose genres, which lead to the emergence of sometimes trivial literature, shows the authenticity and originality of Japanese creativity and its influence and response to the challenges and needs of modernizing Japanese society.

The emergence of a novel, a great prose functional literary type in Japanese literature of the early Middle Ages, for almost a century before the appearance of the curatorial novel in Western Europe, and more than five centuries before the appearance of a novel in China, the mother of a far eastern culture, cannot but draw the attention to the science of literature. This fact speaks of one very important characteristic.

The first Japanese novel - Genji Monogatari, The Tale of Genji, is one of the most interesting examples of the novel genre in the world's history, especially medieval literature. In this period there has been an evolution of the genre, whose tradition began renouncing fiction and interest to the determined value of everyday life. If the subject matter of Western European curatorial novel was a tradition or history, in the first Chinese novels these folk tales were transmitted by oral tradition or literary epopee, while in the Japanese classical novel it was more closely related to the reality to which the author of the work belonged, otherwise a model of truth, because

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introduces fictitious situations and personalities, but their existence and actions must be completely acceptable to the real situation context.

The first Japanese novel, *Genji Monogatari* (The Tale of Genji), has made a major and multiple impact on all later Japanese literature, determining the characteristics of many literary genres and forms that developed in this rich literary tradition during the following centuries of the literary epic, lyrical drama and epic novels.²

Although some exceptional works on poetry and theater were written in the Middle Ages, as well as several significant commentaries on the novel *Genji monogatari*, until the 17th century, or until the beginning of the Genroku period (1688-1703), the theory of novels and the general concept of literature in Japan were not further separated. In fact, more intense Confucian, neo-Confucian and synological studies undertaken in the 17th century were followed by the consideration of the essence of literature. In accordance with the ruling Confucian ideology, literature was supposed to serve moral and utilitarian goals, therefore, novels such as *Genji Monogatari* were accused of immorality. However, the flourishing of national philology (the National Learning School, *Kokugaku* -国学) brought about the acceptance of certain, for example, stylistic values, or their existence, even in "immoral" domestic works. Also, some Confucian scientists and critics began to accept them, slowly modifying their own views. In such circumstances, the Confucianist Ito Jinsai (伊藤 仁 斎), *The Book under the head* (1627-1705), formed something like a true Renaissance approach to literature, while his work was continued by Ito Togai (伊藤 東 涯) (1670-1736), his son, and their students.³

Jinsai's concept of literature as a way of human feelings was in full agreement with the art practice of his time, characterized by the flourishing of humanistic prose, drama, poetry and painting. It seems that after the X and XI century there were no great artists who would be able to authentically represent the lives and aspirations of people. Ito found his analytical framework in the Chinese tradition he cherished, considering that since such an early time, like the time of the creation of the *Book of Poems* (*Ši-kjo* - 詩經), before the 6th century BC, literature always dealt with feelings (*kanjo* 感情). At the same time, unlike the confucianists of their time, Ito disagreed with the idea that literature was an instrument of "giving support to good and condemning evil" (*kanzen čoaku* - 勸善懲惡), even though it serves to bring man to the path of perfection by asking him to reexamine and analyze his feelings. He also highly appreciated folk literature (*zoku* 俗) as less restricted by tradition and capable of telling the truth about human feelings (*ninjo no makoto* 人情 の 誠) in a direct way, very close to human experience. Judging the effectiveness or value of the genre in the hands of the readers. Ito, therefore, was aware of the roles of readers, or recipients, in the developmental path of the literature.⁴

Another trend in literary studies, which deviates from confusion moralization and didactics, is the thought of Ogi Sorai (荻 生 徂 徠) (1667-1728). Although Ogi Sorai was a Confucian, he shared the notion of Ito Jinsai's literature. Ogi Sorai emphasized the importance of the beauty of expression, and therefore his approach is called the theory of elegance (*Fugaron* - 風雅 論).

The work of Ito and Ogi had an impact on the opinion of one of the greatest Japanese philologists Motoori Norinaga (本 居 宣 長) (1730-1801) - one of the most significant figures in pre-modern Japanese theory and

2 Шикибу, Мурасаки. (2003) Генци. Преб. Сретен Илић. Београд : Златоусти.

3 Barga, Doris G (June 1988). Spirit Possession in the Context of Dramatic Expressions of Gender Conflict: The Aoi Episode of the *Genji monogatari*. *Harvard Journal of Asiatic Studies*. 48 (1): 95-130.

4 Tucker, John Allen. (1990) Itô Jinsai's Gomô Jigi and the Philosophical Definition of Early Modern Japan.

criticism of the novel. Thanks to his extensive education, Motoori was well acquainted with classical works of Chinese literature, but later he devoted all his efforts to researching ancient Japanese literature. He wrote critical comments for the works *Kojiki* (古事記), *Manyōshū* (万葉集), *Shinkokinshū* (新古今集), The Tale of Genji and many other early works in Japanese literature.⁵

The language of the ancient works he analyzed was not, in his opinion, a simple instrument for the transmission of facts, but, above all, the expression of the human spirit (*kokoro* - 心). He considered that man is the bearer of both good (*jogoto* - 吉事), and bad (*magagoto* - 禍事) features, that he is an individual, and at the same time a member of society. Unlike many Confucians, Motoori has not idealized the world's structure. This did not remain without affecting his concept of novels and possibly literature in general, the concept that best represents the term *mono no aware* (もののあはれ) and term *mono no aware wo shiru* (もののあはれを知る).

Many critics dealt with the explanation of the term *mono aware*, believing that this category plays a key role in understanding Japanese literature and moral standards from the 8th century.

The ideal task of a story (or novel) is to present the world and man in their natural form - the form that Gods have given them. The source of the Motori view can be traced back to the understanding of the philologist of the School of National Learning (*Kokugaku*), as well as the theory of novels and drama that came from China.

The ideal task of a story (or novel) is to present the world and man in their natural form - the form that Gods have given them. The source of Motoori's views can be traced back to the understanding of the philologist of the School of National Learning (*Kokugaku*), as well as the theory of novels and drama that came from China. The prose of Motoori's time did not provide content that, in its value, could be compared with stories from the court period. Roman became the commodity that the publishers and writers were trying to find in cheap popularity. State censorship took care that books were in line with the accepted ideology, as well as to be free from slip through pornographic content. No one was worried about whether the novel was able to achieve at least the postulates that Ito Jinsai pointed out so curiously.

That is why, at the beginning of the modernization of Japan, in the second half of the 19th century, Tsubouchi Shōyō (坪内逍遙) in his work *The Essence of the novel* (小説神髓), written in 1886, protested against the state of the Japanese novel and urged writers to "stop with the illusions that they had, because the goal of creating a novel is neither fun nor moral admission". Tsubouchi Shōyō says that novelists have to understand that "... the goal of the novel is to show human feelings and customs - (人情世態の描写).

The real revolution in the theory and practice of the novel emerged in Japan after the onset of the impact of European naturalism and is the consequence of the introduction of a spoken language into literature instead of a dead classical language. Japanese scholars from the 20th century are introduced to different trends and currents, as well as debates about the essence and basis of novel creation. Some critics defended ideological and other artistic values. While convicted popular novel, that was a main promoter of the daily press, experienced increasing popularity among readers. Several artists and critics supported this genre, such as, for example, Tanizaki Junichiro (谷崎潤一郎), who believed that a modern novel cannot survive without a mass reading audience. Novel played the same role, or orientation to the mass readership audience, in the 18th and 19th centuries, and it should retain

5 Motoori, Norinaga (2007-01-01). *The Poetics of Motoori Norinaga: A Hermeneutical Journey*. University of Hawaii Press.

it further. In order to do this, according to Tanizaki, the novel should follow the directions it has achieved and draw a genre of monogatari, which were highly valued by Motori and others.⁶

The specificity of the twentieth century is that all the many talented writers who describe their experiences and feelings do not feel any shame about their ritual self-expression. If someone need to find a culprit for the absence of feelings of guilt and shame, then it has to be exactly this supra - supraindividual access novel. This is not a European naturalism, but, on the contrary, Japanese *mo no aware* and its implications that enable writers to say about themselves with the conviction that the result has something more exalted than the usual product of fiction prose, and that it is not just a sour taste of unripe fruit, how he inevitably makes a European reader, that is, a reader or critic based on the European standards of the novel.

Meiji restoration - Revolution “from above”

Tokugawa Ieyasu (徳川家康), one of the most famous rulers of Japanese history, defeating in the battle of Sekigahara (関が原) in 1600, ended the period of civil wars and began more than two and a half years of peace. This peace, which was marked by the rule of his successors from the clan of Tokugawa, lasted until the return of the direct executive power to the hands of the emperor in 1868. The institution with which Tokugawa ruled is well known in the history of Japan as a shogunate. The basic political idea of the shogunate was static, that is, aimed at maintaining peace and order. The society was sharply divided into rulers and subjects. The predecessors were mostly peasants who were the ruling military class, treated as an instrument of work on the earth and as a class that should provide tax from which the military class and the state as a whole would sustain itself. In return, when the system functioned well, peasants, in accordance with the Confucian understanding, were given the benefits of economic security and political justice. As far as possible, through various instruments that went from legal orders to cutting off almost all of Japan's contacts with the outside world (known as the period of Sakoku-鎖国), from 1639 to the arrival of the American fleet in 1854, the ruling class did everything to suppress those influences that could undermine the ruling order. Traders in cities have become over time a major source of social unrest and worries of the ruling class. At the time when the US fleet arrived in 1854, demanding that Japan open its door to trade with the Western powers, the Shogunate system was already in a serious and deep crisis. The breakdown of the old order along with attempts to preserve the privileges of a military tribe based on income from the land have already created certain social forces that primarily relied on nationalist ideas in the aspiration to create a new Japan that would provide ample space for those who were still hungry power and earth.⁷

The factors that led to the collapse of the system of shogunates and the birth of a new, modern and nationalist Japan are numerous and complex. Certainly their true nature and importance will long attract the attention of serious researchers. Here we could say that the two main characteristics of the shogunates led to his collapse, which was a lasting peace and luxury. Peace has allowed the emergence of a commercial way of life not only in cities, but also in the countryside. Commercial influences have corroborated feudal codes of conduct. Peace and luxury were largely coming from the center of the clan Tokugawa itself.⁸

The economic position of the military nobility, including all ranks of the Samurai class, slowly deteriorated during the period of the shogunate. Especially in the second half of this period, in order to reduce their own expenses,

6 Motoori, Norinaga (2007-01-01). *The Poetics of Motoori Norinaga: A Hermeneutical Journey*. University of Hawaii Press.

7 Pierre Renouvin. (1965). *La Question d'Extrême Orient: 1840-1940*.

8 Akamatsu, Paul (1972). *Meiji 1868: Revolution and Counter-Revolution in Japan*. New York: Harper & Row. p. 1247.

they are also depriving on the salaries of their own samurai. Wage reduction was possible only thanks to the long-lasting peace in which entire generations did not remember war or serious social disorders.

The position of the Samurai class was declining. A good income for samurai in rice was the material basis of his working life, in which he had to devote himself fully to education and exercises in martial arts. As his income declined, and the price of weapons, equipment and horses grew, so was the samurai becoming more and more demoralized. The significance of this fall of samurai classes began to occur at the beginning of the 18th century. Things got worse as the peace period progressed. The loss of their martial functions, together with an increase in commercial activity, bring the loyalty of many samurai in the trial, so that many of them masters rejected. The samurai whom the master would reject or who in any way would have been left without the master lost a literally existential basis. This was because the samurai were forbidden to deal with any kind of trade. As a result of this, the number of They represented a group of people who were always ready to fall into the pit and significantly contributed to social disorders in the second half of the Tokugawa period. Samurai who voluntarily left their masters and became “people without a lord” (*rōnin* - 浪人) increased. They represented a group of people who were always ready for a fight and significantly contributed to social disorders in the second half of the Tokugawa period. The Choshu area (長州), which was the largest shelter for samurai without masters, played a key role in fighting for the restoration of imperial rule in 1868. The idea to expel the barbarians, which for the Japanese at that time signified the expulsion of the Westerners, was very close to the heart of these samurai. Many of them were opposed to opening new ports for trade because they thought that if this were done, Japan would never be able to get rid of the barbarians.⁹

The truly serious external pressure and danger threatened by Japan from the imperialist powers of the West made restoration a symbol of the very different and often opposed groups. Restoration itself was not such a decisive act, and its impact on the future development of Japanese society did not exist in the first few years. Although it is difficult to define the forces that led to restoration, we consider that the fundamental reason was the partial erosion of the feudal value system, which was the result of the rise of trade and market economy, which was facilitated by a long peace and the establishment of a very well-built and highly centralized pre-modern state. This erosion of the feudal system, on the one hand, and the external danger, on the other, created problems in the resolution of which the restoration of the imperial authority represented the first significant step. The political reactionary aspects of this solution can largely be explained by the character of groups and individuals that this movement for the establishment of the imperial authority directly attracted. In part, they were courtiers from the Imperial Palace, others were high-feudalists who, even before the Battle of Sekigahara, were opponents of the Tokugawa clan, and during the entire period of the Shogunate, they were in a very unfavorable position by the outer masters (外様大名). These very important feudalists for two and a half centuries patiently waited for their moment. And in the meantime, they worked to empower the economy of their areas and educate their own samurai. The Samurai, who were very unhappy about the poor financial and social status, also represented one of the forces that wanted change. Among merchants, conservative old-fashioned traders opposed the country's opening because they thought it would increase competition for them. Traders generally did not play an active role in the fighting, although some, like Micui (三井), were secured by investing on both sides. Resistance to feudal institutions can be seen among peasants. However, direct imperial authority has been restored under the symbol of traditional symbols, mostly Neo-confucian. It was a conscious attempt at the top of the society to change quickly and efficiently from

9 Beasley, William G. (1995). *The Rise of Modern Japan: Political, Economic and Social Change Since 1850*. New York: St. Martin's Press.

within and adapt to the demands of the new technical and technological era, so as not to get someone to change it from outside under conditions that would certainly not be so favorable. It is remarkable to note that this was not a bourgeois revolution because traders played exclusively peripheral role in it.¹⁰

Only when this intent to restore the imperial authority and the nature of restoration of Meiji is well understood is clear why this feudal revolution led by aristocrats in such a short period (1868-1912) carried out a program that brought so many unequivocally progressive and radical social reforms to the country transformed into a modern society. It must be understood that this was the first revolution that emerged as a direct product of nationalism, which began to appear as a creative force on the threshold of the modern period of history. The aim of the Japanese nationalists was to create a modern and military strong centralized state. In order to achieve this, it was necessary to develop a modern industrial economy that would ensure the production of weapons and ships for the defense of the country. All this was necessary for Japan to survive as an independent state, and in order to achieve it, radical legal, educational, social and agrarian reforms were carried out. The restoration of the imperial authority was carried out under the slogan "Let's establish the emperor" - remove the barbarians (*Sonnō-Dōi* - 尊皇攘夷), which unambiguously tells us that Japan has united with one single goal, which is to ensure national survival. Japan felt very vulnerable because the attack on the technically superior powers of the West was becoming more pronounced on its shores, and the situation in China, which the Western powers had dismantled, was getting heavier.¹¹

In order to ensure adequate defense and strengthening of the state, everything was done for the modernization of Japan. As a result, the state assumes the role of planners and economic development coordinators from the very beginning, and the new ruling class becomes a class of economic masters who completely continue on the tradition of the earlier feudal and represent their extension in the modern era. This represents a peculiar process of adjusting the authorities to the requirements of modernization and to a great extent has determined the character of production relations in Japanese society and interpersonal relationships in Japanese companies. Today's *sararīman* is the direct successor to the earlier samurai, who is equally serious in the struggle to conquer the world market, as his ancestor gave life for the survival of Japan.¹²

The absence of the bourgeois elements in this nationalist revolution influenced the later weak position of class movements in Japan. Since the peasants and the petty bourgeoisie did not carry out this revolution, trade unions and workers in a modern society that emerged on the foundations of restoration of the imperial authority did not have any political pedigrees, nor some inherited political past that inspired them with self-confidence and consciousness. The disadvantage of the workers' movement in Japan and the specific organization of trade unions, as a trade union of a particular company, which certainly represents a major factor in the weakening of union power, draws its historical roots precisely in the patterns of the modernization of Japanese society and in the concept of the first modern centralized state that emerged on the Japanese soil.¹³

The philosophical and ethical thought that preceded the creation of a political movement for the overthrow of the power of the Shogunates and the establishment of the direct power of the emperor, which enabled Japan, without losing prestige and national dignity, to change the attitude towards the country's opening in full, was

10 Craig, Albert M. (1961). *Chōshū in the Meiji Restoration*. Cambridge: Harvard University Press.

11 Pierre Renouvin. (1965). *Op. cit.* p. 416-443.

12 Jansen, Marius B. (2000). *The Making of Modern Japan*. Cambridge: Harvard University Press.

13 Wall, Rachel F. (1971). *Japan's Century: An Interpretation of Japanese History since the Eighteen-fifties*. London: The Historical Association.

based on the earliest period of Japanese history dominated myths and legends and their glorification, on the basis of which the theory of racial and ethnic uniqueness and superiority of the Japanese nation, which is supposedly of divine origin, has been created. On the basis of divine origin, the Japanese have a sacred duty, which comes before all other duties, and it is a duty towards their own country. This duty means that they must do everything to ensure the prosperity and glittering prospects of Japan, with the first step being its successful defense against the barbarians. School of philosophical, ethical and political thought that formulated these ideas that represented the Bible under which the modernization of Japan was known as the later Mito (水戸) school. The work of the New Thesis (Shinron - 新論) of Aizawa Seishisai's main theoretician (会沢正志斎) knew practically every samurai in the time that preceded the restoration of the imperial authority and during the implementation of the country's modernization policy. It was considered that the samurai was equally embarrassed to be caught in ignorance of some of the theorems of the New Thesis, and otherwise lost the honor. Since in New Theses, the whole theory of the great duty of sarariman to its sacred land is based on its divine origin, and this is again in the most difficult relationship with the cult of the emperor who was considered to be the direct descendant of the goddess of the sun Amaterasu (天照), which provides divine - the benevolent character of the rule, it was necessary as soon as possible to return direct power to the hands of the emperor in order for Japan to embark on the path of national purification and ascension. The emperor was considered not only the direct descendant of the goddess of the sun, but he also performed all the duties of the chief priest of Shintoism, fulfilling the ancient Japanese ideal of unity of faith and rule. Obviously, anything that was a firm requirement of this political theory was the quicker return of the direct executive power to the emperor's hands. This political leadership of the analytical framework took over from Neo-confucianism, while it took its nationalistic genius from the school of national learning (Kokugaku) from the Shintoist revival (Hirate Acutanea - 平田篤胤), and constituted a murderous juncture that continued to function as the basic motive for the development of the Japanese modern state until the end of the Second World War. Namely, Shinron is housed like some kind of true Bible through the book Kokutai no Hongi (国体の本義), which had to be kept in a Shintoist altar in every classroom throughout Japan, and which all students had to learn by heart, just like a samurai at the time of imperial restoration, within the teaching of ethics. Kokutai no Hongi, whose first part is literally taken from Shinron's work, is the dogma of Japanese nationalism in the 20th century. In Shinron, the Kokutai theory (the self-imposed national entity of Japan) is being developed, while Kokutai no Hongi develops what specific duties each of the Kokutai no Hongi, whose first part is literally taken from Shinron's work, is the dogma of Japanese nationalism in the 20th century. In Shinron, the Kokutai theory (the self-imposed national entity of Japan) is being developed, while Kokutai no Hongi develops what specific duties each of the Sarariman needs to fulfill for his earthly country. needs to fulfill for his earthly country.¹⁴

In view of this indoctrination, which was widespread until the capitulation of Japan in 1945, the world of sarariman was under huge direct influence, in all its segments, the very mode under which the Japanese industrial society was created and it is impossible to understand the sarariman, for example, the blind obedience, or the acceptance of such extreme attacks on the integrity of one's own personality, such as the dictation of the choice of a spouse, without understanding the character of Japanese society in the modern period created with one monolithic aim above the goals. It is quite natural then that the hierarchical character of the society and its strict layering were maintained in the industrial age, and that the same hierarchy of society in the reflection of the Japanese company is seen as an inviolable hierarchical pyramid of power, at whose bottom sarariman can only be the recipient of orders. In this sense, sarariman represents a politically equally castrated class, as in the Tokugawa period it was a

14 Breen, John, 'The Imperial Oath of April 1868: ritual, power and politics in Restoration Japan', *Monumenta Nipponica*, 51, 4 (1996)

class of traders (shōnin - 商人). As merchants had their own culture and their literature, which modern literary theory puts into trivial, it is no wonder that sararīman now has his trivial literature - written about him and for him: The novel about the working man - the sararīman SHŌSECU.¹⁵

1. Novel in Japanese language in XIX century

It is common practice for Japanese literature to be seen in accordance with the chronological divisions of Japan's political history. In this sense, under the modern Japanese literature typically includes literature Japan created after 1868, in which the restoration of imperial rule produced radical changes in the political life, marking the end of more than two centuries long rule of the Tokugawa regime (1603-1867). The restoration of the imperial government also meant restoring prestige to the center of power, economic and cultural, as well as, of course, the social and political life of the country. We must, however, ask ourselves, to what extent is it correct that the Japanese literature of the modern period is regarded as a separate entity, which we once bordered the history of Tokugawa literature and earlier Japanese literature. There is no doubt that the Meiji Restoration, in a social and political sense, clearly marked the historical milestone. However, how did this critical phenomenon affect the nature of Japanese literary creativity? Literary history cannot be written without socio-political frameworks, but not exclusively in them. The literary climate cannot change overnight, as is the case with a political system affected by the whirlwind of revolution or radical reforms. The relationship between literature and society is far more complex than it can be presented with a simple model. Even when socio-political changes lead to changes in literature, this connection does not have to be immediately noticed. The work of writers can even remain and completely untouched by changes in their social environment. "Objective aestheticians and critics tend to judge the work as such, "by themselves", excluding the so-called its human origin and its commitment to the audience".¹⁶ The political and social changes in Japan that followed the civil war, which led to the Meiji Restoration, reflected the character of the Japanese contemporary novel. Restoration Meiji does deserve to be regarded as a major breakthrough in the literary history of Japan, though its impact was not reflected overnight.¹⁷

This influence of radical socio-political changes, which came to light only a few years later, affected the few Japanese writers who were active in the mid-nineteenth century and acted on a literary world that was not particularly fruitful. It can hardly be said that there is some great literary figure of that time, who in her works expressed the views on restoration that was so dramatically changed by the surrounding world. No literary genius appeared to literally convey the events of a civil war or the consequences of its outcome. Some prominent writers of the Tokugawa period were dead for a long time, for example: Ueda Akinari (上田秋成 1734 - 1809), Santo Kyoden (山東京伝 1761 - 1816), Tamenaga Shunsui (為永春水 1790 - 1843), Jippensha Ikku (十返舎一九 1765 - 1831) and Takizawa Bakin (滝沢馬琴 1767 - 1868). During this period, the famous writers of the Meiji period did not yet learn to write: Cubouchi Soyo was born in 1864, Nacume Soseki (夏目漱石) 1867, Kitamura Tokoku (北村透谷) 1868, and a whole play of prominent writers of contemporary Japanese literature will only be born in the 1880s. There are only a few exceptions, which, of course, confirm the rule. For example, Kawatake Mokuami (河竹黙阿弥 1816-1893), who is the author of the drama of the kabuki genre (歌舞伎),

15 Francisco Barberan & Rafael Domingo Osle, *Código civil Japonés. Estudio preliminar, traducción y notas* (2 ed. Thomson Aranzadi, 2006).

16 Gic, Ludvig. (1979). *Phenomenology of kitsch*. Translation from German. Svetomir Janković i Spomenka Stanković. Beograd : BIGZ. p. 30.

17 Seeley, Christopher (1991). *A History of Writing in Japan*. BRILL.

wrote fruitfully both before and after 1868, as did the novelist Kanagaki Robun (仮名垣魯文 - 1829-1894). However, we must say that Kabuki lies far from the mainstream of Japanese contemporary literature, and that Robun is a small-format novelist.¹⁸

There are very significant qualitative differences between the literature that was written before the Meiji Restoration and those in the mainstream of literary creativity that emerged in the decades after 1868. During the Tokugawa period, various literary types and genres assumed different social functions. The writers of the Meiji period tried to reject this legacy. They agreed that prose should not be either frivolous (trivial), nor didactic, but that human life should be realistic and in that sense give a critique of life. Some of the early novelists of the Meiji period were of Samurai origin, which was completely inconceivable in the period of Tokugawa. For this reason, we can safely assert that fictional prose has dominated poetry and drama in contemporary Japanese literature since its inception. Or, in a professional sense, the novelist became a true figure in literature, replacing the poet on pedestal.

Changes in Japan's literary stage after 1868 require a more specific description. The consequences of the changes brought by the Meiji Restoration used to be a collapse, at least partial, feudal morality based on Confucianism and Neo-confucianism of the Tokugawa period, which replaced the aspiration to the freedom of the individual. Literature therefore became the instrument and the path of self-realization. In order to express the freedom of the individual, the writers of the Meiji period strive towards a philosophical heritage that has a foothold in European enlightenment. A number of leading Japanese writers in the Meiji period knew well English and other European languages, but at the same time classical Chinese. Western literature has been popularized in Japan through a series of translations and adaptations that have had an almost immeasurable effect on the further development of Japanese literature, both in terms of content and form. The influence that the West has produced has made some authors no longer able to cope or artistic expressions exclusively within the framework of their own traditions.¹⁹ This was the last effort, a tension that began to be one of the central themes in contemporary Japanese literature. "Aesthetic enjoyment - joy, desire for beautiful, etc. - it defines in a certain way the court adoptee even before his court has fully concretized. And this very subjective factor is the precondition of the court itself, whether it is a kitsch or art."²⁰

Without the enormous influence of Western translation literature, there would be no modern Japanese novel. In the developmental path of the Japanese novel, a specific event played an important role, enabling the emergence of this genre of Japanese modern prose. It was the four-year stay of Mori Ogai, the first great Japanese writer, who lived in Europe (in Germany) from 1884 to 1888. Mori published a book of translation of German poetry in 1889, and a year later, novel *The Player* (Maihime - 舞姫), describes an unlucky love between a German player and a young Japanese. With this touching story begins a romantic movement in Japanese literature. *The Player* is important as the earliest work of new literature written by a man who himself experienced a long period of life in Europe and had knowledge of European emotional and spiritual life.²¹

Another giant of literature of Meiji period whose name is often mentioned along with Mori was Soseki Natsume. Nacume started his career as a professor of English literature, and from 1900 to 1903 he was on training in England.

18 Karatani, Kōjin. *Origins of modern Japanese literature* (Duke University Press, 1993).

19 Calinescu, Matei. (1977). *Kitsch*. V: Matei Calinescu: *Faces of Modernity. Avantgarde. Decadence. Kitsch*. Indiana

20 Gic, Ludvig. (1979). *Phenomenology of kitsch*. Translation from german. Svetomir Janković i Spomenka Stanković. Beograd : BIGZ. p. 30.

21 Marcus, Marvin. "Mori Ōgai and the Biographical Quest." *Harvard Journal of Asiatic Studies* 51, no. 1 (1991): 233–62.

In 1905 he published his first novel *I am a cat* (*Wagahai neko de aru* - 吾輩は猫である). In the following years, Nacume writes a series of novels, greatly accepted in his time, and they have retained popularity even to this day. His novels deserve much attention from literary criticism, because the popularity enjoyed by Nacume for life has not diminished for the entire 20th century.²²

The appearance of this writer on the literary scene was already in itself a major event in Japanese literature, but due to the unusual set of events in the period 1905-1915, the literary life of Japan almost exploded from a huge creative swing. In this decade, some writers, such as Mori Ogai, Shimazaki Toson, who had previously enjoyed fame, published their best works, others, such as Nacume Soseki and poet Ishikawa Takuboku (石川啄木), wrote all their literary works; third, like Nagai Kofu and Jun'ichirō Tanizaki, started their long brilliant career. Russian-Japanese War (永井荷風 1904-1905 indirectly contributed to this excitement of literature indirectly - as if a mere war victory over a Western emperor gave the Japanese confidence and self-confidence to write great literary works. But in any case, this remains a very outstanding decade of literary creativity in the history of contemporary Japanese literature, while the three decades that followed it, and even almost a decade later, did not give more than the pieces of what was created between 1905 and in 1915.²³

It can be said that the end of the Russian-Japanese War in political terms has indicated the birth of the Japanese state after a long period of learning and devotion to the Western powers. "In all, however, Japanese politics in 1911 is in a favorable situation. In 1905 it could fear it would encounter resistance when it wanted to use the results of victory; between 1906 and 1911, it managed to tackle the issue of Korea and to place position in southern Manchuria, thanks to its agreements with Russia. By convincing the United States and France of its intentions, it made the recognition of a complete act by those two states. The disappointment that could cause her to change the alliance is not very difficult, because Japan no longer needed direct English help. As a "partner" of the Great Western Powers, Japanese diplomacy is included in all Far East agreements, and these great powers are satisfied when a new member declares that there are no major ambitions."²⁴

Japan won this war among great powers, and its literature then began to draw the attention of the world. The fact that war in a certain sense caused the emergence of a new literary movement in Japan does not mean that the writers of that time were nationalists who celebrated the victory. On the contrary, even those whose heart was trembling with happiness when they heard of the first Japanese successes have been deeply disappointed at the end of the war. The novel of Tayama Katai *A soldier* (*Aru Ippeisocu* - ある一兵卒), published in 1908, carries the mixed emotions that war has produced in the souls of sensuous writers.

Historians of Japanese literature of the contemporary period share writers in a large number of literary schools and courses - non-realists, naturalists, sensualists, etc., and these schools are further divided into subsections, denoting both influences and literary connections. These numerous directions speak of a very lively literary activity and a huge grill with which Japanese writers dealt with European literature, as well as their growing interest in the literature and thought of ancient Japan. Japanese literature will evolve from a period when European novels are blindly imitated by the time when devotion to European patterns will not make writers stop incorporating influences from the Japanese literature tradition.

22 Bagen, Doris D. *Suicidal Honor: General Nogi and the Writings of Mori Ogai and Natsume Sōseki*. University of Hawaii Press (2006).

23 Bagen, Doris D. *Suicidal Honor* ...

24 Pierre Renouvin. (1965). *La Question d'Extrême Orient: 1840-1940*. p. 252.

The novel about working man as a contemporary issue of classic “trivial” literature in Japan

- Genji Keita, the founder of *sararīman shōsetsu*

Genji Keita was born in 1912 in Toyama (富山). His real name is Tanaka Tomio (田中 富雄). Having graduated from the College of Commerce in Toyama, he was employed by Sumitomo (住友), one of the gigantic Japanese trading companies. He worked at the company's headquarters. From 1956 he moved to a smaller company, which is the subsidiary company of Sumitomo. There he dealt with the sale of real estate, mostly apartments and houses. He becomes the director of this small company. The first literary work of Genji Keita is a *Girl of Tobacco* (*Tabako musume* - たばこ娘). He published it in the March issue of the All Jomi Mono (オール読物) literary magazine, in 1947. After that, he continued to write fruitfully, short stories, published in literary journals, stories that almost immediately gained huge popularity among readers. One of the stories that represent his early works in the best light is the *English Language Teacher* (*Eigoja-san* - 英語屋さん), that was published in 1951 and received the twenty-fifth literary prize *Naoki* (*Naoki* - 直木賞). This literary award is awarded as the highest annual recognition in the so-called trivial literature in Japan. Since trivial literature enjoys enormous popularity among the readers of Japan, and has managed to maintain a traditionally highly respected place within the literature, the Naoki Prize represents a significant literary award awarded as a pendant to the Akutagawa Prize (Akutagawa - shō - 芥川賞) for the best novel or a story in the so-called pure literature.²⁵

The central part of the extraordinarily rich work of Genji Keita is considered to be the novel *Deputy Director of the third rank* (*Santō Jujakū* 三等重役). It follows: *Lucky man* (*Kofuku-san* - 幸福さん), *A sunflower girl* (*Himavari musume* - 向日葵娘), *A clerk – mom's boy* (*Botchan-shain* - 坊ちゃん社員), *The Empire of Pacific* (*Peaceful World*) (*Tenka taihei* - 天下泰平), *Happy holiday* (*Taian Kicijitsu* 大安吉日) and many others.

In short stories and novels, Genji Keita describes many occasions and taboos that characterize the life of a modern Japanese man. In the opinion of literary critic Hasamy Ensan, there are many prohibitions that govern the lives of Japanese paternalistic companies. Hasamy emphasizes, as most often, the prohibition of love between employees in the same company, the ban on marrying women working in bars, and ban on any other “inadequate” behavior of young workers in the sphere of their personal lives.

One of the most frequent topics from the mistreatment of employees is the quite large mixing of the company, that is, the employer through the figure of the direct boss in the choice of a spouse. Genji Keita knew all this well, for twenty-five years he worked in the Toa Zaibacu Company and experienced a large part of everything that he described as the happenings of his many heroes. That is why he described with so much power and conviction the world of a working man who had not changed anything in the end of his life (he died on September 13, 1985).

After the Second World War, the large Zaibacu Group was disbanded, but Genji faithfully describes how these groups only changed their outer clothing and kept the almost untouched all the characteristics of relationships among people at the workplace. Even after the war, he occupied a very high position in the firm Sumitomo, so entrenched in new clothes. The greatest number of complications in his novels Genji was found in this years of his career. At the same time, he deeply understood the ugliness of human egoism, which, using hierarchical relations in a Japanese company, manifests itself in its worst light and makes the already heavy and obsessive working conditions in the Japanese firm even more difficult. This great and engaged writer, with cold and analytical distance, and at the

²⁵ Keene, Donald. *Anthology of Japanese literature: from the earliest era to the mid-nineteenth century* (Grove/Atlantic, Inc., 2007).

same time very skillful, gives a detailed account of all the major forms of endangering the freedom of personality encountered in the life of a Japanese working man, and it is always unambiguous on the side of oppressed and disturbed sarariman. The third great feature of Genji's novels, as critics Komatsu Shinroku (小松 伸 六) says, the correct understanding of distorted love and loyalty to the company, and too strict relationship with immediate superiors, which often leads to contradiction. This is best shown in Genji's short novel *The Devil Chief* (Oni-kacō - 鬼 課 長). The bosses are critically criticizing and strictly educating newly employed individuals. On the other hand, there are the so-called Hotoke-Kaco (仏 課 長), or God bosses, representing the other possible extreme of a benevolent dictator, a full understanding for the subordinates. The third type would be the ideal boss, whom all Japanese employees would like, but it is a dream that is difficult to achieve in the whole forest of intertwined rigorous rules and regulations of life and work in a Japanese company. Describing the strictness of the devil boss, the benevolence of the divine boss, and the unachievable ideal of the ideal boss, Genji gives a very good picture of the most desirable needs of sarariman, whether this one is in the role of an employed trainee, even if he is in the very formal position of the boss. Genji always uses a well-meaning sense of humor describing the occasions and accidents of sarariman, and it seems to us that his extraordinary spirit speaks of how the hell of sarariman life can still be overcome.²⁶

Genji, almost overnight, in the spring of 1945, became a popular and respected writer after he published the novel *Deputy Director of the third rank*. Although he never studied at the university, he succeeded in personally acquainting himself with the method of promotion of those who graduated in "first-class", "second-class" and "third-rate" universities during the course of twenty-six years of his career; he knew firsthand how to be a good boss, how to take care, not to succumb to his subordinates, how they should marry, how to bury, and how to act in case they still violate some of the company's undisputed rules. He also knew how to teach them to walk on the right side of the hallway, from just graduate trainees who do not know anything about the order in a Japanese company to make responsible and savvy workers; how to deal with those who fall into serious family problems because they have been moved to a remote branch for a long time, where their families cannot or do not want to cross. Roman Deputy Director of the third rank is published in one of the most famous and widely read Japanese weekly *Sunday Mainichi* (サ ン デ ー 毎 日), and Genji felt the need to publish another novel three years later under the title *New Deputy Director of the third rank*. It is simply incredible to what extent Japanese workmen have equated themselves with the heroes of this and other Genji's novels, whose popularity certainly stems from the great topicality of the issues they deal with, as well as the conviction of the literary expression of a man who writes about himself and what he experienced well. Novels of Genji Keita, although not in the first person, are distinguished by the best features of the Japanese novel in the first person. Genji Keita speaks about personal nightmares, obsessions, frustrations and about all that he himself aspired to achieve in the course of his working life in the company Sumitomo. He speaks through skilfully designed heroes, as it only allows him to say more and to be more convincing, so it could be said that the benefits of positive Japanese literary heritage, avoiding many of the negative aspects of the novel in the first person and goes beyond the need for all experienced boils down to personal flat.²⁷

The career of Genji Keita experienced a great turning point after the release of his novel *The New Novel* about the Director of the third rank. After the enormous success of this novel, Genji decides to leave the twenty-five-year career in Sumitomo Corporation. Genji decides to devote himself entirely to writing. In addition to the extensive

26 Aston, William George. *A history of Japanese literature* (NY, 1899)

27 Karatani, Kōjin. *Origins of modern Japanese literature* (Duke University Press, 1993).

writing of the novels that are perceived as having a fast-paced popularity, each new stack of high circulation of the former, Genji puts his business talent into the service of the Japanese “Pen Club” and becomes its Executive Secretary. From this position in the Japanese literary world carries a high-prestige halo, almost unimaginable for a writer belonging to the world of trivial literature, he succeeds on the basis of the literary experience he has acquired as a *sarariman* until 1956 creating works that have huge popularity owing to the connection of the reality of *sarariman*’s life and his secret dreams, which no one even before or after him failed to show in this way. But it was not easy for Genji Keita to do it. That is why he changed his pseudonym even twice in his literary career. His first was Honda (本多), and the other was Genji. He used the first pseudonym very briefly, for the first ten years of his creative work. The pseudonym Genji Keita continued to use it even after 1956, even when he was no longer a *sarariman*, and when there was no reason to even conceal his real identity, even if only formally. Both names used by Tanaka Tomio as his pseudonyms are distinguished by the high and sophisticated origin derived from the ancient history of Japan. Honda is a renowned clan who fought in the service of the Tokugawa clan and achieved outstanding success in key battles leading to the unification of Japan at the end of the 16th century.²⁸

In the Japanese society and its Confucian tradition, the site of the samurai’s warrior class in the social hierarchy, in the process of modernization and industrialization of the country, was assigned to the new elite class - businessmen, managers and working members of Japanese companies - which are commonly known as a generic term – *sarariman*. *Sarariman* a man living on his paychecks is a contemporary equivalent of a samurai who throughout his life lived from his “wages” expressed in the number of rice barrels he had rewarded, but that quantity was centrally determined for each samurai. It was strictly stipulated how many barrels of rice (*kokudaka* - 石高) belong to each samurai rank, as well as other monetary (expressed in kind) forms of payment. Adhering to the very strict principles of “the spirit of the East - the technique of the West,” the fathers of the Japanese modernization incorporated all the essential elements of samurai ethics, as well as the way of rewarding, into the formation of patterns of life and work of the modern army of Japanese businessmen whose task was to fight for the primacy of Japan, but this time not by *katana* (刀), but by higher productivity and more perfect business than anybody else in the world. Non-cash fees received by samurai in addition to the wages expressed in rice have a direct equivalent in national accounts, golf courses, landing spots, resorts, use of cars, phones and any other conceivable benefits of a company that can be tax deductible. In addition to huge surpluses (*bonus* - ボーナス), which, depending on the company’s performance, twice a year, employees receive up to five monthly wages, each time they represent elements based on a long Samurai tradition, in order to continue and bloom the old, feudal type of interpersonal relations in the contemporary industry and economy. Thus, if *sarariman* is happy to get a job in one of the first-class big companies, he is lifelong attached to his fate, giving all his loyalty, just as in the feudal, pre-modern period, the samurai owed every part of his being to the commander if the commander died or killed, especially if he was given some kind of indecency or defective honor, then, in extreme cases, from his subjects, the samurai, as well as his first wife - *honsai* (本妻) - expected him to follow in death, or prove their loyalty by not being left alive after it). Likewise, the modern *sarariman* shares the fate of its company to the end: firstly, it devotes itself to all its things as well as leisure and energy for the benefit of the company. Work in a larger company is synonymous with greater social prestige because companies like universities, gymnasiums, lower and upper secondary schools, primary schools, and even kindergartens are strictly hierarchically divided into “first-class”, “second-class”, “third-rate” and those below these qualifications.²⁹

28 Karatani, Kojin. *Origins ...*

29 Keene, Donald. *Anthology of Japanese literature: from the earliest era to the mid-nineteenth century* (Grove/Atlantic, Inc., 2007).

In Japan, in addition to feudal loyalty in modern times and its value system, it has entered and deeply rooted, if not the idea “the big is very good,” then certainly at least the idea “the big is safe and powerful.” And the character of Japanese modernization that was carried out “from above” helped to perceive this understanding of hierarchy based on the power, relative position, and size that is formed in this way.³⁰ If the Japanese Revolution was derived from the bottom, like the bourgeois revolutions in Europe, then in Japanese society it would certainly come to the surface the idea that even those who do not have any power can get weapons, in the next period, and be able to fight and they can radically reverse the result. In Japan, in the entire history, a subordinate and an exploited have not managed to turn the wheel of history in a radical way in their favor even in the short term. Here, even the revolution and the civil war have taken place in order to re-establish the imperial authority and modernize the country and have been carried out on the basis of a conscious decision of the ruling class, if not the Shogun clan himself, and remained completely in the hands of the ruling elite, that is, the great and the powerful. Hence, there is such an enchantment of size and power, which the Japanese deeply subconsciously believe are “eternal” and unchangeable. Despite the Buddhist belief that fate is constantly reversing in its circles, which the Japanese accept as the principle of personal life, this Buddhist vision in the consciousness of sararīman does not extend to the social and political sphere of life, in which the principles of Confucianism were always governed.

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³⁰ Adorno, Theodor W. (1950). *The Authoritarian Personality*. New York.

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2

CRITICAL ANALYSIS OF MIGRATION POLICIES OF CANADA AND TURKEY: DOMESTIC WORKERS¹

Derya Demirdizen Çevik²

Abstract

This study analyzes labour migration policies of Canada and Turkey on women domestic workers within the context of global labour movement. Canada, as a country with a long history of labour migration, has a specific program for domestic workers. Even though this program is accepted as one of the best examples in the world, it has many structural problems that leave the migrant workers vulnerable to exploitative work conditions. On the other hand, migrant domestic workers in Turkey are largely unregulated and considered to be a part of the “illegal” migration. However, in recent years, the Turkish government has made attempts to bring some regulations in this area. This comparative study demonstrates that although the migration policies of both countries considerably differ from each other, migrant domestic workers face similar challenges. Most notably, the restrictions put on their mobility and right to change employers reveal a form of indentured labour facilitated by the governments.

Key words: Migration policies, women migration, domestic workers, Turkey, Canada

Introduction

By the last quarter of the 20th century, with more and more women as independent migrants increased in the global migration due to the effect of global capitalism. The migration of independent women was a relatively new phenomenon in contrast to the classical migration theories in which women were described as dependent migrants. In the past, many reasons encouraged women to migrate overseas, seek refugee status or foreign citizenship. In developing countries, the intense poverty and unemployment have been forcing women to independently migrate to developed countries where they find employment opportunities. Specifically, the migration of single women for employment reasons has intensified due to increased demand on child/ elderly care, and domestic work in many countries.

In many studies, the conditions of immigrant domestic workers are described as near-slavery due to their limited rights as immigrants and the characteristics of the work they do. All immigrant workers in domestic work need a work permit requiring employers' approval and signatures. In addition, domestic work is mostly carried out by women whose work places are employers' private houses, which distinguishes domestic migrant workers from other immigrants.

Many indicators such as immigration policies and regulations, socio-economic plan for migration, and political development of destination countries have been affected by their migration regimes. The regimes are closely related

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to how migrants enter destination countries, how they obtain legal status, and how extended the scope of their rights are. Therefore, the migration regime becomes a key determinant for migrants' conditions in destination countries. However, there is still an unanswered question as to whether the migration regime is a fundamental criterion in terms of giving equal and desirable life standard to immigrants.

These questions are addressed in this study by choosing two different countries which have divergent regulations both "developed" and "undeveloped". The main subject group is, as mentioned before, independent migrant women who work within the employer's household and also live with employers. This study also aims to analyze the effect of immigration policies of migrant receiving countries such as Canada which is described as one of the best examples for migrant domestic workers. Turkey is chosen as a migrant country bringing some regulations for the foreign domestic workers who used to enter by a visitor visa and work undocumented.

Our comparative research tries to understand each country's unique experience on women's migration by employing both classical theory on migration, and feminist theory on domestic work. In carrying out these analyzes, the migration regulations of the destination countries will be examined as a main source in the research. The study then goes on to analyze how these regulations affect immigrants by using micro-level research in the literature. As a result, this study will provide critical analysis of those regulations, which have serious limitations on immigrant women.

Canada as an Immigrant Country: Migration Regime

The history of immigration in Canada dates back thousands of years. Beside native Canadians, their first immigrant nations were British, French and Germans, and now they have various nations from all over the world. Canada is described in the MPI (Migration Policy Institution) Report 2012 as having the highest percentage (20 %) of foreign born residents, compared to 11 % in the United Kingdom (Bloemraad, 2012: 3). With such a large immigrant population, Canada developed a policy of multiculturalism that facilitates integration of immigrants (CIC, 2010: 3).

The immigration regime of Canada has traditionally adopted a permanent immigration system, by which immigrants easily settle and work, instead of a temporary one. Current immigration policy of the country dates back to 2001 when Immigration and Refugee Protection Act (IRPA, 2) was implemented as a primary legislation of permanent immigration. This act is rearranged by expanding the 'Immigration Act' of 1976 and is defined as providing wider freedom and equality to refugees and immigrants (IRPA, 2001). This law, which is the main framework of immigration policies, states that Canada must comply with international law. However, it is known that Canada has not yet ratified the International Convention on the Protection of Family Members of the UN Migrants and the ILO Convention on the Number of Housewives No. 189.

Canadian immigration policies, as is clearly stated in the IRPA, are based on 'providing the best benefit from social, economic and cultural migration'. These policies aimed at achieving the highest level of efficiency among immigrants in all provinces for the further development of Canada's strong economic structure (IRPA, 2001).

The immigration system is organized and conducted by two separate structures as federal and state government (Picot and Sweetman, 2011: 1). Within this structure, "Citizenship and Immigration Canada (CIC)" and "Human Resources and Skills Development Canada (HRSDC)" present their positive opinions on the report "Labour Market Opinion (LMO)" by which the occupations Canada's labour market need are determined. Thus, both the economic benefit of the country in general and the needs at the regional level will be provided through this

process. Therefore, these policies are prepared to meet labour market shortages in order to enhance Canada's global competitiveness and sustain global economic advantages (Bozdugan and Halli, 2009: 366).

Canada developed a system that effectively and expeditiously meets labour market shortages in different occupations. In this system, immigration system is divided into two groups: one side is Canada's permanent migration system that attracts highly skilled people and investors who bring a large amount of capital to the country. On the other side, the Canadian temporary migration system meets labour market need by employing both skilled and unskilled workers (CIC, 2010).

In this system, skilled migrants have some privileges compared to unskilled with regard to reaching permanent citizenship. Skilled migrants, for instance, have a right to bring their family members, unlike unskilled migrants such as caregivers, agriculture workers etc. Skilled temporary migrants are also privileged through the point system in the transition to permanent position. Those involved in this group having a good education in business and life in Canada and speaking French or English facilitates the transition to permanent immigration. The Point system constitutes a major barrier to migrants with low education and non-linguistic qualifications for getting permanent immigration. However, caregivers, as a special group of unskilled migrants who are exempt from the requirements of the point system, are allowed to transfer to a permanent immigration after two years of full time work (LCP, 2012). With this program (Live-in Caregiver), the immigration regime of Canada is moving apart from many parts of the world.

Women Migration and the Live in Caregiver Program in Canada

As previously stated in the paper, Canada has a specific program known as the LCP enabling women to migrate and work as documented. This program regulates the women's entry to the country, working conditions and the transition to permanent position in Canada. Within this context, it is necessary to examine how the positions of women in Canada differentiate from other experiences. This analysis may help to understand whether the regulations for immigrant domestic women workers are an exemplary application or not.

It is known that the LCP is the only program ensuring permanent immigration and citizenship through the domestic work permit after meeting some criteria. Those countries such as the US and UK attract most domestic workers from all over the world; however, they do not ensure any citizenship or permanent stay for them. (Goli, 2009: 37). Within this point, we can argue if other countries, where migrant workers carry out domestic work, should take the LCP as an example. In order to investigate some answers, it is necessary to first discuss the conditions of migration under the LCP, and then discuss possible problems with this program.

The LCP is an immigration program jointly conducted by CIC and HRSDC. Employers who will employ migrant caregivers under this program must apply to the HRSDC first and obtain a positive LMO³ report. After that, the LMO report with a pre-prepared business contract should be submitted to the CIC for work permits (CIC, 2012b). In this process, employers and workers come together through private employment agencies (Fudge, 2011: 237).

3 The following criteria must be fulfilled for employers who employ caregivers to obtain a positive LMO report from the HRSDC office: They have to prove that they could not find Canadian citizens or resident immigrants to work in the domestic labor market; The working conditions of this occupation are equal to the labor market standards separated from the same section, The wage offer should be equal to the same occupation in the same region. It should be proved that employers carry out some benefits such as creating a new job or transferring knowledge and qualifications benefits by employing migrant workers. (CIC, 2012).

Besides this process, the employers must prove to CIC their financial sufficiency to pay the monthly full-time employed workers' wage. In addition, an employer is required to have a safe and equipped room with a lock on the door, which is allocated to domestic workers (CIC, 2012b).

Caregivers under the LCP are required not only to possess the high school degrees equivalent to Canada's education, which is 12 years, but also speak enough English or French. In addition to these conditions, they must have good health and clean criminal records, nursing education at least 6 months, and work experiences in this field for at least one year in the last three years (CIC, 2012b). After arriving in Canada with work permit, a caregiver can apply for a permanent immigration status upon completing at least 2 years without any interruption by working with a single employer (LCP, 2012). Within this context, the immigration status of caregivers is separated from other groups who are eligible to transfer to permanent residency.

In Canada, the federal government fixed caregivers payment at minimum wage, and their weekly working hours vary from 40 to 48 hours depending on province regulations (LCP, 2010). The LCP requires caregivers to live in their employers' houses, and they should pay rent varying from 45 to 85 Can \$ per week. Besides, they are entitled to at least two weeks of uninterrupted paid leave for every 12 months they work. In addition, the employers must pay the employee's private health insurance. Immigrants are also required to pay insurance premiums in order to benefit from tax payments and retirement plans. As immigrant workers, they are not allowed family reunions or sponsorship for their family members until they get permanent residency status (LCP, 2012).

The domestic workers with permanent residency status are not eligible to bring their families to Canada; they are even required to have clean criminal and health reports. Within this context, the practice of immigration is in contradiction with the Canadian Charter of Rights and Freedoms in which it is clearly stated that:

Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability (Constitution Act, 1982).

This article reveals an obvious discrimination against those immigrants who are required a clean bill of health, which is not required of others. Despite this contradiction, there are an increasing number⁴ of immigrants arriving in Canada and about 11 % of them are caregivers under the LCP each year. In order to provide a better understanding to the LCP, the working conditions of the caregivers should be examined and detailed.

Structural Problems of the LCP

Despite giving permanent immigration rights to the domestic workers, the LCP has another major problem associated with "the nature of domestic work". Along with the live-in requirement, unpaid work, low-income, sexual, emotional and physical abuses by employers and ethnic discrimination are the potential threats that make immigrant domestic workers vulnerable.

1. Ethnic/ Racial Segregation in Domestic Work

The racial/ ethnic composition of immigrant domestic workers in Canada has considerably changed since the 18th century. The domestic workers were first black slaves and aborigines in the 18th century, followed by English

⁴ Each year, about 5000 caregivers under the LCP arrive in Canada) (Canadian Statistics, 2016)

servants at the beginning of the 20th century, Caribbean women during the mid-20th century, and women from Philippines by the late 20th century (Arat-Koç, 1997). The main determinant of this change in the source countries was the commercial agreements between Canada and the other countries such as England, the Caribbean and the Philippines (Minister and Stasiulis, 1997: 45).

By the middle of the 20th century, the women from Philippines have made up a large majority of domestic workers in other ethnicities in Canada. Currently, they represent 95 % of the LCP workers (Faraday, 2012: 36). Within this context, caregivers are identified with a certain race; therefore, migrant women of colour become vulnerable to racial discrimination in the labor market.

Arat-Koç (1997), in her study “From Mothers of the Nation to Migrant Workers”, asserted that changes in ethnicity of immigrants is responsible for worsening the status of migrants and their working conditions. In her study, she argued that white English domestic workers enjoyed broader rights as they were viewed as potential wives and mothers of their nations whereas non-white migrant domestic workers were viewed as a cheap, expandable and temporary work force (p. 54). The migrant domestic workers from ethnically white Europeans were eligible to access full citizenship rights when the others from ‘least desirable’ or non-white background had limited access to these rights (Arat-Koç, 1997: 56). Domestic workers in Canada are seen as guest workers having temporary status, unlike many other immigrant workers who are entitled with landed immigration status (Hodge, 2006: 61).

Discrimination, which is observed between English and non-white house workers, is even more clear considering Canadian federal financial aid for British domestic workers in the 19th century. (Hodge, 2006: 62). Today, there is no financial aid for domestic workers in need; they even must pay a work permit fee to the CIC and private employment agencies (Fudge, 2011). Further, migrant domestic workers are excluded from the state protection in terms of occupational health and safety indemnity (PINAY, 2008: 24).

Arat-Koç (1999) stated that as caregivers from Europe are perceived just as ‘nannies’, they were not expected to do anything other than childcare. On the other hand, caregivers from the non-white background were expected to do all maintenance of the domestic sphere in addition to childcare. Moreover, caregivers from white Europeans were treated better and paid more than those from non-white background (Arat-Koç; 1999: 149).

Therefore, the main determinant factor of having a better status and working conditions depends on whether the workers in Canada are white Europeans. Domestic workers, mostly from Philippines, are vulnerable to sexual, physical and emotional abuse by their employers in Canada (Hodge, 2006: 62). As a result, migrant domestic workers have been at the bottom of the labour market as precarious, cheap and expendable labour. As in all industrial capitalist societies, their ethnic background has been decisive in their legal status and rights in Canada.

2. The Results of Compulsory Live-in Requirement

The live-in requirement ruled by the LCP has a great influence on the exploitation of migrant workers (Bakan and Stasiulis, 1997: 37; Langevin and Belleau, 2000: 31; Hodge, 2006: 62; Kalaw and Gross, 2010: 16). Bakan and Stasiulis regarded this relationship as a form of non-free labor due to the possibility of the risk for exploitation with the live-in requirement (1997: 97). This relationship is labeled as ‘indentured labour’ by many scholars (Arat-Koç, 1999: 142; Valiani, 2009: 18; Goli, 2009: 37).

Being with employers almost 24 hours a day denigrates the concept of working hours for live-in caregivers. This situation also devalues the workers time off and leaves the workers vulnerable to exploitation. Much of the research revealed that the most frequent complaint of migrant domestic workers was the live-in requirement (PINAY⁵, 2008).

Furthermore, most employees do not get paid for overtime working, as noted in many studies (PINAY, 2008; Kalaw and Gross, 2010: 16). In 2009, the Canadian Parliament report revealed that many live-in caregivers got fired when they asked for their overtime pay. The report also revealed that employees were afraid of losing their jobs as this would cause delays in their permanent residence application (Tilson, 2009: 11-12).

In addition to overtime pay, another problem with the LCP is that although private rooms are required by the rules, they are usually not provided. In the PINAY's report, most caregivers sleep on a couch or stay in a basement (PINAY, 2008).

On the other hand, working and living in the same house with employers affects employees' psychology severely and threatens their personal safety. Another report also revealed that living in employers' houses keeps caregivers apart from their friends and relatives, which can lead to anxiety and depression (Spitzer and Torres, Kalaw and Gross, 2008: 16). Moreover, working in a closed environment and outside the public sphere leaves these women vulnerable to sexual, physical and emotional violence by their employers. Within this context, caregivers become vulnerable to violence by their employers or their friends and other family members (Minister and Stasiulis, 1997: 37). Valiani (2009) noted that the rate of sexual abuse among the LCP employees is 60% in Canada. Within the patriarchal relations context, violence against domestic workers would not be genuinely different from violence against family members. Thus, immigrant domestic workers have a potential to be exposed to the conditions of unpaid domestic work.

The emotional labour of caregivers is inherent in their work and this makes caregiving more complicated (Hatch, 1995: 15). Caregivers are expected to love, feel compassion, and show special interest to children or people they care for. As day care employees, they may work 24 hours a day; therefore, the caregiver's emotional labor would be an object of the capitalist exploitation. General isolation from the public sphere and living in the employer's private sphere deepens this exploitation. As workers spend 24 hours a day at employers' houses, the boundaries between paid labour and unpaid labour becomes unclear. Thus, the live-in requirement plays a key role in bringing about many problems.

3. Temporary Immigration Status

Caregivers are entitled to temporary immigration status through the LCP. They are neither entirely identified as immigrant workers nor visitors (Langevin and Belleau, 2000: 29). This ambiguous status leads temporary migrant workers to non-standard forms of employment in the labor market. (Kalaw and Gross, 2010; Langevin and Belleau, 2000; Valiani, 2009; PINAY, 2008). For this reason, employees under the LCP also find themselves outside of the regulations that protect workers, such as secure employment and pension schemes (Kalaw and Gross, 2010: 17). Having such precarious position aggravates the situation of migrant caregivers against employers. Temporary immigration status creates more vulnerability by creating fear of deportation in case they lose their jobs (Kalaw and Gross, 2010: 17). This fear forces the workers to do whatever employers ask (Hodge, 2006: 63).

5 This research was conducted as a result of a joint effort by PINAY an NGO founded by Filipino women, and McGill University with a final interview with 148 residential caregivers in Montreal.

The main cause of the workers' fear is that their application process of permanent immigration would be delayed from 24 months to an uncertain time period if they lose their jobs. Immigrant workers who change their employers are required to wait a minimum of one month to get a new work permit, and they cannot work while they wait. This situation makes their life even more difficult and extends their application process to uncertain time (Langevin and Belleau, 2000: 29). Therefore, since changing employers is not preferable, workers will endure very difficult work conditions.

On the other hand, changing employers or jobs is not permitted for workers holding work visas under the LCP. If a caregiver moves to a sector other than caregiving she would be deported, as the LCP workers are restricted to caregiving jobs (Langevin and Belleau, 2000: 29). As a result, the migrant women who are mostly poor are excluded from improving their economic status in Canada. This prohibition also produces gender segregation in the labour market by inhibiting caregivers from other jobs. This restriction of workers' movement in the labour market is also contrary to the concept of free labour that is the fundamental principal of capitalism.

As a result, foreign caregivers migrate to Canada under the regulated program called the LCP; however, this program is not good enough to eliminate the problems connected with unpaid domestic work. In this context, the position of domestic workers is considered as indentured labour, an aberration of the liberal market system of Canada.

Women Migration in Turkey

International migration to Turkey is a relatively new phenomenon dating back to the late 1980s. The composition of immigrant workers included transitory migrants and asylum seekers whose migrations were considered as temporary in the past. Turkey became a destination country of migrants mainly for work purposes at the end of the 1980s. The dissolution of the USSR has been a milestone in the emergence of temporary migration in Turkey, especially for women. In explaining why most immigrants in Turkey came from the former Soviet Union, the pull-push principles of classical migration theories would not be adequate. The analyses based on these principles constitute an explanatory ground for the migration to Turkey from countries that have become impoverished and have entered the free market economy. This analyses however would not sufficiently explain the real reason for migration of single women.

Feminist scholars have begun to examine the international migration of women to Turkey through the gender perspective since the early 2000s (Gülçür and İlkaracan, 2002; Erder and Kaşka, 2003; Kaşka, 2007, Akalın, 2007). More detailed information on causes, consequences and qualifications of women's migration in Turkey have been illuminated since then.

Kaşka (2007) explained the increasing flow of women from poverty and unemployment in migration movements by connecting with the disintegration of the SSRI (p. 230). During the Soviet Union period, women were more influenced by the transition to a free market economy as they mostly worked in sectors such as agriculture, light-industry, social services and education (Erder, 2011: 198). Moreover, women have begun to migrate independently as their social status and education level were relatively more equal in the Soviet Union. (Gal and Kligman, 2000; Erder, 2007: 55; Erder, 2011: 198). The other two reasons for women from the former Soviet Union for coming to Turkey were their geographical proximity and the easy visa procedures (Gülçür and İlkaracan, 2002: 414).

In Turkey, the first period of women's migration flow was from the former Soviet countries, and other flows were from many other countries after the 2000s. The purpose of immigrant women's migration got diversified in time as they began to work in different sectors (Erder, 2011: 210). Although the sectors they work in have expanded, migrant women are more concentrated in entertainment and domestic work recently (Kaşka, 2009, Toksöz ve Ünlütürk-Ulutaş, 2011; Erder, 2011; Etiler and Lordoğlu, 2010).

One of the results of this research shows that a gender-based division is widespread in terms of migrant women's fields of work. This division came up by the nature of work such as domestic, sex and textile in which women are concentrated as unskilled. In particular, the division of reproductive work between women, which women are traditionally responsible such as housework, caregiving to children and elderly people, has led to the reinforcing of the gendered division of labor. Therefore, migrant women in the labor market are concentrated in more precarious, low-wage and unskilled positions. These women are exploited twice due to their gender and their immigrant status.

Foreign Domestic Workers in Turkey

Women in families traditionally provide care giving in Turkey, in other words all responsibilities of the domestic sphere are entirely left to them. In this sense, care giving carried out within the family regime has hindered the development of the services that the state will provide in this area. The Turkish welfare system provides extremely inadequate services for elder care and limited services for childcare. Due to limited public services, the Turkish people have to buy services for those in need of care. Demand for immigrant labor has increased, as people in need of care prefer 24 hours a day care. In Turkey, immigrants have been a substitute for native workers as live-in caregivers due to the fact that native workers do not accept live-in work (Akalın, 2007: 213).

Women from Moldova, Bulgaria, Georgia, Ukraine, Uzbekistan, Turkmenistan, Armenia and Azerbaijan have migrated to Turkey as a result of increasing demand for immigrant labour, (Akalın, 2007: 210, Kaşka, 2009: 21). According to the statistics for arrivals, the Moldavian Gagavuz women occupied the largest percentage of the foreign caregivers, as their mother tongue is Turkish (Kaşka, 2009: 5).

Although there is no reliable information on the statistics of migrant women, we presume their population from various sources other than official records, as they are mostly irregular and undocumented. These sources from academic research or journalism show the undesirable conditions which leave migrant workers vulnerable to exploitation caused by the problems both of the immigration system and the nature of unpaid household work.

Regularization of domestic workers' migration in Turkey

Immigrant domestic workers who came to Turkey for domestic work have been experiencing serious problems for a long time due to irregular migration. In the past, the prohibition on granting work permits to immigrants seeking domestic jobs was the main reason for the informal and undocumented status of immigrants. Due to these prohibitions, immigrants who want to work in domestic work often enter Turkey with tourist visas and work informally with no social or economic security.

The prohibition on work permits for domestic workers in Turkey was technically ended by the adoption of the 'Law on Work Permits for Foreigners' (No. 4817) in 2003. However, the length of the legal application process, and the frequently negative results did not change the immigrants' informal working positions. Due to these

difficulties, immigrant domestic workers continued to stay in Turkey with a visitor visa, some of them exceeding the duration of their visa, some immigrants without work permission, and a few others with fraudulent marriages. Therefore, most of the migrant women, other than the married ones, remain undocumented. In many research on women immigration in Turkey, foreign domestic workers have been presented as undocumented (Kaşka, 2007, Akalın, 2007, Kaşka, 2009, Ulutaş-Ünlütürk, 2010, Etiler and Lordoğlu, 2010).

The Ministry of Interior made a regulation to allow undocumented immigrants in Turkey to have the work permission with the law No. 37 dated 07.06.2012. With this regulation, all foreigners in Turkey got right to apply a working visa with some requirements. The amendment of Law No. 5683 provided a basis for work permits for domestic workers, which was nonfunctional in the Law no 4817. Within this progress, the Ministry of Labour and Social Security prepared a special brochure describing the procedure to be followed for work permits for migrant domestic workers (ÇSGB, 2012). As it is described in the brochure, foreign domestic workers could apply for work permits both from abroad and domestically. The employment contract with the employer is required when the application is from abroad. In case of a domestic application, it is requested to apply for a work permit within 10 days after the application of the residence permit application with the employer.

In the application procedure, immigrants must act with the employer in order to apply for the necessary permits. The requirement that employees apply jointly with employers, first for residence permit and then for work permit, makes the immigrants dependent on the employer from the beginning. This leaves the employer at the discretion of applying for a work permit, and means that a “bail system” is regulated by the state. This arrangement therefore weakens the worker against the employer and obliges them to accept the employer’s wishes and working conditions. This seems to be a rather troubling aspect of the newly regulated system.

Another detail in the regulation is related to the duration of the work permit, which is granted for six months and extended up to four times. The introduction of such a restriction for unskilled domestic workers indicates discrimination under the immigration regulations, if such a restriction is not in place for skilled workers. Another problem with the regulation is related to the wage limit in the Law. The state has never been involved in wage issues in this area but it got involved in the case of domestic workers.

Despite the all deficiencies, it is still possible to see some positive aspects of these regulations. This will provide an opportunity for those who migrated to Turkey undocumented and informally. Thus, regulation in temporary migration enables unskilled migrants to migrate with a work permit. Yet, work permits are still almost impossible for other unskilled foreign workers in the informal sector in Turkey as the law no. 5683 was designed to cover only domestic workers. The right to work, however, must be provided equally to all immigrants, regardless of ethnic or sectoral distinctions.

Comparison of Regulations Between Canada and Turkey

This comparative study demonstrates that although the migration policies of both countries considerably differ from each other, migrant domestic workers face similar challenges. Most notably, the restrictions placed on their mobility and right to change employers create a form of indentured work force facilitated by the government.

1. The Determinants for Temporary or Permanent Status of Immigrants?

Canada and Turkey have different socio-economic development levels, also have different processes in their migration history. The fact that Canada has a long history of migration compared to Turkey has been the main determinant of differences between these countries. Historically prolific migration has made Canada a multicultural society. Multiculturalism as a policy, in turn affected Canada's immigration regime.

This difference, which emerges from the historical background, can also be regarded as a reflection of the difference in the economic development process. Mass labor migration to Canada took place after World War II. This process is also the period in which Canadian industrialization is completed. On the other hand, the labor migration in Turkey only started by the end of the 1980s when economic development began.

Considering this historical developmental difference, the principles that constitute the migration policies of Canada and Turkey are based on different dynamics. This difference first emerges very clearly in permanent and temporary migration policies. Canada has been receiving permanent immigrants from Europe since the 19th century, and adopted migration policies through which they met labour market needs for rapid industrialization after World War II. In addition, Canada has adopted temporary migration policies under the name of various programs for labour market needs. Canada aimed to get maximum benefit by giving immigrants unequal rights through these policies.

On the other hand, Turkey has seen immigration since its emergence as a state; But this migration was due to political factors rather than economic reasons. Turkey's labor migration began in the 1980s parallel to its economic development. Immigrants from the first period led to the establishment of permanent immigration policies in Turkey on the basis of ethnic and cultural ties. As a matter of fact, those who are accepted as "same kin" in Turkey are recognized within the scope of permanent immigration policies while the rest of them were included as "foreign" temporary residence. Technically, qualified and unskilled labor migration has been regulated under the temporary migration, but so far only qualified immigrants have been part of regular migration. Unskilled foreign workers have been a part of irregular and undocumented immigration in Turkey because of procedural difficulties in their work permits. By the recent regulations, Turkey made attempts to control labor migration by ensuring foreign women workers work permits and residence permits.

2. Programs for Foreign Domestic Workers

One of the points to be raised about how foreign workers are influenced by immigration policies is firmly related to how women are defined in the legal migration process. Within this context, the quality of immigrant workers, which is determinant for permanent or temporary status in the immigration system in Canada, closely affects domestic migrant women. Domestic workers, who are considered as unskilled labor, come to Canada as a temporary immigrant with the "Live-in Care Program". The most important distinguishing feature of this program is that workers are entitled to permanent immigration after working in Canada for a certain period of time. Although with some deficiencies, this program is a gain for immigrant women under the minimum wage and social security system.

Immigrant domestic workers have different rights in Canada and Turkey. They are entitled to temporary immigration very recently, but they never reach citizenship or permanent status. Domestic workers have somehow "privileged position" in Canada by reaching social and political rights including unionizing. However, In Turkey, there are many new attempts related to organizing immigrants (Migrant Solidarity Network and Solidarity Group for

Foreign Women). In this context, the immigrants attained many rights by struggling and fighting which can be an example for migrants in Turkey and rest of the world.

3. Is that Free Market in the Capitalist Economy?

Some differences between the immigration regimes of Turkey and Canada are addressed in the previous discussions. However, the experience of migration, which is differed by immigration status, remarkably resembles each other due to the structural problems of domestic work.

The first area in which this analogy emerges is the contractual conditions that lead to the prevention of labor mobilization for domestic migrant women in both Canada and Turkey. In both Turkey and Canada, foreign domestic workers are restricted by the work permit to only domestic work; such a restriction is a barrier on migrant women who can not change the job or sector.

In Turkey and Canada where the free market economy dominates, there is neither a geographical nor a sectoral limitation to the domestic workforce. Citizens of these countries can work in any sector where they find jobs in the labor markets, they can change to another sector easily. However, there is no such freedom when domestic workers are concerned as neo-liberal policies can ignore free market rules in the name of labor exploitation and capital accumulation. In other words, the free market for native people can be limited for immigrants.

4. Indentured Labour

Another area of similarity would be the working conditions that might be counted as half slavery or indentured. Domestic workers migrating through the LCP program in Canada have compulsory live-in requirement. Within this context, the women are exposed to all of the problems brought by live-in work conditions, as the notion of working hours disappeared by living with employers for 24 hours. The maintenance of the traditional and invisible structure of domestic work is reproduced by compulsory live-in work. We can conclude that the state regulations associate paid household work with the specificities of unpaid household work.

Such a dependency has been introduced in Turkey with the new regulation brought under Law No. 5683. Migrant domestic workers in Turkey are required to apply with their employers for both work permit and residence permit. This arrangement also creates dependencies for workers on their employers. For this reason, all the negative conditions brought by live-in work continuous for immigrants in Turkey. Moreover, domestic workers in Turkey stay as undocumented which makes the exploitation even worse.

5. The role of the states on Gender Segregation

Another similarity emerged with the immigration system in Canada and Turkey is that household chores have been transferred to migrant women by the global division of labor. The gender division of labor has been maintained through migrant women as a result of both Canada's 'regular' and Turkey's 'irregular' immigration system. Under the labor migration, paid caregiving as a highly gendered work is transferred to the poorer women from the poorer regions' of the world. Within this context, the role of the state in the gender division of labor emerged with a resident migration program in Canada. In Turkey, this area has been ignored for a long time but they try to regulate in the last previous.

Conclusion

As a result, immigrants who work in domestic work do not have actual different experiences in terms of working conditions even when compared to a developed country as Canada. Upon this comparison, it seems that immigrants have different ways of migrating, but exploitation remained almost in the same way. Immigrant domestic workers have similar experiences both in Canada's regulated and so-called developed program and Turkey's irregular system but newly regulated system. Considering such problems, leaving the government's responsibility for care services to migrants is seen as a significant risk for the larger problems.

Regulations for domestic workers do not necessarily carry out desirable conditions as Canada's and Turkey's regulations display indentured labor hidden under the contract conditions. Migration to receiving countries with the sponsorship system deepens the inequality between employers and employees. This bond leads to dependency of the employees on employers in the technical sense and it creates a new dependency through the employment contract. This situation, which is in contradiction to the free market rules in Turkey as it is in Canada, is an important proof of the existence of a group of people whose labor mobility is blocked by the regulation.

Finally, immigrants even in Canada, as the most advanced example, are not exempt from the sexist, racist or the other types of discrimination in the care work. In this context, regulations for care work would not entirely prevent migrant women from exploitation unless care job become a part of public service. For this reason, the women would continue to face those problems hidden domestic work when their labour remains inside households. Household labor, traditionally exploited by family members, continues to be exploited by others as paid labor through the commodification of care. As a result, experiences of migrant women display a big similarity even though the migration regulations are absolutely different between Turkey and Canada.

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3

THE IMPACT OF SYRIAN REFUGEE CRISIS ON LABOR MARKETS AND UNEMPLOYMENT IN TURKEY

Mehmet Okan TAŞAR¹

Abstract

One of the most important problems of the recent global economy is international migration movements and the number of immigrants who reached their highest level after World War II. Immigrant movement especially towards European countries also becomes an important problem for Turkey. One of the most important absolute consequences of such demographic refugees and movements is the effect on labor market and laborforce data which have a different meaning in macroeconomic indicators.

This paper is to determine the impact of the Syrian refugee movement on the unemployment rate in Turkey after defining the structural dynamics of unemployment in Turkey. However, this is the way to get positive results from the desired employment enhancing or economic policies preventing unemployment. This study consists of three parts; firstly definitions concept of refugee and Syrian refugee movements later basic definitions of unemployment, determinative structural dynamics and time series analysis of unemployment in Turkish economy. Finally, the effects of the Syrian immigrant crisis on unemployment are analyzed. It is carried out by Database work force statistics of Turkish Statistical Institute (TÜİK) and ILO and demographic statistics mostly from UNDP and UNHCR. Especially it is based on measuring the effects of the population movements that emerged due to the international migration crisis originating from Syria to employment.

Key Words: Syrian refugee crisis, Unemployment, Labor markets

Introduction

Middle East, qualified as one of the most problematic regions, also maintains this feature of it at the present days. Mesopotamia basin includes a remarkable complexity and chaos in terms of sharing sometimes water resources and sometimes energy resources in every period of the history. The last sample of this case is the existing situation including a set of development that began in 2011 and never acceptable in terms of human values. The domestic disorder and civil war, experienced in Syria, made a large scale immigration crisis a problem, which is especially necessary to be carefully followed in terms of neighboring countries. Millions of Syrian immigrants were obliged to shelter to the near geographies such as Turkey, Jordan, and Lebanon and they were exposed to a position, in which cannot meet the main needs of human life Syrian immigrants, which has important and large share, in international immigrant movements of today, also charge important problems and large costs with it to the host countries.

The negative effects immigrant movement that has emerged in a slice of time, in which a global scale economic crisis was experienced, led on dynamic indicators are more heavily felt. In economies, which cannot eliminate

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the effects of global crisis yet, and cannot realize their solutions, the economic and social problems created by international immigrant crisis rapidly transform into structural problems. For example, in an economy, in which there is a chronic problem with unemployment, unemployment rates becoming heavier before crisis, with international immigrant movement, have become impossible to be solved. At this point, one of the countries representing the sample concerned in the most meaningful way is Turkey.

Turkey is a country, where civil war emerging in Syria in 2011 and large scale immigrant crisis it brings together with it reach the heaviest dimensions. More than half of Syrian immigrants, whose numbers are over 5 million, are sheltered under the home ownership of Turkey. The large majority of Syrian immigrants (Syrians under Temporary Protection SuTP) in Turkey consist of those being in working age demographically. This demographic structure becomes more important in terms of macroeconomic problem like especially unemployment. One of the most important social and economic problems resulted from Syrian immigrants is unemployment and poverty closely related to the phenomenon unemployment. A great scale immigration movement will make a negative effect on each of the chronic and macroeconomic problems of the host and mostly developing countries such as unemployment, inflation, and unbalances in income distribution

In Turkish economy attracting attention with double digits' unemployment rates in average, the qualitative dimensions of unemployment is a remarkable problem beyond its quantitative dimensions. Chronically 10 percent unemployment rates and this ratio's distribution according to different types of unemployment such as structural employment, temporary employment and problems arising from measurement of informal employment data that makes it difficult to understand and identify unemployment in Turkey with its real dimensions. On the other hand, when demographic structure of population and high unemployment rate of young population is also considered, that Syrian refugees who are actors of immigration crisis are mostly in the age group of 18 -59 with the rate of 28.9 percent carry the existing unemployment problem to a different dimension It is rather difficult for an economy, which cannot open employment areas for the young and educated population, after a large scale refugee flow, to be able to lower unemployment rate to a reasonable level. In the progressing process, unemployment will influence Turkish economy as a structural problem.

That Turkey, viewed as main border gate and even transition point of Syrian immigrants, which is qualified as one of the most important mass immigration movements of world history, takes place in the center of such a great immigration movement without not eluding Global Crisis process like all other economies leads the existing economic problems to be felt more heavily. In the first section of the study, social and demographic analysis of Syrian-induced immigrant problem is made. In the second section, unemployment rates in Turkish economy are expressed in theoretical frameworks according to the sorts and definitions of unemployment as time series, particularly considering 2000s and post-2011, when immigration movement began. Finally, an evaluation of Turkish economy in terms of unemployment rates and structural dynamics of unemployment and, in this framework, possible effect of Syrian immigrant crisis on the existing problem are attempted to be introduced.

1. Syrian Refugee Crisis with Features of Economic, Social and Demographic

All over the world, 65.3 million people survive in such a way that they were obliged to leave their locations. 21.300.000 of this population is defined as refugees, 16 million people are under supervision of UNHCR, and 5 million people consist of Palestinians recorded by UNRWA, 53 percent of immigrants all over the world consist of the citizens of three countries as Somali, Afghanistan, and Syria. Syria accounts for the largest part in the group

with the number of immigrants of 4.900.000 (UNHCR, Population Statistics, popstats.unhcr.org). Among hosting countries, Turkey takes place in the first order with immigrants of 2.500.000. Turkey is followed by Pakistan and Lebanon with the numbers of immigrants of 1.600.000 and 1.100.000, respectively.

More than half of the world's refugees live in urban areas. UNHCR has thus increasingly developed and revisited its policies to address this trend globally, most notably via the original 1997 UNHCR Comprehensive Policy on Urban Refugees and the subsequent 2009 UNHCR Policy on Refugee Protection and Solutions in Urban Areas. This reflection thus considers the extent to which UNHCR has shifted away from containment approaches outlined in its 1997 policy towards the Community-Based Approach (CBA) model it describes in the revised 2009 document (Ward, 2014, p. 78).

For 45 years, the United Nations High Commissioner for Refugees (UNHCR) lacked a formal policy statement that specifically addressed refugee protection issues in urban spaces. After all, the camp framework for addressing the needs of the displaced was widely supported, not only on good-natured grounds of ensuring protection and access to humanitarian assistance, but also due to its ability to spatially confine responsibility, funding, and evaluation of such UNHCR operations (Ward, 2014, p. 78).

However, the increasing protracted nature of refugee crises, an estimated 68 per cent of all refugee situations, has arguably made “managing” displacement in such emergency, rural camp frameworks an increasingly limited tool in its viability. Issues such as rising rates of poverty, unemployment, inadequate education, and psychological problems over prolonged periods of time are repeatedly mentioned as major issues exacerbated in such circumstances throughout the literature. Therefore, populations in such protracted situations may choose (and have often done so when possible) to seek out urban locations (thus leaving or bypassing camps established in the host country) to gain access to jobs, transnational social and monetary networks, services, and opportunities to live self-sufficiently and in a dignified manner (Ward, 2014, p. 78).

A final contradiction underpinning today's refugee crisis is between an almost universal recognition of the need to distribute refugees internationally and the unwillingness of individual political leaders to do so in the face of nationalist opposition. The basis of the global refugee regime is that sharing responsibility for refugees both protects their human rights and also prevents them from becoming an irritant to further inflame current conflicts. This system stands in peril. More than half of Syria's population has been displaced, mostly within Syria itself; almost all of those who have escaped are now in Lebanon, Turkey and Jordan, which are buckling under the strain; around a quarter of the population of Lebanon are refugees (Gamlen, 2015, p. 311).

By January 2016, official estimates suggested that 1 million Syrians now reside in Lebanon (representing 25 percent of Lebanon's total population). With the escalation of the Syrian armed confrontation starting in March 2011, seasonal migrants are unable to cross the border; thus, they can no longer benefit from healthcare services in Syria. Consequently, the ongoing conflict and deterioration of Syria's healthcare infrastructure has produced a new ‘therapeutic geography’. This, in addition to the limited availability of cheap healthcare and already limited national infrastructure and economy in Lebanon, is expected to exacerbate the health of these migrants. Mass evacuations from Syria to Lebanon negatively impacted living conditions of Syrian workers in Lebanon. For some, immediate and extended family members fled Syria and joined their crowded tents (Habib et al., 2016, p. 1042).

Some have accused Arab oil states of taking too few refugees, a claim which deserves analysis. Officially, these states take zero migrants and zero refugees, because officially such people are called foreign ‘workers’ and ‘guests’. But

to give a sense of scale, over 80 percent of all people in The United Arab Emirates (UAE) are foreign workers or guests. As UNHCR notes, many are from refugee-producing countries. Some 250,000 Syrians live in the UAE, 100,000 of them having arrived since the conflict began in 2011. UNHCR counts 500,000 Syrians in Saudi Arabia, which officially refuses to 'boast' of its 'hospitality', but has reportedly granted them full legal residence status including freemedical care, access to schools and universities, and permission to work. Gulf States could probably domuchmore, but so could Western states further afield, especially as they have fewer delicate sectarian divisions to manage (Gamlen, 2015, p. 311).

In Western Europe, during the second quarter of 2015, the number of new asylum applications increased by 85 percent compared with the same quarter of the previous year. Between January and April 2015, 228,600 asylum applications were recorded; in 2014 the figure had already exceeded the highest total for any year since 2001, while the numbers in 2015 were exponentially higher than any period previously recorded. The remarkable increase was and still is mainly driven by the "Syrian effect". Syrians, Afghanis, and Albanians are the top three groups of asylum-seekers, followed by Iraqis. Of the Syrians who applied for asylum in the second quarter of 2015, the great majority did so in Germany, Hungary, Austria, and Sweden. Faced with this phenomenon, States receiving high numbers of asylum-seekers and migrants are developing growing sets of regulations to manage the movement of people according to their national interests (Hassan and Biörklund, 2016, p. 133).

Not only do these policies dramatically shape people's wellbeing and ability to move across borders, but they also create the conditions for human smuggling and trafficking. Asylum-seekers and other migrants tend to use the same routes and means of transport; they face the same risks, and their needs for protection and assistance are often very similar. This, however, is not how they are perceived by the international governance structures. People on the move are constantly categorised, sub-categorised, and re-categorised. For governments, and especially for border control and immigration authorities, such categories have their uses, as they allow the problem to be framed in legal terms, separating the "wanted" from the "unwanted", the "legal" from the "illegal", and ultimately to serve to justify political choices about how a particular government responds to a certain crisis and certain populations. Not only do these policies dramatically shape people's wellbeing and ability to move across borders, but they also create the conditions for human smuggling and trafficking (Hassan and Biörklund, 2016, p. 133).

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1.1. Demographics Features of Syrian under Temporary Protection in Turkey (SuTP)

Turkey; because of its geographic location and the ongoing war in Syria, has become the main transit country for people aspiring to move to the European Union. Until the 1980s, Turkey was recognised as a "sending" country in terms of international migration, but since then, Turkey has become a "receiving" and a "transit" country. Since 2014, Turkey is the largest refugee hosting country in the world. People enter the country through different means: using forged documents, hiding in border-crossing vehicles, passing the land borders on foot, crossing the

sea borders by boat, or entering the country legally and overstaying. The specific routes to and through Turkey are constantly changing, usually in response to border control policies, but also as a result of the available smuggling services. Attempts to shift responsibility for migration management onto third countries, such as Turkey, have been reinforced in the past years. In 2014, Turkey ratified a returns agreement with the European Union (EU) in exchange for launching talks – to be finalised by the end of 2017 – on liberalising visa requirements for Turkish national travelling to Europe. More recently, the EU has offered Turkey 6 billion Euros in what has become known as the EU - Turkey deal, to keep refugees inside the country. While they are in the country, asylum-seekers and migrants are often detained on charges of illegal entry or exit or for failure to comply with “temporary asylum” procedures. They are held for detention or deportation processing. Detention locations exist in all of the major Turkish cities and living conditions are reportedly dire (Hassan and Biörklund, 2016, p. 131).

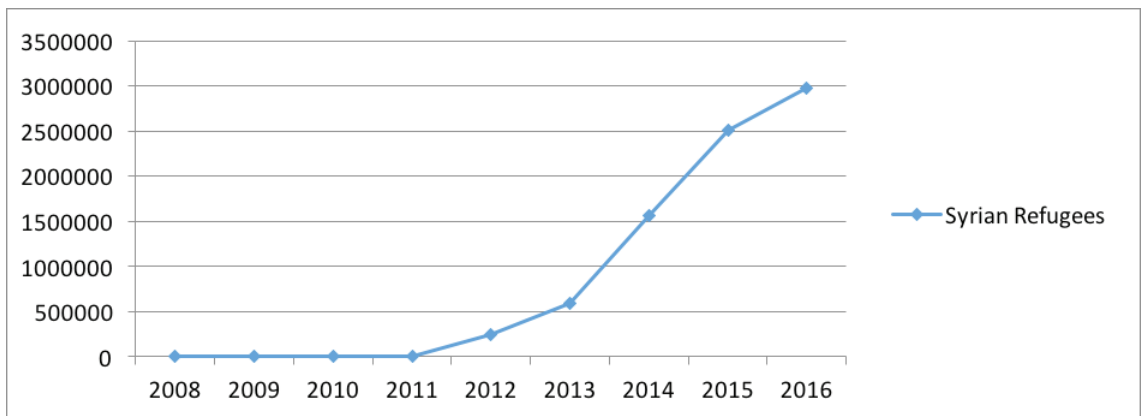
Table 1: Syrian Refugee (SuTP) in Turkey (2008-2016) (person)

	2008	2009	2010	2011	2012	2013	2014	2015	2016
SuTP	12	8	9	19	248.466	585.601	1.557.899	2.503.549	2.973.980

Source: UNHCR, *Population Statistics*, popstats.unhcr.org

A close look at migrant ecologies shows that in times of environmental catastrophes, responsibility for cooperation rests primarily with the neighboring countries for two reasons. First, neighboring countries may choose to compete and/or cooperate over shared resources (e.g., the Euphrates-Tigris River Basin shared by Turkey, Syria, and Iraq). However, the transboundary water politics among Turkey, Syria, and Iraq improved considerably in the early 2000s when a number of initiatives such as ETIC (Euphrates-Tigris Initiative for Cooperation) and Friendship Dam enabled regional cooperation. Second, as is the case of Syria, internal environmental migrations, when coupled with the devastating consequences of civil war, lead to massive transnational migration. According to the UN “Syria Regional Refugee Response,” an estimated 2.814.631 registered Syrian refugees currently live in Turkey, in addition to a great number of refugees residing in other neighboring countries like Jordan, Lebanon, and Iraq. The continuum between climate change, altered landscapes, and trans/national migrations thus demands an ecological reading of social and political life, particularly of transnational politics (Ergin, 2017: 13).

Figure 1: Trends of Syrian Refugee in Turkey (2008-2016) (person)



In respect with the year 2016, 72 percent of Syrian immigrants show a distribution in the different city centers, a part of 8 percent are present in the campuses prepared. 53.2 percent of Syrian immigrants in Turkey consist of male population ,and 46.8 percent of them, female population 23.6 percent of male population take place in the age group of 18-59; hence, 701.860 people are defined in the age group of 15-64, qualified as active population. 23.6% of female population takes place in the range of ages 18-59.

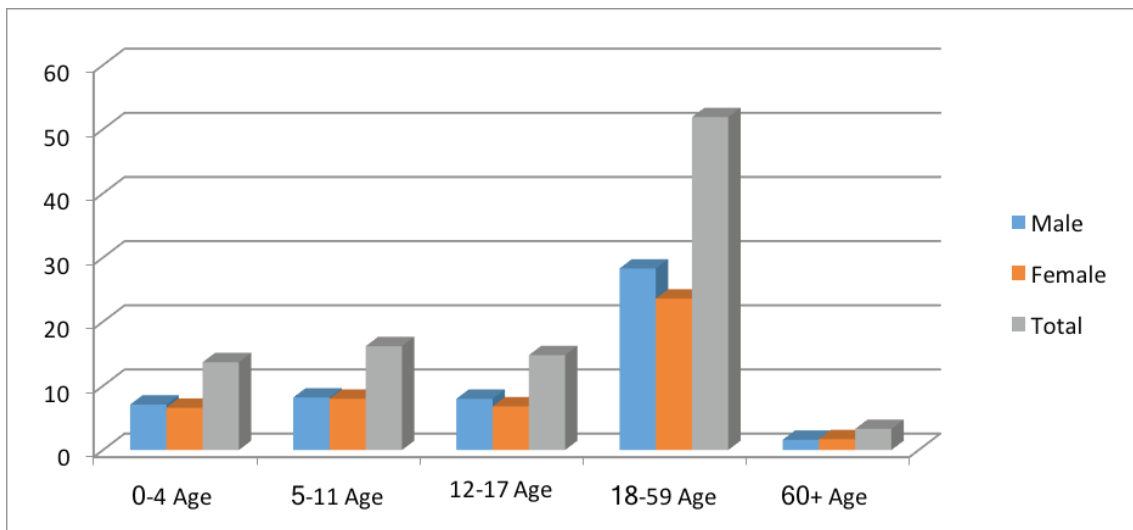
Table 2: Distribution by Age Groups of Syrian Refugee in Turkey (2017) (Percent)

	Age 0-4	Age 5-11	Age 12-17	Age 18-59	Age 60+
Male	7,1	8,2	8	28,3	1,6
Female	6,6	8	6,8	23,6	1,7
Total	13,7	16,2	14,8	51,9	3,3

Source: UNHCR, Population Statistics, popstats.unhcr.org

In terms of distribution of SuTP according to age groups, the remarkable element is that it takes pace in especially active group i.e. labor force and forms a population group qualified as youth labor force. Hence, it is evident that economies like Turkey, in which young unemployment rates range considerably high, will be very negatively affected from this immigration wave. In the solution of possible problem of unemployment to emerge, with the policies toward creating employment area and increasing employment volumes, it is necessary to take into consideration.

Figure 2: Age Groups of Syrian Refugees



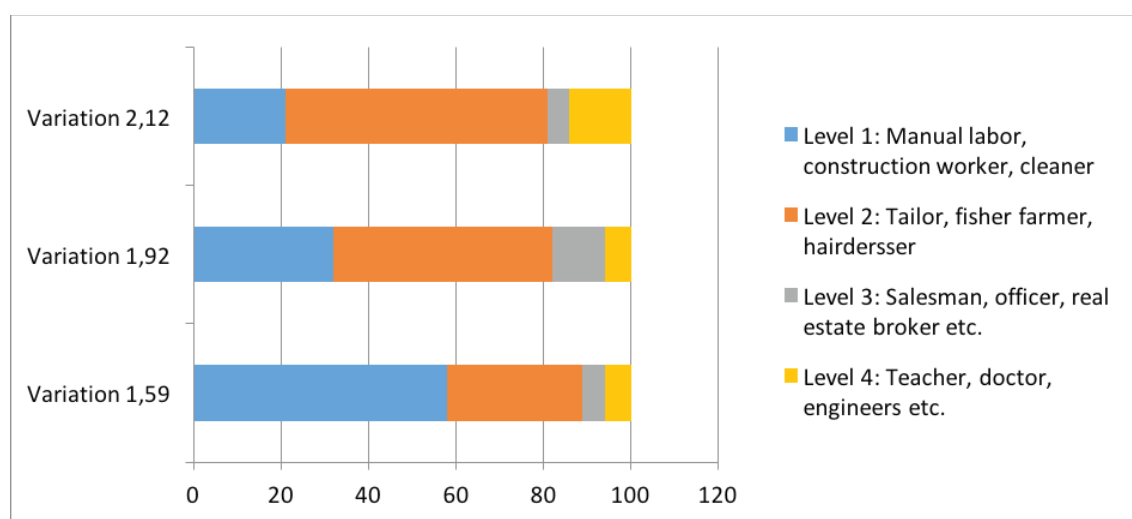
At the point, UNHCR's efforts were correctly focused on encouraging reform of legislation such that persons under temporary protection would have access to the labour market and Turkish language training. UNHCR should continue with the recent agreement that UNDP, supported by ILO, UNIDO, FAO, UNHCR and others, is best placed to coordinate as well as to lead the design and implementation of programmes providing Syrian refugees with access to the Turkish labour market and sustainable livelihood opportunities. Now that the RRP6

has transformed into the 3RP and has a clearer focus on employment and livelihoods for Syrians in Turkey, a dimension of assistance that is the comparative advantage of development-oriented UN partners with ties to Turkish domestic departments and to the Turkish private sector, UNHCR should re-position itself with respect to the livelihoods sector. Preferably, UNHCR can maintain its emphasis on the enabling environment for refugee livelihoods by focussing on upstream issues such as refugee registration; including skills profiling, refugee labour mobility, Turkish language training, increasing access to vocational training, and maintaining a positive protection space through advocacy and communications, such that Syrians are economically welcomed by Turkish enterprises and citizens (UNHCR, 2016, p. 19).

During the period under review, Syrian refugees were theoretically allowed to apply for work permits under article 29 of the TPR, but implementing arrangements for that provision were not in place, and the 3,686 Syrians who were reported to have obtained work permits did so on the basis of having received residence permits under different regulations at the beginning of the influx. Thus, the majority of the estimated 400,000 Syrian refugees working in Turkey were in the informal economy. Many were engaged in agricultural labour and unskilled jobs in the textile and service sectors. Because the informal economy is not recognised or protected under legal and regulatory frameworks, this has left Syrian refugees including Syrian children – as well as non-Syrians - vulnerable to abuse and exploitation (UNHCR, 2016, p. 84).

According to UNDP, Disaster and Emergency Management Authority (AFAD) and ISKUR three recent surveys, further point to a relatively low level of educational attainment among SuTP. An ISKUR survey found that 18 percent of SuTP were illiterate; another 43 percent held a primary-school education, and only 6 percent had any university education. AFAD survey yielded similar results; a UNDP survey pointed to the possibility of higher illiteracy rates.

Figure 3: Skill Levels of SuTP



Source: UNDP (2016), "Absorptive Capacity and Potential of Local Labor Markets: The Case of Gaziantep, Hatay, Kahramanmaraş, Kilis and Şanlıurfa", United Nations Development Programme Turkey.

When the outcomes of The Surveys are mapped onto ILO's International Standard Classification of Occupations (ISCO-08), all confirm, despite variations in the precise distribution of skill levels, that an overwhelming majority of SuTP arrive with an occupation skill set level of 2 or below (UNDP, 2016, p. 3). ISCO-08 categorizes occupations into 10 main groups and maps them into skill levels from 1 to 4 where skill level 1 represents elementary occupations which usually require physical strength and skill level 4 represents occupations that require higher education and complex working environments/job requirements. Occupations specified in the surveys were matched to the relevant skill level by the team. Occupations categorized as "other" in UNDP survey, distributed proportionately among the rest of the occupations (UNDP, 2016, p. 3).

1.2. International Programs and Policies toward Syrian Immigrants

UNHCR is well equipped with policies and global strategies to promote livelihoods. The reduction of dependency of refugees through economic empowerment and the promotion of self-reliance are central to UNHCR's protection mandate. UNHCR's Operational Guidelines on Livelihoods articulate the need to advocate for refugees' right to work and to pursue livelihoods in all refugee settings. Promoting the right to work and supporting peoples' economic self-reliance are also objectives in the 2014-2018 UNHCR Global Strategy for Livelihoods. While the UNHCR Livelihood Strategy and Minimum Criteria apply to Turkey, they are mainly intended for situations where UNHCR has a direct role in implementation. For this reason, UNHCR needs to take an additional step to define a clearer position on livelihoods, and pin down its "added value" in the Turkish context in relation to its 3RP partners UNDP and ILO (UNHCR, 2016, p. 84).

Regional Response Plan 6 (RRP) and UNHCR County Operation Plans for Turkey (COP) contain a clear commitment to develop programmes that will enable the refugee population to enter the legal job market, by building their skills, abilities, and confidence – in particular through skills and vocational training for camp and non-camp refugees. RRP6 also includes a more traditional (for UNHCR) "welfare approach" to livelihoods usually managed as part of community services, less focussed on economic integration and instead aiming to provide support for the financial autonomy of the disadvantaged by identifying persons with special needs or at risk, and designing programmes and livelihoods protection models for the non-camp Syrians using an Age Gender and Diversity (AGD) approach. There is a place for both approaches to livelihoods in a refugee programme, but it is important to note that "integration" and "welfare" objectives are not the same and suggest different strategies and mechanisms (UNHCR, 2016, p. 84).

A further area of UNHCR focus was informal technical and life skills training, both in camps and through community centres in urban areas, as well as Turkish language courses to enhance Syrian refugees' self-reliance. Data was not available on the impact of these courses on fostering livelihoods and improving refugees' standards of living, and the courses' market linkages were not clear, although anecdotally it seems that the linkage of a sewing training programme and a textile factory in one camp is promising. It is important that the refugees participating in skills training are followed up to find out whether the improved skills are leading to livelihood outcomes, and to allow courses to be adjusted and adapted to the changing and diverse urban context. In addition to possible livelihood benefits, interviews with partners indicated that this training had positive psychosocial results for the participants (socialization, confidence), "vocational therapy" results that are important to capture but not to be confused with sustainable livelihoods (UNHCR, 2016, p. 85).

Despite these efforts, UNHCR Turkey was not able to effectively support refugee livelihoods and self-reliance. Two reasons cited in the planning for COP 2015 were (a) “income generating and self-reliance activities remain limited inside camps”; and (b) “the majority of Syrian refugees currently have no legal right to work in Turkey, which represents an obstacle to addressing their livelihood needs, although many are believed to be working in the informal sectors of the economy (UNHCR, 2016, p. 86).

With so many Syrian refugees already working, it would seem in retrospect that a more effective approach for UNHCR and its partners would have been to try to improve the conditions and terms in which they are working, rather than try to “create jobs” or “connect refugees with the labour market.” Evidence suggests that Syrian refugees are already well-connected with the labour market – the problem is that this is reportedly in dangerous, informal and/or poorly paid conditions. This precarious work is not addressed by the new work permit regulations (with the important exception of a work permit exemption for agricultural labour – which allows refugees to work in this sector), and suggests that three fruitful avenues for UNHCR and partners to pursue would be (a) further advocacy for the work permit regulations to be loosened so more refugees can qualify; (b) advocacy with Government for regulatory change to allow refugees the right to move officially (move their registration location) to the province where they are working; and (c) advocacy with Government to regularise informal refugee labour in Turkey (UNHCR, 2016, p. 86).

Turkey has a large private sector including many enterprises owned by Syrians, and the government has strong technical expertise, backed up by mature institutions such as the Ministry of Labor and Social Security, Turkish Employment Agency, and the Union of Chambers and Commodity Exchanges of Turkey (TOBB). Government itself is concerned with refugee livelihoods and self-reliance, and İŞKUR is leading the Working Group on Employment for Refugees, set up by the Chief Advisor to the Prime Minister on refugees and containing Ministry of Labor, ILO, employers’ and workers’ organizations, Chambers of Commerce, and other related governmental organizations. The future for refugee livelihoods in Turkey lies through alliances with these organisations (and with sister UN agencies such as UNDP and ILO), and not through stand-alone UNHCR-funded livelihoods projects. It has been argued earlier in this report that, in the Turkey context, livelihoods is not an area of UNHCR experience and comparative advantage. To the extent that there should be active livelihoods programming (vocational training, credit projects, small business development), the evaluation team concludes that, in an inter-agency division of labour and especially given the 3RP context of resilience and increased development focus, this domain should be coordinated by UNDP (UNHCR, 2016, p. 86).

2. Unemployment in Turkish Economy and Syrian Refugee Crisis

The concepts such as labor force markets, employment, and unemployment, due to the fact that they include direct human and labor element, have social and political qualities beyond their economic meanings. Unemployment includes very different dimensions such as welfare, income distribution, and poverty in terms of the main aims of economic policies and forms the source of social problems. Therefore, defining, classifying, accurately measuring unemployment, and preventing it necessary policies has an importance in terms of the economic, social stability, and political developedness.

2.1. Definition of the Concept Unemployment and its General Features

Theoretical framework toward expressing interaction between unemployment and the other economic variables has become a current issue with Philips Curve introducing the relationship unemployment and wages. Samuelson, Solow, Lipsey, bringing a new interpretation in Philips curve, defined negative relationship between inflation and unemployment. Adapted Philips curve, qualified as one of the main supports of Keynesian policies, was extended with the concept “expectation” by Friedman in monetarist approach and adopted [the view] that unemployment would turn into its previous level in the long term, even if it decreased in the short period, and natural rate of unemployment (NRU) would exist. Natural rate of unemployment emphasizes the assumption of permanence and continuity of unemployment. In US and some European countries, especially in 1990s, wage inflation experienced in transition economies brought together criticism toward the presence of unemployment rate (Barışık and Çevik, 2008, p. 69).

NAIRU (non-accelerating inflation rate of unemployment) concept defined by Keynesian macroeconomic theory for imperfect competition adopts the approach that the factors reducing the flexibility of labor force market such as strong unions, high employment payments, regulative intervention of minimum wage law on economy and high taxes affected unemployment rates. Due to recessions experienced in the first years of 1980s and 1990s, it has been identified that high rated unemployment emerging in European countries strengthened the possibility that NRU or NAIRU can have been changed and, that NRU and NAIRU believed that they ranged at the level of 3 percent and 6 percent in empirical studies, rise. (Bocutoğlu, 2011, p. 312). The rise in unemployment rates directed Keynesian economist to a different and new interpretation and this interpretation has been named as “Hysteresis Effect”

According to “Hysteresis Effect”, defined by Edmund S. Phelps, unemployment rates will not automatically return to its previous levels in recession process after economy reached higher unemployment level, even if economic growth was provided. Hence, there is permanence in unemployment rates and this case is called “Unemployment Hysteresis”. In US and EU economies, just as unemployment rates increasing one time in every decade in the last thirty year do not return to their old lower levels also in Turkish economy, the same case was also observed in 1994 and 2001 crises. After economic downsizing of 6.5 % of In 1994 crisis and 9.5%, in 2001 crisis, unemployment rates increased and, especially after 2001 crisis, despite the period of economic growth lasting 5 years uninterruptedly, a considerable decrease in unemployment rate was not measured (Barışık and Çevik, 2008, p. 67).

In general, unemployment is defined as labor force that has a working power and will but cannot find a job, although it agrees with working at the current level of wage. In the definition of TÜİK (Turkish Statistics Institute), among the people who are not employed in a reference period, all of people who used at least one of job seeking channels in the last three months and who are in a position to begin to work in two weeks are accepted as unemployed. Unemployment rates, which are the most important of the indicators of labor force markets, are obtained, dividing unemployed people by labor force. The rise of unemployment rates from macroeconomic point of view points out that job market develops in negative direction, while decrease of this rate points out that economy develops (Tatlıdıl and Özgürlük, 2009, p. 8).

In this framework, unemployment rate is qualified as a variable reflecting the case, in which labor force market faces the best. However, evaluating unemployment rates reported in the distinction of added worker hypothesis and discouraged worker hypothesis has also importance. Added worker hypothesis foresees that unemployment

rates calculated in recession period will remain over the real unemployment rate Discouraged worker hypothesis states that unemployment rates calculated in recession period will remain under the real unemployment rate. In Turkey, in general, it is expressed that discouraged worker effect are more dominant than added worker effect, and introduced that unemployment rate reported remains under the real unemployment rate (Yamak and Maraş, 2006, p. 66). When the distinctions such settlement place, gender, and age group are taken into consideration, it is accepted that added worker hypothesis is valid in the cities and discouraged worker hypothesis in the rural regions. Hence, it is accepted that unemployment rates are measured above the existing one in terms of cities and below the existing one in terms of rural areas (Yamak and Maraş, 2006, p. 75).

The demographic appearance of Syrian immigrants and their distributions according to age groups are considered as the main factor determining the effect of SuTP on Turkey. That most of the immigrants take place in the young age group creates difference in terms of youth unemployment rates of Turkey. In general, youth unemployment rate ranging over unemployment rates or their man values are exceedingly affected from this demographic structure.

Those aged over the minimum school-leaving age and less than 25 are generally described as 'youth'. In 1999, this classification was formalized by the International Labour Office (ILO) in its definitions of the 'key indicators of the labour market' (KILM). One of these, KILM, is described as 'youth unemployment'. It comprises the number of unemployed who are aged less than 25. The ILO treats those aged 25 and over as 'adults', largely because, by that age, most have completed education and have entered the labour force. The lower end of the range, the minimum school-leaving age, varies by country (and by state in the USA). For most OECD countries it lies between 16 and 18. The 'youth' age range captures almost all individuals' initial, and potentially formative, experience of the labour market. However, there are still significant contrasts within this age group. Individuals who leave education at the minimum school-leaving age are likely to have considerably more work experience by the age of 25 relatives to those who spend their late teens and early twenties in full-time education (Bell and Blanchflower, 2011, p. 242).

For the OECD as a whole, the ratio of youth to adult rates in 2009 reached its highest level since 1975. At that time, the overall OECD unemployment rate was 4,8 percent. In 2009, it was 6,9 percent. Thus, although the youth–adult unemployment ratio was the same in both periods, the OECD youth unemployment rate itself was 20,9 percent in 2009 compared with 10,4 percent in 2005. The Great Recession was associated with high absolute rates of youth unemployment and high rates relative to adults (Bell and Blanchflower, 2011, p. 245).

Unemployment increased in most OECD countries during the Great Recession. But it increased more rapidly among the young. Youth unemployment rates have been increasing relative to adult rates for some time, but the recession increased the size of the gap. Unemployment rates alone do not capture the extent of excess supply in the youth labour market. Other indicators, such as part-time working, working-time preferences and increased migration suggest that younger age groups are more supply-constrained than other age groups by reduced levels of labour demand during the recession (Bell and Blanchflower, 2011, p. 264).

Increases in youth unemployment have not been uniform. Some countries, particularly those that have been affected by sovereign debt crises or construction bubbles, such as the Baltic states, Greece, Ireland, Slovakia, and Spain, have seen very large increases in the rate of youth unemployment. From a longer-run perspective, high rates of youth unemployment in Mediterranean countries may also reflect the greater willingness to insure family members against the adverse consequences of unemployment than in Northern Europe. Countries with large fiscal deficits, such as the UK, are hesitant to increase spending on policies focused on youth, an implicit

acknowledgement either that youth unemployment is not thought to be particularly serious or that deficit reduction is more effective in reducing its adverse consequences than policies specifically targeted on youth unemployment (Bell and Blanchflower, 2011, p. 264).

The youth–adult ratio varies considerably between countries, reflecting both institutional and policy differences as well as differences in the demand and supply of labour. The US ratio is relatively low, largely because unemployment rates among older workers are relatively high. Youth–adult ratios in some countries, such as Italy, Australia, and France, have fallen over time, while in others, such as the UK and Sweden, the young have tended to comprise an increasing share of the unemployed. One potential cause of increases in youth unemployment is competition from migrants. In the UK, there is some evidence that suggests that the influx of immigrants from the A8 Accession countries from 2004 onwards had some negative impact on the employment of the least skilled young people. These effects are usually insignificant or, when significant, quite small. Another evidence of a causal impact running from immigration to youth unemployment, though he does argue that competition between unskilled youth and immigrants in the lower tail of the earnings distribution may have increased inequality. There is little empirical support for the notion that increased migration is a root cause of higher rates of youth unemployment. However, these analyses generally precede the Great Recession and, as we have seen, net emigration from countries such as Ireland and Spain is now keeping youth unemployment rates below what they would otherwise be. These migrant flows comprise both natives and returning immigrants (Bell and Blanchflower, 2011, p. 257).

Youth unemployment also has particularly adverse social impacts. Higher unemployment is associated with increases in burglaries, thefts, and drug offences. Unemployment is often part of the cycle where involvement in crime reduces subsequent employment prospects and consequently increases the probability of participating in crime (Bell and Blanchflower, 2011, p. 260).

The others of the important determinants of the concept unemployment are the administrative understandings, geographical features, and production structures of countries. Just as some differences form according to the economic conjuncture experienced, the determinants of unemployment make different according to groupings such as less developed countries, developing countries, developed countries, and transition economies. From 1945 to 1989 unemployment was an unknown phenomenon in the Central and Eastern Europe (CEE) region. Registered unemployment did not exist and most analysts pointed instead to a shortage of labour. But since the transition, the labor market has undergone many dramatic changes. In transition countries the processes of privatization, economic recession, restructuring of national economies and rapid deindustrialization, coupled with changes in agriculture triggered a decline in the number of employees in the national economy. During the transformation period, unemployment became a recognized phenomenon in the region; it now stands at a very high rate in most of the countries under consideration, even though it must be stressed that, in many transition countries, the registered unemployment rates still understate the real, actual level of joblessness. Indeed, in some countries of the region, such as Poland and Serbia, there is a significant level of hidden unemployment and quite a large informal sector. In recent years, the common characteristics of the labor markets in CEE and the Commonwealth of Independent States (CIS) have included (UNDP, 2008, p. 45):

- i. an increase in unemployment to levels now exceeding those in EU and OECD countries;
- ii. a high level of long-term unemployment;

- iii. a high incidence of youth unemployment and low levels of youth participation;
- iv high unemployment among poorly educated people (i.e. those with at most primary or secondary education);
- v. growing regional disparities in unemployment.

The ups and downs of economic activity during the business cycle and the accompanying fluctuations in unemployment rank high on the public agenda. In times of recessions, in particular, the unemployment response of disadvantaged worker groups is at the forefront of attention. One such group is immigrant workers, who experience significantly higher unemployment rates on average than the native workforce in many European countries. There is also evidence that cyclical fluctuations are costly in terms of social welfare, as volatility in output, and thus unemployment, induces a higher average unemployment rate. Understanding the unemployment response of various demographic groups to the business cycle, and investigating potentially differential responses, can thus be important for understanding differences in group specific unemployment rates (Prean and Myar, 2016, p. 2).

2.2. Theoretical Framework of Syrian Refugee Crisis and Unemployment

The impact of immigration on the labor market for natives has long been difficult to pin down for economists. The standard static model would suggest that migration increases supply and thus competition in the local labor market, leading to lower employment and wages of natives. However, most studies find little or no effects from immigration on the labor market position of natives. A number of explanations have been offered for the lack of labor market effects of immigration at the local level. One potential cause for the missing impact is suggested by Borjas who argues that immigration in a particular area leads to a lower internal migration to that area from the rest of the country, dampening the effect on employment and wages. Consequently, constructing the counterfactual for areas facing immigration is difficult since regions that could serve as control group may be at the receiving end of internal migration. Nevertheless, the size (or even the presence) of the internal migration effect is contested by Card who argues that there is little evidence of immigrants (to US) harming employment opportunities of natives. A further issue that is usually outside the scope of the literature on the labor market is the potential impact of large scale immigration on local consumer markets. A sudden shock in migration leading to higher demand and rising food, housing and other basic goods' prices, as Alix, Garcia a Saah suggests, may partly explain the lacking impact on wages. Increased prices in food and housing would in fact lower real wages for households spending a large portion of their income on basic goods, even if their nominal wages or wages adjusted for general inflation remains constant (Akgündüz, Berg and Hassink, 2015, p. 2).

Previous studies have found significant evidence for immigrants' unemployment to be tied more tightly to the business cycle than that of natives. For example, Chiswick et al. find that the unemployment rate of male immigrants in the United States is more sensitive to changes in the national unemployment rate than that of male natives. Orrenius and Zavodny provide recent evidence that the unemployment of Mexican immigrants in the United States displayed the greatest sensitivity to the worsening in the statelevel macroeconomic conditions in the course of the global financial crisis overall and also within most education groups. Looking at a broader range of labor market outcomes, Hoynes shows for the United States that individuals with lower education levels, non-Whites, and women experience greater cyclical fluctuations in their labor market outcomes than high-skilled men. Dustmann et al. show for the United Kingdom and Germany that the unemployment response to labor market-specific shocks is significantly larger for low-skilled workers than high-skilled workers, and larger for immigrants than natives

even within skill groups. In contrast, Borjas finds that the employment of immigrants tends to be cyclically less sensitive than that of natives (Preat and Myar, 2016, p. 2).

The economic upturns and downturns in the course of the business cycle affect the prospects of workers in the labor market. Different groups of workers are, however, affected differently. Firstly, the unemployment rate of low-skilled workers is more responsive to labor market-specific shocks than that of high-skilled workers, and that, second, immigrants from non-EEA (European Economic Area) countries are more responsive than natives, also within similar groups of workers. Addition to even after controlling for such (potential) selection, the gap in the immigrant– native unemployment response persists. What could instead account for the greater cyclical fluctuation of (non-EEA) immigrant employment is unobserved differences in the skill (including characteristics such as tenure and experience) levels of those immigrants and natives. Firms will fire workers with the least skill levels first during economic downturns, if their sunk cost in the form of training is lowest. Lower average unobserved skills of immigrants from non-EEA countries compared to natives and immigrants from the EEA could therefore explain the greater volatility in their unemployment and transition rates over the cycle (Preat and Myar, 2016, p. 20).

Studies employing quasi-experimental designs or exogenous shocks to investigate labor market outcomes are relatively few. An early study concerned the Miami boatlift in the early 1980s by Card who find little effects on wages and employment from an incoming migration wave. Hunt and Carrington and De Lima study the impact of the repatriates from the African colonies to France and Portugal respectively and find negative effects on employment and wages. A potential problem of these studies is that repatriates are able to choose to settle in areas with better economic prospects, leading to the underestimation of employment and wage effects. Carrington and De Lima employed France and Spain as control groups while studying the situation in Portugal, but the common trend assumption between countries is more difficult to hold up due to the concurrent economic downturn in Europe during the mid-1970s. A recent example of a quasi-experiment rooted in political turmoil is that of Glitz who exploits German migration regulations in 1989 to identify the effects of Germans in Eastern Europe returning to Germany. Glitz overcomes many of the problems in previous analysis by using migration regulations hinging on proximity to family members and finds small negative effects on wages and internal migration. With the exception of Card, the reviewed literature on the impact of migration of labor market outcomes using quasi-experimental techniques is informative regarding the impact of returning co-ethnics or repatriates from colonies on the local labor market, but these incoming migrants tend to be relatively high skilled or at least have the required knowledge of the language to adapt easily to their living environment (Akgündüz, Berg and Hassink, 2015, p. 3).

However, the focal point of debates in Europe largely concerns migration of poor and largely unskilled immigrants and refugees driven away from their home country by war and civil unrest to more developed countries. Analysis of geographical correlations between immigration flows and labor market outcomes are usually suspected of underestimation of effects. If immigrants choose areas with better prospects, the expected negative effect on native employment will be underestimated. The most obvious solution is to exploit exogenous shocks leading to large scale immigration, but they too can be difficult to analyze. If there are no measures effective limiting immigrants' location choices within the host country, it will be difficult to construct a control group. Geographical constraints on the location of the refugee camps and the dramatic speed at which refugees started crossing the Turkish border allow us to circumvent many of the empirical identification and exogeneity issues discussed by Dustmann, Glitz and Frattini. The Syrian refugees' destination in Turkey seems to be limited geographically to the location of the refugee camps in the border region and the size of the inflow is large enough to allow for the estimation of the

effects on employment using regional data in a simple difference-in-difference framework. Since we have data on local employment and internal migration rates, the effects on incumbent natives and new entrants can be thought of as being analyzed separately. According to Baez; large scale refugee inluxes generally occur in areas where both the country people are eeing from and the country taking up refugees are characterized by low levels of development such as the refugee crisis in Tanzania due to people eeing from Rwanda in the 1990s (Akgündüz, Berg and Hassink, 2015, p. 3).

As such, the resulting labor markets are likely to be highly underdeveloped and regionally constrained rendering it impossible to assess the impact of the refugee influx. The Syrian civil war has created a situation where refugees are eeing to a more developed country with a different culture and language, where they are generally lacking the host country related skills (e.g. language) and are not selected or self-selected into migration which is commonly the case in international migration McKenzie and Rapoport. A further advantage of employing a refugee crisis instead of conventional migration patterns to estimate the effects on local labor markets is the strict division between natives and refugees in official statistics. Since Syrian refugees are not counted in official statistics and do not have legal residence or citizenship, official statistics are representative for the incumbent native population (Akgündüz, Berg and Hassink, 2015, p. 3).

The local labor market in each Turkish province can be considered to be consisting of three groups: Syrian refugees, native incumbents and new entrants from other provinces of Turkey. While the price response to refugee knows would also affect the welfare of incumbents, our primary interest is whether or not their employment is affected. Expected negative effects on native employment do not seem to materialize in the literature but the size of the effects may be dependent on the characteristics of migrants. If the skill composition of migrants is the same as natives, the effects would be null in a constant elasticity of substitution model where capital and labor inputs are separable. The effects are thus only expected in cases where the migrant population has a different skill composition compared to the native population as in the case of Katrina evacuees to Houston (Akgündüz, Berg and Hassink, 2015, p. 7).

In case of the Syrian refugees in Turkey, their informal employment might even make them more attractive for employers attempting to avoid paying social security taxes on incumbents. This might lead us to expect stronger negative effects since refugees may be more attractive than natives in low-skill sectors where informal employment is possible. Conversely, since Syrian refugees are unlikely to have the necessary language skills (Turkish), they are unlikely to affect medium and high-skill employment. Entrants on local labor markets moving to the area from other parts of Turkey may also be affected by the inlux of refugees. Should finding a job become more difficult or should there be any other negative welfare effect of living in a province hosting Syrian refugees then internal migration to these provinces may decline. A possible lack of effects on employment rates and wages could be (at least partly) explained by a negative effect that immigration seems to have on internal migration. Borjas finds that non-native migration into specific regions leads to simultaneous higher exit rates and lower entry rates into these regions by natives. This finding is echoed by Pischke and Velling regarding Germany. As such, the effects on employment may be more difficult to identify since they may affect a larger area than merely the provinces in which refugees are located (Akgündüz, Berg and Hassink, 2015, p. 7).

2.3. Trends of Unemployment Rates in Turkish Economy

The measurements toward labor force markets are realized by Household Labor Force Study and surveys of Turkish Statistics Institute (TÜİK). In terms of the deaths toward labor force markets, the reliability and accuracy

of the data reached are discussible from statistical point of view but it is necessary to follow it as one of the main macroeconomic indicators. At this point, one of the titles, under which discussions are intensively expressed, is that the seasonal effects in unemployment figures should be discriminated. The predictions of household labor force study are monthly published by TÜİK on the basis of movable quarterly periods since 2005. In a dataset including seasonal fluctuations such as labor force statistics, it is rather difficult to understand the variation occurring in a certain prediction period results from the real increases or decreases in data or seasonal effects. Therefore, for labor force data to be able to be objectively compared between the periods, it is important to move away the seasonal effects from the series (TÜİK Haber Bülteni, 2010, V. 77).

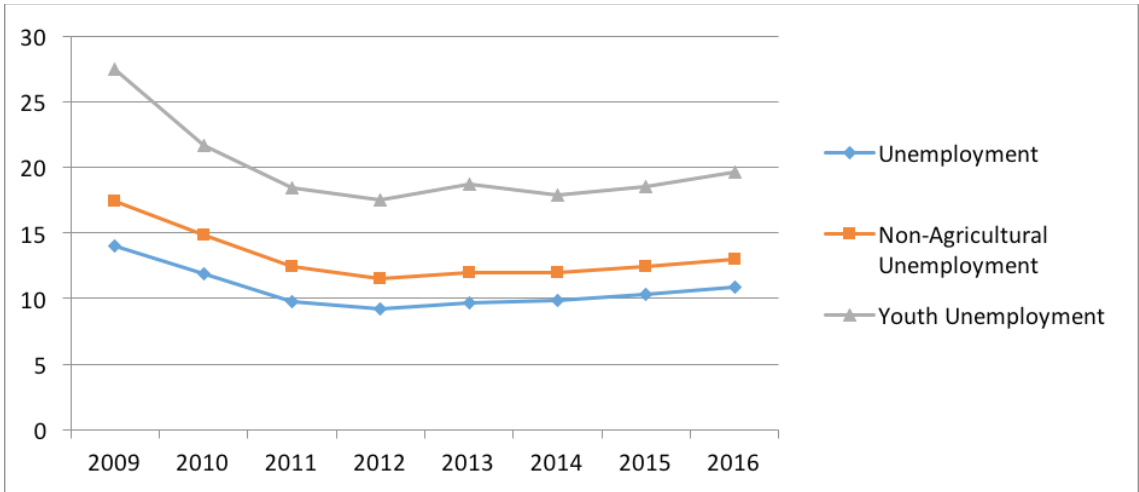
According to Cleansing Guide from Seasonal and Calendrical Effects, published by European Union Statistics Office, the number of observation that is necessary for being able to carry out a reliable study of seasonally adjusted labor force data was reached in respect with the end of 2009 according to TÜİK. In addition, beginning from 2005, the process of all series to be revised according to the new population projections was completed on the date of April 15, 2010. Together with the completion of all of these processes, being able to cleanse the main labor force indicators from the seasonal effects has become possible technically and the studies on this subject were completed by using methods in compatible with the recommendations of European Union Statistics Office (TÜİK Haber Bülteni, 2010: Sayı 77). From this aspect, a more reliable dataset of Turkish economy toward labor force markets, unemployment, and employment was reached.

Table 3: Unemployment Rates in Turkey (2009-2016)

	2009	2010	2011	2012	2013	2014	2015	2016
Unemployment	14	11,9	9,8	9,2	9,7	9,9	10,3	10,9
Non-Agricult. Unemployment	17,4	14,8	12,4	11,5	12	12	12,4	13
Youth Unemployment	27,5	21,7	18,4	17,5	18,7	17,9	18,5	19,6

Source: It was compiled from TÜİK labor force statistics.

In the period of January 2005, beginning point of the study of seasonally adjusted labor force series, while the number of employed people was 19.962.000 people, after every passing 5-year process, this figure, increasing 2.203.000 people, in January 2010, reached 22.165.000 people. The number of unemployed people became 3.347.000 people with the increase of 1.058.000 people. Labor force, increasing of 3.261.000 people in the same period, rose from 22.251.000 people to 25.512.000 people (TÜİK Haber Bülteni, 2010, Sayı 77).

Figure 4: Trends of Unemployment Rates in Turkey (2009-2016)

Across Turkey, the number of unemployed people in the ages 15 and over, increasing of 695.000 people in the period of January 2017 compared to the same period of the last year, became 3 million 985.000 people. Unemployment rate actualized at the level of 13 percent with increase of 1.9 points. In the same period, non-agriculture unemployment rate was estimated as 15,2 percent with an increase of 2,2 points. While unemployment rate in young population (ages 15-24) was 24,5 percent with increase of 5,3 points, in the group of ages 15-64, actualized as 13,3 percent with an increase of 2 points (TÜİK Haber Bülteni, 2017, V. 24626).

In the period of January 2017, the rate of those unrecorded employed without subjecting to any social security organization, increasing 0,7 points compared to the same period of the previous period, actualized as 32,5 percent. Seasonally adjusted employment, increasing 230.000 people compared to the previous period, is estimated as 27.534.000 people. Employment rate became 46.3 percent with an increase of 0,1 points. The number of seasonally adjusted unemployed people decreasing 10,000 people according to the previous period, actualized as 3 million 697 thousand. Unemployment rate, with an increase of 0,2 points according to the previous period, actualized as 11,8 percent.

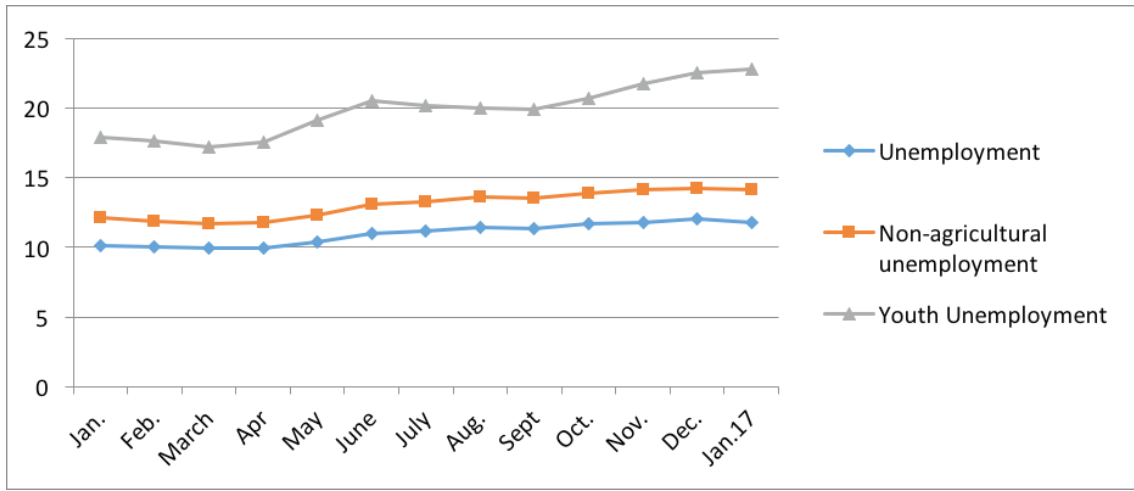
Table 4: In Turkey, Monthly Unemployment Rates (Percent), Year 2016

	Jan. 2016	Feb. 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	Sept. 2016	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017
Unemployment	10,1	10,0	9,9	9,9	10,4	11,0	11,2	11,4	11,3	11,7	11,8	12,0	11,8
Non-Agricult. Unemployment	12,1	11,9	11,7	11,8	12,3	13,1	13,3	13,6	13,5	13,9	14,1	14,2	14,1
Young People (15-24) Unemployment	17,9	17,6	17,2	17,5	19,1	20,5	20,2	20,0	19,9	20,7	21,7	22,5	22,8

Source: TÜİK, *İşgücü İstatistikleri Haber Bülteni*, V. 77.

The participation rate in seasonally adjusted labor force, with an increase of 0.1 points according to the previous year, actualized as 52.5 percent. The number of those employed according to economic activities increased by 111.0000 people in agricultural sector; 9.000 in industrial sector, 13.000 in building sector, and 96.000.

Figure 5: In Turkey, Variation of Monthly Unemployment Rates the Year 2016



In general, in Turkish economy, the rise in unemployment rate in respect with the year 2017, become more remarkable. However, especially the rise in youth unemployment rates, rise up the highest level historically specified in 2009. Youth unemployment rate, Youth unemployment rate was measured as 27.5 in 2009 and the rate was defined as record level. That youth unemployment rate actualizes as 22.8 percent in respect with the year 2017, becomes remarkable as a social problem in terms of “young population” expressed one of the structural features of Turkey. In addition, the tendency of rise in youth unemployment rates forms a negative expectation for future and shakes the reliability to economy.

3. The Impact of Syrian Refugee Crises on Unemployment: Case of Turkey

Refugees and migrants will not stop moving within and between States, wherever desperation is the driving force and security or opportunity is needed. It can never be assumed that refugee or other situations of displacement are or ever will be “temporary” – experience, since at least the 1920s, has shown otherwise, although States remain loathe to admit the inevitability of such events. Nor can it be assumed that “spontaneous” migration is just a blip in the relations between States, or on the road to international development. Already in the 1980s, the UN estimated that, given the likely growth in the number of those of working age, some 35–40 million jobs would be needed every year in the developing world as the 20th century drew to a close. Thirty-five years later, the 2015 Revision of World Population Prospects records a world population of 7.3 billion as at mid-2015, with a further one billion expected over the next 15 years. Within these raw statistics, the youth factor stands out, and the number of 10–24 year olds will likely reach 2 billion by 2050. The global youth unemployment crisis is worsening and, in the least developed countries, about 15 million young people each year join a labour force where most of the workers face unemployment, under-employment, or vulnerable employment (Goodwin-Gill, 2016, p. 687).

A more recent study in eleven European countries demonstrates a quasi-linear relationship between the percentages of non-EU immigrants and negative attitudes in the host population. Addition to perceived threat to the natives' culture increases the majorities' prejudice in Germany, France, and the US. In addition, negative economic conditions have also been related to hostility and prejudice against minority groups. It is generally assumed that intergroup relations improve in times of low unemployment and relative wealth, whereas they worsen in times of economic recession. High unemployment rates and decreasing living standards do not only increase individual or group-level competition, but they are often blamed on the presence of minority groups. Moreover, fear and hostility are also expressed by those who are not so much directly affected as they are afraid to lose their advantaged status position in the future. Worries about one's future position in society are particularly important in explaining hostility towards racial or ethnic minorities in wealthy countries (Rink, Phaet and Swyngedouw, 2009, p. 413).

Urgent action is needed to ensure increased access to income for all those affected by the crisis, refugees and host communities alike. The crisis is undermining efforts to tackle unemployment, which was chronically high in the region even before the crisis, particularly among youth and women. Competition for jobs is increasing tensions between refugees and host communities while the crisis has further impoverished the most vulnerable host community members. Livelihoods support would not only alleviate the pressure on host community members, but also crucially contribute to social cohesion. Supporting the capacity of some key economic sectors such as construction or agriculture, especially in rural areas where recent assessments have shown that host community's exhibit greater food security vulnerability, would result in increased employment opportunities for impacted communities (3RP, 2015, p. 6).

One of the important social problems unemployment leads to is poverty. As a matter of fact, poverty rate is measured as 31 percent, when considered the case of unemployment. In similar way, 36 percent of the poor males are unemployed. With moving from here, it is certainly to reach an equation in the form of "poverty equals unemployment". Poverty cannot be evaluated as a problem threatening only unemployed people. As a matter of fact, poverty rate among the employees are expressed as 23 percent. 19 percent of waged and salaried sector is defined as poor and 27 percent of self-employed people. Among self-employed females, in addition, it is necessary to state that poverty rate is 32 percent. That is, it is important to know that struggle against poverty is a struggle to be carried out not only by creating a job but also by creating "proper jobs" (Buğra and Keyder, 2006, p. 13).

Public policies to the prevention of unemployment and the elimination of poverty caused by unemployment are very important. But there are also some problems that these policies will bring with them. For example, minimum wage applications for correction of income distribution lead to different developments within the framework of complex relationships of the economy. Determining a charge above the market level could lead to employers employing unregistered workers and the deterioration of the labor market (Çevik, 2016, p. 21). Implementation of passive employment policies such as unemployment insurance apart from there all indicators of the economy affects the functioning of labor markets negatively.

Since 2011, more than 3.500.000 SuTP has entered Turkey. Some 800,000 have already left, and almost half of the remaining now lives in five provinces close to Turkey's border to Syria: Gaziantep, Hatay, Şanlıurfa, Kilis, and Kahramanmaraş. In December 2015, UNDP sought to identify and size potential venues for integrating Syrians under Temporary Protection (SuTP) into labor markets, with a specific emphasis on these five provinces. Integrating SuTP into local labor markets is a multidimensional issue, with economic, social, political facets (UNDP, 2016, p. 1).

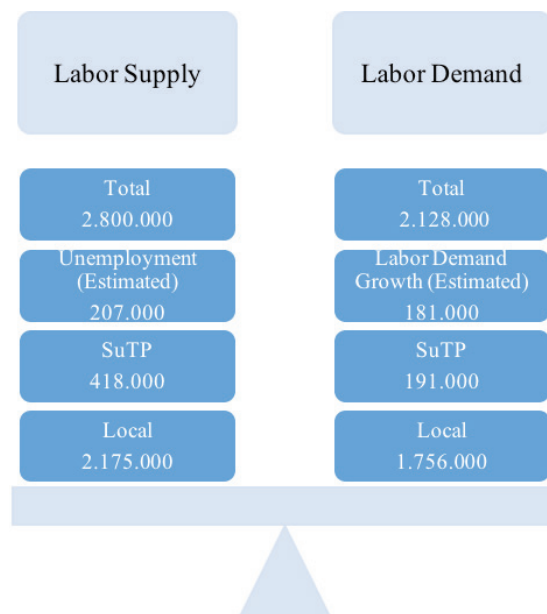
Syrian migration to Turkey has been steadily rising since 2011, often in dramatic peaks. A conservative estimate, based on historical growth rates of Syrians and excluding further inflows or outflows, suggests there could be an

additional 192,000 SuTP in Turkey in the coming years, bringing the total population to nearly 2.900.000 by 2018. SuTP are dispersed across Turkey, with significant populations in most major industrialized cities. Almost half live in five provinces close to the Syrian border: Hatay, Gaziantep, Kahramanmaraş, Kilis, and Şanlıurfa (hereafter referred to as the region). Though home to only a small percentage of SuTP in Turkey, the majority of camps are in the region too. The demographic data on SuTP suggest a relatively young population, roughly equally distributed in terms of gender, and coming mostly from the cities of Aleppo and Idlib (UNDP, 2016, p. 3).

Based on the age profile of the extant SuTP and the pre-crisis Labor force participation rate (LFPR) in Syria, UNDP Report estimate that some 380,000 SuTP are ready to be added to the region's labor force in early 2016, with another 40.000 anticipated by 2018. The current local (i.e. host community) labor supply in the region, meanwhile, is around 2 million, with another 170.000 anticipated by 2018. Hence, the present labor supply of approximately 2.400.000, created by both the SuTP and host communities, is thus projected to reach 2.600.000 by 2018. SuTP labor supply is estimated to account for roughly 16 percent of the total labor supply in the region. A more granular review at the provincial level, however, suggests that in less populous provinces with a sizable SuTP community, such as Kilis, the SuTP labor force accounts for a much larger share of almost 50 percent of the total labor supply (UNDP, 2016, p. 6).

The current labor demand of approximately 1.95 million is a result of both structural growth of the regional economies and growth related to the influx of SuTP (i.e. economic activities stemming from the crisis in Syria such as storage, packaging, and the transport of humanitarian aid, including those to Syria). Based on economic growth rates projected by the Medium Term Program of the Government (2016-2018, revised), UNDP Report estimate that the region could create as many as 180,000 additional jobs by 2018. Roughly one third of the projected job growth is expected to occur in Gaziantep (UNDP, 2016: 6).

Figure 6: Labor Gap by 2018 in Turkey



Source: UNDP (2016), "Absorptive Capacity and Potential of Local Labor Markets: The Case of Gaziantep, Hatay, Kahramanmaraş, Kilis and Şanlıurfa", United Nations Development Programme Turkey.

In summary, according to our estimates, labor supply in the region will reach 2.600.000, whereas labor demand will reach 2.100.000 by 2018. Thus, in order to achieve an 8 percent unemployment rate, some 257.000 jobs would need to be created in addition to those expected from projected structural growth of the regional economies (UNDP, 2016, p. 7).

Table 5: Labor Supply and Labor Demand in Selected Turkish Cities (Person)

	Labor Supply (SuTP)	Labor Supply (Local)	Un- employment	Labor Demand (SuTP)	Labor Demand (Local)	Gap
Gaziantep						
2015	93.000	622.000		71.000	572.000	
2016-2018	10.000	64.000		6.000	64.000	
2018	103.000	686.000	63.000	78.000	635.000	12.000
Şanlıurfa						
2015	114.000	450.000		30.000	372.000	
2016-2018	12.000	46.000		3.000	42.000	
2018	126.000	496.000	50.000	33.000	413.000	126.000
Kahramanmaraş						
2015	24.000	374.000		13.000	326.000	
2016-2018	3.000	23.000		1.000	23.000	
2018	26.000	397.000	34.000	14.000	348.000	27.000
Hatay						
2015	110.000	517.000		58.000	448.000	
2016-2018	12.000	34.000		5.000	33.000	
2018	122.000	550.000	54.000	63.000	481.000	75.000
Kilis						
2015	37.000	43.000		19.000	39.000	
2016-2018	3.000	4.000		2.000	3.000	
2018	39.000	46.000	7.000	21.000	42.000	16.000

Source: UNDP (2016), *"Absorptive Capacity and Potential of Local Labor Markets: The Case of Gaziantep, Hatay, Kahramanmaraş, Kilis and Şanlıurfa"*, United Nations Development Programme Turkey den tarafımızdan hazırlanmıştır.

Kilis is expected to have an approximate total labor supply of 86,000 by 2018. Just over 45 percent of this is expected to be SuTP—a proportion unmatched in other cities. Labor demand in Kilis, meanwhile, is projected to grow to 63,000 by 2018. Assuming an unemployment rate of 8 percent, our analysis suggests a gap of 16 thousand, corresponding to 25 percent of the demand. Kilis has added around 3,000 jobs every year over the past five years, suggesting that the city has taken a significant proportion of the influx of Syrians to Turkey (UNDP, 2016, p. 7).

Across the different provincial and urban economies of the region, there is a clear need to support job creation in areas that match the skills of the unabsorbed labor supply. Although much of the burden of economic integration

falls on Şanlıurfa and Kilis, all cities face demand from a relatively under-skilled potential labor force. Yet not all the profiled cities are the same. Labor demand in Kahramanmaraş and Gaziantep, for instance, suggests possibilities for work in textiles and apparel value chains, and in Hatay and Kahramanmaraş, in construction. The local economies of Kilis and Şanlıurfa, meanwhile, are based heavily on service. The key point here is that any future economic plans to integrate SuTP into the labor supply will need to take into account both the skills of Syrians and the particular economic characteristics of provinces and cities where they have settled in Turkey (UNDP, 2016, p. 7).

Table 6: Unemployment Rates in Selected Turkish Cities versus National Average (%)

		Turkey	Gaziantep	Şanlıurfa	K.maraş	Hatay	Kilis
Unemployment Rates	2010	11,1	13,4	12,4	12,8	13,9	10,1
	2011	9,1	14,4	8,0	11,1	12,7	12,6
	2012	8,4	11,2	6,2	9,7	11,4	10,4
	2013	9,0	6,9	16,3	11,6	12,2	7,7
Labor Force Participation	2010	46,5	45,4	35,5	49,2	50,0	49,2
	2011	47,4	43,4	34,9	49,8	49,7	45,3
	2012	47,6	44,2	30,4	48,6	48,6	45,6
	2013	48,3	46,8	38,7	47,0	45,9	44,5

Source: UNDP (2016), "Absorptive Capacity and Potential of Local Labor Markets: The Case of Gaziantep, Hatay, Kahramanmaraş, Kilis and Şanlıurfa", United Nations Development Programme Turkey ile tarafımızdan hazırlanmıştır.

As UNDP Report indicated before, the five provinces at the center of this study have generally had high unemployment, despite relatively low labor force participation rates. This suggests that local economies have found it hard to generate sufficient employment opportunities even for the host communities. Thus, if the internal growth dynamics of the local economies prevail, the additional labor supply introduced by SuTP may not be easily absorbed (UNDP, 2016, p. 14).

There is an obvious need for new employment opportunities. Yet to absorb the labor demand, job creation will need to attend to grounded skills and promising areas of development for SuTP. These have the potential to create as many as 200,000 additional jobs in the next five to seven years (UNDP, 2016, p. 14).

Conclusion

That the different economic, social, and cultural effects of Syrian immigrant crisis, qualified as one of a large scale immigration movement of history of humanity emerge is unavoidable. At this point the direction, dimension, and demographic characteristics of immigration movement have an importance. Turkey, which is one of important countries from the aspects of all possible effects of Syrian refugee crisis, carries the structural problems and macroeconomic signs of a developing economy. Turkish economy, which has a young population demographically and a dynamic labor force, struggles against the negative effects of global crisis (great recession) in a large macroeconomic framework from inflation to unemployment, from current deficit to poverty. In this environment, being able to admit over 3 million from neighbor country brings together a meaningful effort from humanistic aspect bit important problems from economic aspect.

The most important one of macroeconomic problems is unemployment related to poverty and especially youth unemployment. The problems of Turkish economy with unemployment and youth unemployment of Turkish economy are highly above of world average and on focus point of a social problem. Adding young population – weighted, untrained, and unqualified Syrian immigrants to the existing table also official and unofficial unemployment figure much more. Hence, the unrecorded Syrian immigrants and unrecorded employments of the number of unrecorded unemployed people form invisible part of iceberg.

In Turkish economy, it is evident that there are different causes of that unemployment rate range considerably high in respect with 2016 and 2017 and it results from global crisis, structural features, internal economic problems, political developments, international political problems and relationships and regional instability. However, beside this, in Turkey, in mostly rural areas, which have to employ a large immigrant mass, the main economic problem is unemployment, because it is directly related to poverty. The reason for emphasizing specially youth employment is that the problem with unemployment problem will gradually become heavier in the long term from the aspect of Turkey.

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4

THE RELATIONSHIP BETWEEN PSYCHOLOGICAL EMPOWERMENT AND SOCIAL LOAFING: A STUDY OF TURKISH PUBLIC EMPLOYEES

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Abstract

With the modern management approaches, employee attitudes have become the focus of the management science. Every subject that influence employee behavior has become the basis of the studies carried out in management domain. The value attached to employee have become more important than even the most sizeable investments. On the other hand, there are many problems that cause to decrease the efficiency of both employees and operations in today's competitive environment. One of these problems is the social loafing in the work life. This problem is the tendency for individuals to expend less effort when working collectively than when working individually. To improve performance of employees and effectiveness of organizations, it has been a necessity for managers to cope with social loafing. One of the mechanisms that raising employee performance is empowerment. The psychological empowerment of employees might affect social loafing.

The aim of this research is to investigate the interactive effects of the psychological empowerment dimensions on social loafing. A correlational design was used in the study. Survey design was conducted among public employees. The measuring instruments included the Psychological Empowerment Questionnaire and Social Loafing Scale. Statistically significant relationships were found between psychological empowerment and social loafing. This study contributes to knowledge about the social loafing behaviors of public employees and shows that the dimensions of psychological empowerment play an important role in this regard.

Key Words: Social Loafing, Psychological Empowerment, Public Employees

Introduction

In today's business world, where knowledge and human interactivity are essential, group activities have gained importance over individual working methods in order to increase productivity and utilize resources effectively. In fact, cooperation and solidarity among people is as old as human history (Yardımcı, Beytut, & Muslu, 2012:132). However, that organizations have realized the advantages of teamwork such as achieving higher productivity, reducing labor costs, and increasing motivation has risen to the for only relatively recently. Most organizations try to strive to increase productivity and efficiency by capitalizing on teamwork to achieve high performance. Regardless of the accepted advantages of group work, when it is difficult to assess the individual effort within the group, so-called loafing behavior in the working environment may be observed with some of the employees (Wright, 1996:586). Behavior, which is known to cause significant reductions in productivity at the group-level as opposed

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to the individual-level, was defined firstly by Latane and his colleagues as *social loafing* (1979:831). They posited that social loafing is a disease and it implies that individuals make less effort when they work within a group than when they work alone (Brickner, Harkins, & Ostrom, 1986). Social loafing has many negative consequences in the individual, social and public sense (Latane et al., 1979:831). In terms of businesses, as it is necessary to know the reasons for social loafing, it is equally important to know how to react to this condition.

A number of organizational and managerial tools are used as motivating and encouraging tools for employees to actively participate in teamwork. For example, giving authority and responsibility to the employees by the senior managers (Besterfield et al., 1999). Various activities designed to make employees feel valued and strong, such as sharing information, knowledge and power with lower level employees are also important tools (Hales & Klidas, 1998:89). Making employees feel stronger leads to a motive of reaching organizational goals (Moorhead & Griffin, 1995). With the increase of the awareness of individual responsibility, co-operation and cohesion in teamwork due to the psychological empowerment, social loafing behaviours will diminish (Kesen, 2015:6533).

In light of this information, the aim of the study is to propose psychological empowerment as one viable solution to social loafing. It is believed that psychological empowerment will diminish the social loafing behaviors of the public employees. In this research, firstly the literature on the subject will be reviewed, followed by a discussion of the design and implementation of the study, analysis of survey data, concluding with a discussion of the effect of psychological empowerment on social loafing. It is perceived that the results will provide important clues regarding the minimization of social loafing to business managers, researchers, employees and other interested individuals and corporations.

Conceptual Framework and Hypotheses

2.1. *Social Loafing*

The first research on social loafing was carried out by Ringelmann, a French agricultural engineer Ringelmann in 1913 (Kravitz & Martin, 1986). He found that the productivity of the group in a rope pulling test is lower than the total calculated based on the productivity that individuals display when they are alone (Petty & Harkins, 1982: 1214). This became known as the Ringelmann Effect. Subsequently Latane, Williams and Harkins (1979: 822-832) used the concept of *social loafing* for the first time in a study they carried out for individual performance impairments in workgroups. The authors described this phenomenon as “**a social illness**” based on the trauma created as a tendency of the individual to reduce his effort in the study group when compared to other individuals performing the same task (Latane et al., 1979:823). In other words, social loafing occurs when the individual works in a group as opposed to working alone and is expressed as an effort of the individual to hide himself in the group (Liden et al., 2004:285-286). Various studies carried out in this regard have revealed that social loafing is a powerful phenomenon applicable to various tasks and communities (Karau & Williams, 1997:156-168).

2.2. *Psychological Empowerment*

Empowerment is one of the new concepts of governance including learning how to take initiative and how to give creative responses to challenges in the workplace (Laschinger et al., 2004:527). The main point that this concept focuses on is the removal of the restrictions that diminish the ability of the employees to accomplish their tasks and on the provision of the required environment for them to perform their own works (Jeffkins, 1995:37).

Empowerment in this sense means sharing risks and responsibilities in exchange for the individuals having their own businesses, being proud of the work they perform and being able to act freely (Randolph, 2000:95). Hales and Klidas (1998:89) define empowerment as the sharing of information, knowledge and power with employees at lower levels. In some studies, empowerment has been explained as giving authority and responsibility to the employees by the senior management, and in return, employees assume greater responsibility in order to achieve the organizational objectives and values (Besterfield et al., 1999).

Employee responses given regarding the presence or absence of empowering conditions in the working environment constitute the basis of psychological empowerment (Laschinger et al., 2001:44). According to Spreitzer (1995), psychological empowerment is a psychological state that must be experienced by employees in order for the empowerment operations in the organization to be successful (Kluska et al., 2004:116). Spreitzer (1995) has suggested that executives who feel that they are able to access information at the strategic level in the organization also feel psychologically empowered. Thomas and Velthouse (1990:666-681) have described psychological empowerment within the framework of the cognitive model they have developed as perceptions regarding whether or not the employees feel empowered. This theory focuses on how the employees perceive their own powers while trying to cope with the people or events they encounter at the workplace (Khany&Tazik, 2016). Within this framework, Thomas and Velthouse (1990) has proposed a psychological empowerment model consisting of four dimensions meaning, competence, self-determination (choice) and impact. These dimensions are explained as follows:

- *Meaning*: It is the value that the execution of the assigned task bears for the employee (Thomas & Velthouse, 1990:672). Evaluation of the value of the task goals and objectives according to the individual's own ideals and standards expresses the dimension of meaningfulness (Spreitzer, 1995). While low levels of meaningfulness may generate negative consequences such as indifference, coldness and recklessness toward work, high levels of meaningfulness may increase the organizational loyalty and effort toward the work (Thomas & Velthouse, 1990:673).
- *Competence*: is related with the level of confidence that employees have in themselves and in their capabilities to do their jobs well (Spreitzer et al., 1997:682). If the individual believes in his or her own skill, he or she will use initiative, make greater effort, and endeavor to remove obstacles when they emerge (Menon, 2001:160).
- *Self-determination*: expresses the freedom for employees to conduct their work and to have control over their work (Deci, Connell, & Ryan, 1989). Self-determination in the working environment is a psychological necessity and an important part of inner motivation (Spreitzer et al., 1997).
- *Impact*: is that the employees feel that the work they do affects the important results in the organization (Sigler & Pearson, 2000:28). This dimension indicates the degree of individual's impact on the strategic, managerial, or operational outputs of the work (Ashforth, 1989). The individual is the mood of having control on the results concerning the whole organization, not on his own work and knows that he is able to make a difference in the organization. Employees who believe that the activities they perform can influence the system in a way of achieving a goal will feel much more powerful (Spreitzer et al., 1997:3).

According to Thomas and Velthouse (1990), these four dimensions together present a cognitive set that explains psychological empowerment. And indeed, the lack of one of the dimensions can diminish the individual's perception of empowerment (Spreitzer, 1995:1443).

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Social Loafing and Psychological Empowerment Relationship

Social loafing is not only a situational phenomenon but also related with the psychology of the individual (Stark et al., 2007). Thompson and Thornton (2007) stated that social loafing has a psychological aspect, characterized by the individual perception that a decrease in the individual's effort will not be perceived by the individuals of the other group is a reflection of the psychological mood. Thus, social loafing is a function of the very complex psychologies of individuals (Liden et al., 2004). Arevalillo-Herráez (2014) also stated in their research that they carried out on students, that the reasons for exhibiting social loafing behaviors in environments where cooperation is needed can be handled from a psychological perspective. Based on the relationship of the psychology of individuals with social loafing, it can be stated that the managers should support their employees with various psycho-social means, enabling them to avoid conscious or unconscious loafing. For example, psychological empowerment can lead employees to display less social loafing behavior (Kesen, 2015:6533). The feeling of self-confidence and commitment to work that the employees will be able to reach as the result of psychological empowerment can positively contribute to social environment relations and their group activities at work. Thus, with empowerment, individuals will be able to perform their tasks themselves and will not need to exhibit social behavior. This is because one of the important reasons of social loafing is that the employees consider themselves inadequate at the point of fulfilling their tasks in the group (Webb, 1997). And psychological empowerment will make employees feel competent in the issue of fulfilling their tasks (Kesen, 2015:6534).

Each of the sub-dimensions of psychological empowerment can create an effect diminishing the social loafing behaviors of employees. For example, the more meaningful the works, the greater the attention paid to the work (Lee veKoh, 2001). Karua and Williams (1997) found that while working on a task that individuals do not find meaningful, they do not make social compensation for another person with low performance. Yet again, Karau and Williams (1993) have figured out that as the importance of the task increases, social loafing diminishes. Similarly, Kesen (2015) has found in his study on the Turkish manufacturing companies that the meaningfulness dimension significantly and negatively affects the social loafing.

The first hypothesis in this framework has been set up as follows:

H1: The meaningfulness of the psychological empowerment dimensions negatively affects social loafing.

One of the important issues that cause employees to be alienated from their work is the belief that they do not have the capacity and the ability to do their works. In such cases, the individual will expect the works they are responsible for to be carried out by others, and thus they will be more inclined to loafing (Spreitzer, 1995). In case of that the individual believes in his or her own skill, the individual is expected to use his or her initiative, make more efforts, and when encounters obstacles strive to remove them (Menon, 2001:160). In this aspect, the competence dimension is thought to diminish social loafing (Simms & Nichols, 2015). Another hypothesis in this aspect is as follows:

H2: Competence of the psychological empowerment dimensions negatively affects social loafing

When conditions in the working environment constitute an obstacle to exhibiting individual achievements, individuals tend to avoid effort (Jones, 1984:684-695). When self-determination is provided in the process of doing the work, individuals believe that their efforts can be distinguished from those of other group members, and they think that being recognized will be worthwhile to increase their efforts (Liden et al., 2004:285-304). Based on this information, the third hypothesis has been established as follows:

H3: Self-determination of the psychological empowerment dimensions negatively affects social loafing.

Employees will not reduce their current efforts in the group and perhaps try to exert greater effort as long as they believe that they have made a positive impact on the business with the decisions they have made and the work they have performed (Simms & Nichols, 2015). Conversely, limited participation in decision, meetings and programs having a direct impact on business results will cause employees to feel themselves powerless (Conger & Kanungo, 1988). The individuals who believe that their individual contributions to the group (If will not make a meaningful difference with their belief that there are many individuals working for the group will display more loafing tendency (Petty et al., 1980). The hypothesis developed in the light of this information is as follows:

H4: Effect of the psychological empowerment dimensions negatively affects social loafing.

When the relevant literature is examined, since different examples are encountered in using one-dimensional and multidimensional structures in practice, the implementation of both of them have been adopted for this study. Therefore, the psychological empowerment variable has been considered as a whole consisting of four sub-dimensions and its effect on the social loafing has been made the subject of examination. In addition to previously developed sub-dimensional hypotheses, the following hypothesis has been developed:

H5: Psychological empowerment negatively affects social loafing.

3. Methodology

This research was conducted via survey, using a descriptive method to ascertain the relations between psychological empowerment and social loafing. The survey comprised two sections. Section one included items regarding psychological empowerment and social loafing. Section two included items about personal characteristics.

Data were collected by means of questionnaires from 372 public officers in 5 branches of a public institution in Bandırma. The demographic break down of the sample of employees was 46 percent female and 54 percent male. When the working periods of the participants are examined, 12 percent of the employees work less than 1 year, 17.7 percent of the employees work between 2 to 5 years, 26.1 percent of the employees work between 6 to 10 years, 29 percent of the employees work between 11 to 20 years and 13.2 percent of the employees work more than 21 years. When the age status of the participants is examined, 3.8 percent of the employees age less than 20 years old, 15.9 percent of the employees age between 21 to 30 years old, 48.9 percent of the employees age between 31 to 40 years old, 23.9 percent of the employees age between 41 to 50 years old and 7.5 percent of the employees age over 51 years old.

Measures

Psychological empowerment data was collected “psychological empowerment scale,” developed by Spreitzer (1995). The instrument consists of 12 items (3 items for each of the four dimensions), each having a 5-point Likert scale ranging from “Strongly disagree” to “Strongly agree”. The Cronbach alphas are: Meaning=0.94, competence=0.86, self-determination = 0.87 and impact = 0.92. To assess social loafing. We utilized the “social loafing scale” developed and validated by Liden et al. (2004) and George (1992). This scale was translated to Turkish by Ulke (2006) and three items were added by Buz (2011). The Cronbach’s alpha reliability for this study was found as 0.57.

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Statistical information analysis was carried out by using SPSS (Statistical Package for Social Sciences) version 16.0. As a preliminary step, frequency analyses and descriptive statistics are reported. In the following step, multiple regressions were completed to examine significant relationships. In the analysis, the pertinent data are presented and discussed.

Results

Descriptive statistics (e.g. means and Standard deviations), alpha coefficients, correlations and multiple regression analysis were used to analyze the data. Cronbach's alpha coefficients (α) were used to assess the internal consistency of the measuring instruments (Clark& Watson,1995). Pearson product–moment correlation coefficients were used to specify the relationships between variables. The level of statistical significance was set at $p < 0.01$ and $p < 0.05$.

TABLE1
Descriptive statistics, alpha coefficients and Pearson correlations of the measuring instruments

	Mean	ss	α	1	2	3	4	5
1. Psychological Empowerment	3.76	.745	.90	-	-	-	-	
2. Social Loafing	1.73	.710	.57	-.58**	-	-	-	
3. Meaning	4.11	.932	.94	.75**	-.49**	-	-	
4. Competence	4.22	.735	.86	.70**	-.47**	.56**	-	-
5. Self-Determination	3.49	1.029	.87	.86**	-.50**	.47**	.44**	-
6. Impact	3.21	1.130	.92	.79**	-.38**	.323**	.32**	.67**

** Correlation is significant at the 0.01 level

According to results of correlation analysis in this sample, as shown in Table 1, correlation level is found -.58. This results show that there is a medium level negative relationship between psychological empowerment and social loafing. Thus, the H5 hypothesis is verified in this research. It is also found that the meaning, competence, self-determination and impact dimensions are effect social loafing. The H1, H2, H3 and H4 hypotheses are verified as a result of the analysis. These findings support this research in literature (Kesen, 2015 and Webb, 1997).

TABLE 2
Results of Multiple Regression Analysis between dimensions of psychological empowerment and social loafing

R ² = .356 Adj. R ² = .025		df = 371 F = 50.78		p = .000	
Independent Variables	B	t		p	
Meaning	-.230	-4.33		.000	
Competence	-.206	-3.95		.000	
Self-Determination	-.237	-3.82		.000	
Impact	-.084	-1.48		.140	

*p < 0.05

Depended variable: Social loafing

As shown in table 2, when the meaning dimension is increased by 1 unit, the social loafing decreases -.230 units. Competence, self-determination and impact dimensions decrease social loafing as -.206, -.237 and -.084 units respectively. According to these results, meaning, competence and self-determination dimensions have significant effect on social loafing. On the other side, impact dimension has no significant effect on social loafing.

6. Conclusion

The conclusion can be reached that working with others gives the stamina for increasing their potential to the highest level and working very hard with the individuals. However, some research results have surprisingly revealed that individuals often make less effort during a joint performance in comparison with individual performances (Karua&Williams, 1997:156-168). The explanation of these productivity losses as “social loafing” has been accepted in a wide range of environments (George, 1992:191-202). From this perspective, this study has examined the effects of the psychological empowerment as a whole on the social loafing behaviors of the employees with meaning, competence, self-determination and effect which are the four dimensions of psychological empowerment.

According to the findings of our study, the decreases of social loafing that result in organizations which psychological empowerment is carried out is observed. Social loafing is an important problem which disrupts activities of personnel and organization. Social loafing decreases the productivity of employees in an organization and effects negatively service quality of company products.

At this point, managers have the important task to make the work meaningful for the employees. The goals and objectives of the business should not conflict with the values and ideals of the employees; conversely, the required concordance has to be managed between them. It must be mentioned that the work is worth doing and that when the work is accomplished, what the individual himself, the company and the community will gain must be expressed. On the contrary, it must be explained without offending and threatening the employee what it will cost when the work is ignored and cannot be done successfully. Motivation of individuals can be increased through various awards that will stimulate individuals, thus works can be made more meaningful. That managers have employees participate in the decisions may excite the employees. The decisions taken by mutually or as individuals, may work more meaningful. The employees who want to see the positive results of decisions that they have taken can impose more meaning to the works and fulfill their duties without reducing their efforts. By this and similar ways, as the result of psychological empowerment activities performed by making the works more meaningful, the employees can be expected to exhibit reduced social loafing behavior. This research finding also shows that there is a possibility of increasing financial and non-financial outputs of companies.

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5

A POST-MODERN ANALYSIS OF THE NATION: NATIVES, NON-NATIVES AND INVASIVES¹

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Abstract

It has been quite a while since the nationalist phenomenon has given way to nativism in Western politics. The increase of identity populism in the Western world has once again shifted the focus towards the old nativism—insider vs. outsider—debate, thus becoming a mainstream political positioning. Postmodernism is problematizing whether the nation fosters solidarity and, as a result, if the nation is a value-based community. In the political and the academic realm, the nativist politics are causing alienation rather than integration, which this present study aims to evaluate through a conceptual discussion. The thesis put forth is that the nation is undergoing a deconstruction, whereby native, non-native and invasive groupings are becoming more visible, alongside the politicization of immigration in the case of Western liberal nation-states.

Keywords: *Nationalism, Nativism, Nation-State, Identity, Immigration.*

1. Introduction

An ideology—namely nationalism—kept dormant for quite a while, was awakened in the mid-1990s, with the dissolution of the Soviet Union and the breakup of Yugoslavia. Yet, it is becoming increasingly prominent in the form of independence of Kosovo, division of Sudan, the annexation of Crimea to the Russian Federation, and the referendum in Scotland on whether to leave the United Kingdom, as well as that held in the United Kingdom on whether to remain in the EU. All the abovementioned developments are justified by nationalism with the ultimate goal of self-determination and identity construction. At this point, it is important to examine whether nationalism is directed inwards or outwards, as this study focuses on the internal effects of nationalism with special reference to the Western world. The immigration problem has prompted the re-questioning of the nation, as well as how to achieve “coexistence” within the society in the Western world. This questioning has re-introduced the old concept of “nativism,” as the ongoing social disintegration in the Western world is shaped by internal rather than external constraints. The backlash within the Western liberal nation-states is causing a deep fragmentation with an escalation of identity populism. This has resulted in the emergence of new dimensions and divisions through a politicization of issues promoted by rightist politics. Indeed, inter-ethnic relations, immigration, gender equality, rights of minorities, civil liberties, etc., have come to the fore. While these divisions brought the general idea of the wellbeing of the nation into question, they have opened up a debate on whether the rightist politics make good reasoning in the name of the “nation,” “national honor,” and “national interest.” Perhaps they serve to deconstruct the very “nation” via the “us vs. them” discourse, bringing the debate towards the nativist rather than nationalist discourse, which is responsible for the dismantling of the Western societies. With the growing

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body of literature on the rise of rightwing politics in the Western world, the aim of this study is to examine how postmodern assumptions align with the nation-state and its main purpose of defending the nation. In the contemporary society, group identity—whether based on religious, ethnic, or racial origin, sexual preference, etc.—is becoming increasingly important (Friedmann, 1999). In the light of this argument, it is the goal of this study to debate the decomposition of the “nation” via native, non-native, and invasive concepts, alongside a postmodern theoretical discussion of de-territorialization, de-limitation, and de-hierarchization thesis. The immigrant problem rests at the center of this debate, opening up not only the native vs. non-native categorization, but allowing for a clear distinction between “good” and “bad” immigrants (to whom I refer to as “invasives”), while permitting the questioning of how to settle the accommodation in today’s nation.

Most modern nation-states are home to not only natives, but also permanent residents, political refugees, denizens, illegal migrants, cross-border minorities, etc., who do not always share the goals and norms of the rest of the national community. The issue of immigration, by becoming very salient in politics, opens up the accommodation of diversity, leading to what scholars refer to as “welfare chauvinism” (Anderson & Bjorklund, 1990, p. 195-197), “nativist nationalism” (Mudde, 2007, p. 186-187), or “xenophobic nativism” (Landau, 2008, p. 4). Besides these labels, it is worth noting the need for a new typology to locate the dismantling of the national community into new groupings beyond those implied by the old native vs. non-native debate. The postmodern rejection of modern binary classifications, such as the one mentioned above, prompts the question of who should be named native and who should not in today’s multicultural societies. Currently, the alarming level of migration to Europe is prompting a reexamination of these classifications. Jameson (1983) recognized this as an “existential anomie” in which “individualism and social atomization puts through the individuals to organize and collectivize as groups, and new structures of social movements proliferate often with oppositional agendas” (p. 178). This focuses the debate on the definition of concepts such as “homeland,” “birthplace,” “citizenship,” and “naturalization,” which are encapsulated by nativism leaving very little space for the “other.”

2. Analyzing The Concept Nativism from A Postmodern Perspective

Postmodern theories started to attract widespread attention in the early 1960s when scholars started focusing and theorizing this phenomenon, which they denoted as “critiques of the modern” (Best & Kellner, 1997, p. 5). Baudrillard, Foucault, Lyotard, and Derrida are recognized as the fathers of the postmodern school of thought. However, it is important to mention that framing these scholars in such a monotypic manner is misleading. Instead, I suggest referring to them as likeminded political thinkers, concerned with similar issues, but with different approaches to the postmodern phenomenon. Work of these and other scholars allowed postmodernism to be theorized through a variety of critical assessments of political deficits, such as post-national identity construction, environmental degradation, and even gender issues or feminism studies. The term *postmodernism* is not only too broad, but is also applied in a wide range of fields, from politics to philosophy, from environmental theory to education and even economy, which explains why it still lacks a clear definition (Best & Kellner, 1997, p. 19). Baudrillard (1975, 1983b), Foucault (1980, 1988a), Lyotard (1988c), and Jameson (1983) are widely recognized as the leading figures in the postmodern debate. This present work will focus on the postmodern theories questioning the nation-state in particular, rather than the general approaches adopted by the abovementioned scholars. Besides being ill-defined³,

3 According to a vast number of orthodox theories of nationalism, nationalism is a result of a process of change (capitalism, industrialism, secularism, etc.). Moreover, most modern theories recognize the importance of the political and/or economic elites in shaping this process of change. Whether this is denoted as *social engineering* (Hobsbawm, 1992), *instrumentalism* (Brass, 1979),

most scholars concur that nationalism is a modern phenomenon. However, the issue is whether this phenomenon can survive under the pressures and processes arising from both outside and within the state. It is the goal of this study to look inside the nation in order to understand the ongoing issues of isolation, separatism, and difference, which are analyzed through the lens of nativism. In direct opposition to modern views, postmodernists “valorize incommensurability, difference, and fragmentation as the antidotes to repressive modern modes of theory and rationality” (Foucault, 1980, p. 81). The focus on nativism in this study, stems from a particularized re-boundary formation within the nation. Although the two concepts are very similar, nativism differs from nationalism due to its emphasis on internal rather than external dynamics. Moreover, these internal dynamics are not solely limited by religion, culture, and ethnicity, which are central to nationalism. Nativism questions social cohesion from different initial position, rooted in social security, income support, healthcare, education, housing, etc. According to Higham (1999), “nativism always divided insiders, who belonged to the nation, from outsiders, who were in it but not of it” (p. 384), which brings the issue of native vs. non-native categorization into focus. There is a growing trend of social and political clustering based on isolation, separation, and difference towards a particular group of immigrants. This prompts the need for the analysis of “bad” immigrants, referred to as “invasives” in this study. The roots of this pejorative labelling towards the newcomers lie in the trust and confidence. The mistrust of particular people in particular situations results in isolation of certain groups. As Habermas (1999) noted, certain values and norms are deemed unique to Europeans, due to which they are reluctant to share them with “others,” even those that hold citizenship status in their respective host states. In many European nation-states, the struggle to protect the culture from what is perceived as foreign runs parallel with the quest for recognition of different cultures.

For Baudrillard (1994), owing to the rapid rate of change and transformation, we are struggling to make sense of the many events that are taking place today. In his words, “the acceleration of modernity, of technology, of events and media, of all exchanges—economic, political and sexual—has propelled us to ‘escape velocity’, with the result that we have flown free of the referential sphere of the real and of history” (p. 1). Baudrillard also focused on the term “consumer society,” arguing that the relationship between “commodity” and the “sign” is emerging as the postmodern identity. In his words:

today, capitalism crosses the entire network of natural, social, sexual and cultural forces, all languages and codes’. Contemporary capitalism, is not simply the circulation of money and commodities, but rather infests every aspect of experience. When one desires or purchases a commodity, one is not simply buying the object itself, but also the signs, images and identities that go along with it. (Baudrillard, 1975, p. 138)

On the other hand, other scholars focus mainly on the fall of ideology that Lyotard (1979) denoted as “fall of grand meta-narrative,” assuming that there is no one single truth or universal ethics (p. 37-38). He made important remarks on the difference between modern and postmodern politics, whereby the former is based on ideology and the latter mostly on individual, niche, and particularistic politics. For Lyotard, modern politics are mostly based on traditional forms of public debate and one-way communication. However, the latter recently started to focus on openness, self-analysis, and interactivity (Lyotard, 1979).

Addressing the earlier question of how postmodern theories interpret nationalism requires a special focus. Nationalism is often labeled as a modern phenomenon. However, postmodern theorists tend to criticize the modern theories

modern constructs and artifacts of men's convictions (Gellner, 1983), or *political movements seeking state power* (Breuilly, 1994) See Anthony D. Smith (1998), *Nationalism and Modernism*, London: Routledge,

due to their nature, finding them weak because of eliciting more questions than answers. According to Nimni (2010), “modern theories of nationalism are not connected by one essential common feature but by series of overlapping similarities” (p. 24). The author argued that this is why there is no clear paradigm that can be called modernist. Actually, for postmodern theorists, the problem starts with how nationalism is defined. In fact, it is still undefined as well as under-theorized, just like many other social and political phenomena. The lack of this undefined *nationalism*, according to their argument, stems from the changing determinants that feed nationalism. Contrary to the modern school of thought, they argue that, at present, nationalism is not fed by race, ethnicity, blood, history, etc., as was the case in the past. In the contemporary world, they argue, nationalism is still alive, albeit in a completely different form. This is what this study aims to explain via nativism, which is fed by socioeconomic issues, such as the market, migration flows, gender, etc., where none of these is framed within a national framework, bringing the debate towards nativism. This is destroying “traditional structuring factors such as class, ethnicity and age which are losing their importance” (Gibbens & Reimer, 1999, p. 79) while opening up the space for the “post-national agenda” (Smith, 1998, p. 201). Adopting this definition of the process, the aim of this work is to tackle the “national” phenomenon that has resulted in fragmentation—elite vs. mass, left vs. right, government vs. opposition—while integrating similar views across the borders—interstate, transnational, cross-cultural—which are becoming more intertwined than ever before. This brings the debate to the rising prominence of right-wing politicians in the West, all of whom have embraced identity populism. In sustaining this discourse, the right-wing politicians are broadening the native vs. non-native debate. In their argument, the rightist parties are trying to “protect the culture from non-native elements” (see Hokovsky & Kopal, 2013). As a result, there is a need to problematize what is understood by this “non-nativism,” recognized by many as a threat to the national culture. Žizek (1993), in explaining cultural distinctiveness, argued that “the Thing appears as only accessible to people belonging to the community, the others are unable to grasp it, yet they constantly disturb it” (p. 203). These debates definitely require a dual approach, which would allow both the state and the societal perspective to be examined. Thus, for a better understanding, the postmodern theories below are analyzed firstly by taking the state-based approach, before adopting the society-based one. For the postmodern approaches (Balibar, 1991; Bhabha, 1990; Chatterjee, 1986; Sim, 2001; Soysal, 1996), there are two assumptions put forth. The first pertains to the rapid transformation of the society, which is becoming increasingly multiethnic and multicultural, and has thus resulted in the emergence of “multi-national” or “poly-ethnic” state (McNeill, 1986, p. X). In that sense, postmodern theorists argue that there is a need for an analytical assessment of the nation. In their view, deconstruction is an inevitable process, opening up the “national” debate on who remains in and who should be kept out, which is examined in this work.

3. Thesis On The De-Territorialization, De-Limitation And De-Hierarchization Of The Nation-State

The deconstruction of the nation is analyzed under three theses, which help understand why and how the nation can no longer be viewed as a monolithic construct. The main argument underpinning the postmodern theories is based on the transformation of the nation-state. The studies on the transformation of the role/function of the state conducted by Pierson (2001a) and Scharpf and Schmidt (2000) have prompted the debate on the growing internationalization and deregulation of economies, which have decreased the role of the states, limiting the instruments at their disposal to control their political economies (Jaeger & Kvist, 2003). This has resulted in human mobility on an unprecedented scale. As the postmodern theories emphasize, in order to locate today’s nativist discourse,

there is need to deeply question the “de-territorialization,”⁴ among boundaries, the “de-limitation”⁵ of the state (power), and the “de-hierarchization”⁶ within the multi-ethnic society (Goetz & Hix, 2001, p. 22). As a result, the opening up of the national level has resulted in the emergence of new movements. Whether these are called populist, nativist, ethno-nationalist—or multi-culturalist, pluralist, transnationalist, etc., as their opposites—they prompt the question on the substance of the nation itself.

The theory of de-territorialization is based on the argument of fluid boundaries resulting from the increasing level of transnational networks. Considering the West at this point helps elucidate the issue in practice. The rising tide of mass migration, national minorities, dual citizens, and denizens has prompted the debate on the home and host country relations. This brings the questioning of the nation-state alongside the de-territorialization thesis.

Thus, the thesis of postmodernism proclaims a vision of the future world. In this world, no longer is the national territory *the* place from which identities, attachments and patterns of life spring . . . In place of the bordered, national state, a multiplicity of *terrae* is emerging. And those, who see their identities in terms of gender or sexual orientation, are... bound by no earthly *terra*, restricted by no mere sense of place. Thus, a new sensibility—a new psychology—emerges in global times. (Billig, 1995, p. 134)

As indicated by the quote given above, belonging is becoming fragile. It either lacks direct reference to a territory, or stresses multiplicity, especially “since there is little in daily or social life to hold it securely or at least to present its tangible model” (Best, 2004, p. 130). That is why territory and togetherness is presently in question. According to Best and Kellner (1997), with the rising tide of migration,

new forms of postmodern economy and society are produced by transnational corporations replacing the nation-state as arbitrators of the economy in an emergent stage of transnational capitalism that erases previous boundaries of space and time and that produces an ever expanding global marketplace and division of labor. (p. 13)

The main problem stems from the state, which has changed (and is still changing) and has transformed, along with its components. That is why studies on nationalism falls short of identifying this phenomenon within today’s “postmodern state” definition. Another argument put forward is that nationalism has lost its power in politics and has actually retreated into its cultural shell, increasing the gap between the “nation” and the “state.” For modernists, the key elements for understanding the world (whereby the nation-state remains the only unit of analysis) are identity, unity, authority, and certainty—all of which are the characteristics of the modern nation-state. However, postmodern theorists,⁷ in attacking the “nation” and the “state,” argue that these parameters are replaced by difference, plurality, skepticism, and textuality (Best & Kellner, 1991, p. 169). Consequently, today’s nation-state

4 De-territorialization is linked to the notion of “in-betweenness.” Bhabha’s notion of in-betweenness refers to “a creative ‘third’ space between traditional readings of the nation and readings of resistance, ‘in-betweenness’ refers to the general instability of nations and the potential restructuring of national identity.” See Bhabha, H. K. (1994), *The Location of Culture*, London: Routledge. For Bell, “deterritorialization, and more specifically, ‘ethics of deterritorialization’ provides a purposeful means of interconnecting the breakdown of territory with new possibilities of belonging, where there is at work a break from the traditionally accepted community.” See Bell, E. (2004), *Questioning Scotland Literature, Nationalism, Postmodernism*, NY: Palgrave MacMillan, p. 131.

5 De-limitation here signifies “the debate upon whether the nation-state is the sole unit of legitimacy within an entity like the EU. For post-nationalists the links between certain units (ex. pressure groups, private foundations, business networks, etc) have surpassed the limit of the states.” See Bell, E. (2004), *Questioning Scotland Literature, Nationalism, Postmodernism*, NY: Palgrave MacMillan, pp. 131-132.

6 De-hierarchization thesis will be discussed below alongside the concept of heterarchy.

7 Besides postmodernism, critical, global, trans-national, and world system theories similarly attack the assumptions of the modernization theory.

is under reconstruction, which certainly requires a particularistic perspective. It is becoming increasingly difficult to view the “nation” in a monolithic sense. In the Western world, in particular, a contestation among the native, the non-native, and the invasive is occurring, even though they all in theory comprise the nation. It is the problem, these parties put forth in re-distribution (economy) and recognition (cultural and political) which makes one question the substance of both the nation and for sure nationalism. The modern nation-state includes a diversity of people with different ethnic, cultural, and religious backgrounds. However, the rising tide of mass migration has brought the old native vs. non-native debate into question, as the invasive now need to be included as well.

Yet, the dynamics causing such shifts are important to examine. For many, there is a shift of power from politics to the market, as neoliberal economic policies are increasing the power of multi-national corporations, while reducing the capacity of traditional state structures in the Western world. These changes have opened up the debate on what is known as “complex internationalism,” which provides both threats and opportunities to ordinary people, positioning themselves around non-state institutions (Porta & Tarrow, 2005, p. 2). These shifts in power sharing have opened up the debate on de-limitation of the state. Limiting the autonomous capacity of the national governments for controlling their regions independently is inevitably giving greater power to the regional and local entities.

The regional dimension is thus intended to reflect better the cultural and national divisions within Europe and, therefore, to tackle more adequately the problems left unsolved by the ‘obsolete’ national structure. In this context, the nation-state would play only a secondary linking role between those two centers. (Borras-Alomar et al., 1994, p. 28)

However, the limitation of state is not solely imposed from below, as it is also being exerted from above. International organizations, international agreements, and transnational networks are limiting the state power and functions. For that reason, it is inevitable that the relations between the state and meta-state institutions come across certain issues. There is an ongoing debate on the *state* (classical) vs. *postmodern state*. For some, there is no difference between the two, and thus no need to denote the state as postmodern. On the other hand, some scholars see clear distinctions. According to Cooper (2000), “the post-modern state is – more pluralist, more complex, less centralized than the bureaucratic modern state but not at all chaotic, unlike the pre-modern” (p. 31). For Van Ham (2001), the postmodern states “emphasize welfare rather than warfare” (p. 15). Indeed, Europe is a good example of an attempt to impose moral consciousness on the masses through pacifist discourse. However, the social and political practices are showing the opposite.

According to postmodern theories, the counterculture is creating an entirely new society and culture. Politics is not centered on political parties or solely on certain facts, as it is also influenced by social and political struggle.⁸ The much more fragmented, de-centralized institutional patterns emerging from this diversity would have to allow for the developments, such as democratic and communal self-government. They would also prompt a public debate on the matters communities have in common, and provide protection of legitimate powers to uphold autonomy. Finally, political coordination of the communities is necessary, as it ensures that they remain a part of one larger community. Many of these communities have “transnational” political, economic, and cultural links with their “home country” and “retain a sense of loyalty to, and possibly derive even their identity from, their ‘place of

8 At this point, Foucault introduced the term “infra-power,” which he defined as a “web of microscopic, capillary political power.” He did not link power with the state central apparatus where different political groups compete to capture, but attributed this to every level of state institutions from the lowest to the highest. M. Foucault, *Power: Essential Works of Foucault 1954-1984* (ed. James D. Faubion) Vol. 3, London: Penguin, 1994, pp. 86-87.

origin', the state will find it difficult to facilitate or, even more ambitiously, guide their interactions within the state territory" (Axtmann, 2004, p. 265).

For Rosecrance (1996), the difference stems from the emergence of what he calls the "virtual state," which he defined as "a state that has deliberately limited its territorially-based production capability and has almost 'emancipated' itself from the land" (as cited in Van Ham, 2001, p. 97). He put forth the argument that transnational firms hold the power when it comes to establishing their facility in a suitable location within a particular state for the sake of their profit margin, which results in establishing an economic space for the state to sustain economic growth (as cited in Ham, 2001, p. 97). This kind of flexible environment is viewed as postmodern and is related to "shifting frameworks of power and resistance" and thus to "new politics," "new values," and the reshaping of politics around the issues of identity, difference, and lifestyles (Gibbins & Reimer, 1999, p. 14). For Beck (2008), "it envisions a borderless world, not for labor but for capital. This is becoming a self-fulfilling prophecy through the structural reform policies initiated by the International Monetary Fund and World Bank" (p. 798). For Nimni (2010), "governmental processes are no longer seen as discrete, centralized, and homogeneous (as in the old nation-state model) but as asymmetrical, multilayered, multicultural, and devolved into multiple jurisdictions" (p. 21). And even if the states are reluctant to introduce multiculturalism, they confront a backlash resulting in the dismantling of the society. It is consequently no longer useful to impose a unique identification, which is believed to contain all the people within a society.

For instance, this opens up a past-present dichotomy, as according to Foucault "politics should be taken into account with the transformative possibilities within the present" (as cited in Malpas, 2003, p. 16). That is why postmodern theorists reject the argument of the modernists about "the past dictating the present." In the past, nationalism did serve well in eliminating the alienating aspects of industrialization, as discussed above. However, today, in contemporary Western societies, it is nativism itself that is causing the alienation among the native, non-native, and invasive social strata, leading to a social categorization.

Although the modern project established the nation-state under a unique (or dominant) ethnic or cultural group that is challenged when the state does not have the capacity to ignore, the diversity which it hosts. Whether cultural, ethnic, religious, or linguistic identities, they are all intertwined with the human rights dimension, extending the issue beyond the national frame and opening up the issue of de-hierarchization. That is why postmodern theorists reject modern assumptions of "social coherence and notions of causality in favor of multiplicity, plurality, fragmentation, and indeterminacy" (Best & Kellner, 1991, p. 4). At this point, it is worth mentioning the modern hierarchy, such as "coloniser-colonised, settler-indigenous, racialized-unmarked, normalized-deviant" (Kymlicka, 2014, p.4). These binary relationships of hierarchy stress the superiority of one side while pejoratively overthrowing the others. However, in the contemporary world, we are witnessing a struggle against these classifications. Beyond these binary classifications, there is a changing perception of who belongs to the national community and who does not. The immigrants, minorities, asylum seekers, dual citizens, etc., are all starting to question whether they are seen as equal members of the today's nation. At this point, the concept of heterarchy comes into debate. Today's multi-national and multicultural societies are becoming more heterarchic, as different cultural, religious, and linguistic groups cannot be ranked within a hierarchical positioning. Even though a mainstream culture may exist, and may dominate the national sphere, it is important to focus on how groups with different backgrounds exert their differences and reposition themselves in relation to that dominant culture. Surely, the international developments are allowing these groups to claim rights and become more visible in their host society by accommodating their identities.

Postmodern theorists argue that a post-traditional society is emerging. According to this view, traditions that generate culture do not have the goal (as was the case in the past) in shaping the general direction of the community for achieving political ends (as is argued by the modern theories). Habermas (2001) posited that the weakening state functions and/or form contribute to the disintegration of culture and politics, which are emerging as distinct spheres.

In the light of the de-territorialization, de-limitation, and de-hierarchization theses, the deconstruction of the nation can be analyzed by making the distinction among the native, non-native and invasive groups. Whether referred to as “differentialist nativist discourse” (Swank & Betz, 2003, p. 220), “insiderization-outsiderization” (Chauvel, 2010, p. 211), or “politics of selective inclusion” (Betz, 2007, p. 34), it highlights the presence of the division within the nation which is increasing in depth. The abovementioned division is explained below on an axis of natives, non-natives, and invasives debate.

* *Natives*. The Western democracies are facing nativist politics. The protection of the culture from what is perceived as foreign remains at the center of this policy. The increasing prominence of anti-immigrant politics across the Western world has drawn attention to the “native” concept once again. What does *native* signify? Who is native? Who belongs to the political/social group? These are important questions yet to be answered. In the light of the working definitions of nativism outlined in the previous section, the *native* concept includes innate citizens, native speakers of mother-tongue, in favor of the cultural features that make up the social unit, while rejecting or at least being skeptical about others. However, this rejection results in shaking the foundations of the national community in lacking the referential points of the “national” community, limiting the ones to subscribe to it. The markers (respect, language, obedience, religion) of the nation are losing ground across the national community. As a result, the natives are finding it difficult to address their beloved nation, while harboring so many differences at the same time. This prompts the question of whether loyalty to personal beliefs, cultural norms, and economic status, or even particular lifestyle, is transcending the loyalty to the nation. The result is widening the gap between the natives and the others, as becoming more multicultural leads to fewer shared values and customs across the nation. The outcome is overprotection by the natives, leading to more nativist mobilization, as well as resentment leading to

* *Non-natives*. This term refers to the indigenous populations, minorities, as well as immigrants by choice. The common thread is that they have all been deliberately introduced to the host state. Through the process of naturalization, members of the aforementioned groups have been accommodated and, at certain points, tolerated by the natives. They have acquired (dual) citizenship as well as integrated with the rest of the society via mutual benefits. Although at certain times confronting the label “foreign,” they have identified with the host state via a commonness, especially on religious, ethnic, or cultural grounds. They are welcomed into the host society and a certain level of benefit is expected from them. They are eager to integrate into the host society and accept naturalization voluntarily. They respect the culture of their host society and show will to integrate. For example, one of the parties embracing exclusionist politics is the Danish Peoples Party. According to Krarup (2002), “It is clear that when we have to give citizenship, it plays an important role whether the person is for example a Christian Asian. I think that a Christian Asian has greater chances of being integrated than a Muslim Asian, naturally” (as cited in Hokovsky & Kopal, 2013, p. 109). This politics of selective exclusion clearly demonstrates a repositioning of immigrants, which brings the issue to the unwanted invasives.

* *Invasives*. The increasing rate of immigration is forcing the Western states to harbor extensive numbers of refugees from the Middle East, Africa, and even Asia. These immigrants are accidentally introduced to the host state as a result of life-threatening circumstances, such as political pressure, ethnic conflict, or even war. Due to the trauma

faced, these groups lack confidence in their ability to assimilate in the host society. Because of being accidentally introduced, they are perceived as alien, marginal, unfit, or non-adaptable. They encounter a serious prejudice from the other members of the host society. For instance, the immigrants arriving to Europe are perceived differently not just because of their nationality, but their religion as well. For example, immigrants from an Asian country but with Christian roots are more welcome than those of other religious backgrounds due to this perceived commonness. Hence, if one is from a Muslim country, regardless of whether he/she is Iraqi, Syrian, Sudanese, etc., religion becomes prominent and is often criticized. The blacks as well as the Roma are similarly perceived as non-adaptable. They are treated as invasives trying to exploit Western values and norms for their own benefits. Consequently, they are labeled as anti-Western and anti-modern, and are blamed for utilizing every opportunity they are offered in pursuit of their self-interests. They are acknowledged as non-adaptable, with no sympathy for their host-state, and are deemed resistant to learning the native language. Worst of all, they are blamed for threatening the national community with the potential to harm. As a result, in the realm of politics, every issue is turned into a message towards these groups who are believed to harm the national community. For instance, in addressing the immigrants, leader of the Party for Freedom Geert Wilders argued, “all our European countries are faced with the question of their existence,” noting that “people have become strangers in their own land – almost everywhere in Europe” (Wilders, 2017, para.6). Although not the scope of this work, it is worth mentioning that the nativism concept requires to be analyzed within a European context as well. Whether it is the “southernization of the Italian State” (Zaslave, 2009, p.312), “Islamization of the Dutch country” (Wilders, 2015, para. 1) or the “easternization of the West” (Campbell, 2016, p.15) the debate jumps into a European dimension.

The rightist parties make a great use of this blame-shifting discourse across Europe and this has prompted scholars to question the structure of community. For instance, Delanty (2000) argued that “post-modernized communities of the global era are highly fragmented, contested, and far from holistic collectivities; they are characterized more by aesthetic codes than by a moral voice” (p. 1122). Owing to the increasing level of transnational bonds, fluidity of boundaries is an important issue. According to Spencer and Wollman (2002), “the nation seeks to define itself in relation to what is outside or beyond its boundaries” (p. 50). However, the differences are currently confronted from inside rather than outside, as mentioned above. How may the nation keep on defining itself with a set of barriers or boundaries in a postmodern era? The authors further noted, “The boundary is Janus-faced and the problem of outside/inside must always itself be a process of hybridity, incorporating new people in relation to the body politics” (p. 50). What is then the difference between the modern and the postmodern thesis on the nation? First, postmodernists put forth objectivist explanations of ethnicity, nations, and nationalism. Second, they object to the argument of nationalism due to being “mediation between means-ends relationship,” finally arguing that “identities are socially constructed instead of pre-given, which is about discourse and social practice” (Walker, 2001, pp. 619-620). Both discourse and social practice show divergence due to micro-politics, de-massified culture, particularistic practices of identity, etc. This multi-dimensional structure has become important in the context of institutional power struggles, where the problem stems from the functions (law-making, trade, economy, defense) of the states being deprived by supranational and international structures, where they are not paired with sufficient democratic credentials.

Recent debates on the nation-state confront the argument of the challenge to the modern nation-state, which for Smith (1995) is “the external crises of autonomy and the internal crises of legitimacy” (p. 90). What is alluded by “crises of autonomy” or “crises of legitimacy”? The crises of autonomy refers to the role played by the non-national actors in the decision-making and framing what Habermas (2001) counts as the pressure of de-nationalization,

which for him is the society covered as nation-state is opening itself to an economically driven world society. Different postmodern scholars refer to this segmentation as “hybrid,” “fragment,” “disjuncture,” and “migrancy,” as outlined in this study.

On the other hand, Van Ham (2001) highlighted the importance of the economy and the fact that it is slipping towards a more transnational or even a global sphere, putting the power of the state under attack.

The erosion of state control over the ‘national’ economy and civil society places limits on the range of policy options which governments can pursue in managing the state ‘top-down’. In particular, the twin processes of economic globalization and European integration are accelerating the development of mature postmodern states in Western Europe; other parts of Europe and the world are still in different stages of societal formation. (p. 16)

In Tamir’s (1993) words, “a true character of a nation is constantly being reinvented; old symbols can and do attain new meanings. Even nativists can be critical of their own particular culture; they can aspire to change it, develop it, or redefine it” (p. 89). In such an international environment, the nation-state is certainly undergoing a transformation. However, the question behind this argument is whether this transformation has the role in reinforcing the nation-state. Is it, as Dalton (1996) claimed, the economic conditions that redefine the concerns of societies, which lead to certain levels of transformation? Or is it about the changing international environment forcing the states or nation-states to keep up with the ongoing transformations caused by technology, science, etc., which do at the end hit the grassroots?

Postmodern thesis acknowledges the growing autonomy of the individual and an ongoing functional differentiation of the society. In this manner, the right-wing radicalism (extremism) can be defined as “the radical effort to counter such social change. The counter-concept to social differentiation is the nation as community, and the counter-concept to individualization is the return to traditional roles and status of the individual in such a community” (Minkenberg, 2007, p. 262). This, as a result, might cause different counter-movements coming from inside as well as outside of the state. Since, when addressing any issue, there is the possibility of excluding certain groups if such policies are put in practice, the minorities, dual citizens, etc., inevitably become the outside group. This is mostly seen in the case of autonomist regions, which with their policies very often contradict the politics maintained at the national level, which strengthens the argument of multi-nationalism not answering or responding to the arising problems with properly developed solutions.

Conclusion

At the outset of this study, the substance of the national community was put into question. The goal and objective of this study was not to argue that nationalism is disappearing from our world, but rather to analyze its transformation and, if any, effects on the contemporary nation-state. The analysis focused on the deconstruction and reconstruction of the nation in the realms of identities, boundaries, and power. Rather than arguing for a replacement of one political order by another, an evaluation of the changing dynamics of nationalism was presented while adopting an inward looking perspective, in this case leading to nativism. There is certainly a divergence of competing economic and political interests in the nation. As a result, the conditions of solidarity, contestation, and conflict are reformulated. However, the political attitudes developed are no longer restricted to the nation as a whole and/or to the co-nationals, but rather affect a wider space shared by co-inhabitants or in literal sense the non-native or invasive groups. There is a rediscovering of multiple identifications and belongings and the politics

developed in the name of protection becomes at certain times redundant, leading to more fragmentation within the community. As a result, a re-categorization is required in order to locate correctly the nativism debate in the contemporary society.

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6

THE ORIGINS OF INSTITUTIONAL TRUST IN SERBIA -PERFORMANCE-BASED APPROACH¹

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Abstract

In this paper we test the relevance of performance-based approach in explaining institutional trust in Serbia. The main goal is to determine to what extent citizen's trust in institutions depends on their perceptions of institutional performance. Measures of institutional trust and assessment of institutional performances are obtained on the basis of data from the EBRD Life in Transition Survey. Our empirical analysis confirms that people in Serbia tend to trust institutions they perceive to be working effectively. Performance variables explain approximately half of the variance in institutional trust, suggesting that there are other important predictors of institutional trust in Serbia.

Key words: trust, institutions, performance, perceptions, Serbia

The Origins of Institutional Trust in Serbia - Performance-Based Approach

In modern societies, institutional trust is an important determinant of social and political stability (Newton & Norris, 1999). The issue of trust is especially important in post-socialist economies, characterized by the legacy of distrust in institutions and strong skepticism (Mishler & Rose, 2001; Rimac & Štulhofer, 2004; Trzun, 2012).

Two most commonly discussed forms of trust are interpersonal and institutional trust (Zmerli & Newton, 2008). Our analysis is focused on institutional trust, which connects citizens with institutions that are supposed to represent their interests (Bianco, 1994), increasing the legitimacy and effectiveness of democratic governance (Braithwaite & Levi, 1998). In the conditions of low levels of institutional trust, it is more difficult to resolve conflicts in society, governance is less effective and democratic governments have problems in getting public support. Higher levels of institutional trust are associated with greater likelihood of civic cooperation (Tyler, 2011), compliance with governmental policies and regulations (Hetherington, 2005; Weatherford, 1992). Lack of trust in the state and belief that institutions do not function properly undermine compliance with the law. Since institutional trust is related to the concept of legitimacy (Beetham, 1991), it raises concerns about the legitimacy of political systems and institutions. This problem is even more pronounced in case of the new democracies in post-socialist countries where low levels of trust toward the institutions and the political system are usually associated with the problems of legitimacy and governance effectiveness (Kornai & Rose-Ackerman, 2004; Rose-Ackerman, 2001; Sztompka, 1999). New democracies in Central and Eastern Europe have undergone through complex economic (creating market economy), political (building the institutions of constitutional democracy) and social (developing common

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values and norms of cooperation) changes. Offe (1994, p. 15) emphasizes that social changes are the most difficult and require a long period of time. Institutional vacuum and economic difficulties during transition represent a threat that could potentially undermine the legitimacy of the infant democratic institutions.

There are two main theoretical traditions that offer explanation of the origins of trust and point to a rather different perspective concerning the level of trust necessary for the survival of democratic institutions and their effective functioning in post-socialist societies (Mishler & Rose, 1997). Cultural explanation is focused on civil society and social capital, where patterns of interpersonal relations and sociability are crucial in explaining trust in institutions. Trust originates from long-standing and deep-seated beliefs, rooted in cultural norms that are transmitted through socialization during early life stages of individuals, meaning that it is of exogenous character. From this point of view, trust in institutions is an extension of interpersonal trust, acquired during youth and projected on political institutions, influencing institutional performance (Almond & Verba, 1963; Inglehart, 1997; Putnam, 1993). Performance-based explanations imply endogenous character of trust, where trust is the outcome of individual perceptions and expectations about institutional performance. Institutional trust is identified with the expected usefulness of the institutions and their satisfactory functionality (Coleman, 1990; Dasgupta, 1998). Trust in institutions is rational and relies on the evaluation of institutional performance by the citizens. Efficient institutions generate trust, otherwise cause skepticism and distrust. From this perspective, institutional trust is the expectation that given institution will produce desirable outcomes (Levi & Stoker, 2000; Mishler & Rose, 2001).

Despite differences in the initial assumptions and interpretations, cultural and institutional performance theories have a common assumption that trust is learned and that it is related to certain experience. What sets them apart is the time horizon where the largest part of the learning takes place, how long it lasts and which experiences are most important. Cultural approach emphasizes the importance and long-term impact of pre-political learning, socialization at the early life stages of individuals, reflecting the experience acquired in the family and the immediate community, while institutional approach highlights the importance of adult learning based on recent experiences about performance of political institutions.

Unlike the cultural approach, which emphasizes transmission of trust from generation to generation, institutional performance approach assumes that trust is the product of the same mechanisms that generate support for a democratic regime - rational response of individuals to institutional performance (Jackman & Miller, 1996; Mishler & Rose, 2001). Although economic performance is considered a primary source of political support and trust in institutions, political performance, including the protection of civil liberties, curbing corruption and securing the rule of law is gaining importance.

Institutional theories differ in the understanding of what kind of performance is most important for the development of trust, as well as how to evaluate it. In stable democracies, where the structure and the character of political institutions are stable for a long period of time, institutional theories emphasize the importance of the performance of public policies, especially economic results. Depending on whether existing institutions produce desired economic outcomes or not, citizens express trust or distrust toward them. In emerging democracies, however, the political character of an institution can be as important as its results. For example, in post-socialist societies, where individual freedom and the rule of law were suppressed for decades, citizens will be more likely to appreciate institutions that are effective in the fight against corruption and the promotion of civil liberties. In these societies, citizens' trust in institutions is the result of their performance. Unlike the macro perspective, the micro-institutional theory suggests that the evaluation of the performance not only reflects the aggregate performance of state institutions, but also

individual values and circumstances. If individuals who are unemployed, or whose financial condition worsened, believe that this is due to certain government policies they will express less trust in state institutions in relation to individuals whose economic status is improved. Also, differences in individual values may be relevant for the creation of trust because it can be expected that individuals for whom freedom is the most important issue will support emerging democratic institutions despite the economic difficulties, while those who put economic growth as a priority, will respond with less trust in similar conditions.

Although cultural theories emphasize interpersonal trust as a basis for institutional trust, they do not deny that institutional performance can also affect trust. They assume that cultural impact is deeper and more thorough, and even that evaluations of political and economic performance are culturally conditioned (Eckstein, 1961). For example, in some societies, corruption is widespread and more accepted than in others and in such conditions corruption perceptions may manifest a weaker impact on institutional trust and regime support than in societies where corruption is deeply rooted. On the other hand, institutional performance theories do not neglect the significance of the cultural heritage. Mishler and Rose (2001) claim that as long as the political institutions survive and function relatively consistent over several successive generations, political socialization and institutional performance should exhibit very similar and bonding effect on institutional trust (p. 31).

Revealing the origins of trust, ie. determining the relevance of these theories for post-socialist economies has an important implication for the consolidation of new democracies. These theories differ in expectations concerning the capacities of newly established institutions to generate sufficient trust quickly enough, necessary for the development of these countries into stable, consolidated democracies. If trust is culturally determined and rooted in social norms or basic models of socialization, not much can be done in the short-term in order to strengthen the trust in new democratic institutions. In that case, it will take decades or generations to develop trust necessary for the effective functioning of democratic institutions. Otherwise, if trust is the result of institutional performance, new democratic institutions will be able to generate trust by ensuring economic growth and elimination of corruption, which will take months or years but still much less than the time horizon needed to change values and norms, according to cultural theories. Numerous empirical studies were performed in order to test cultural and institutional approach for the newly formed democracies of post-socialist societies.

Although macro-level focus might be very useful for the understanding of building the trust, the micro-approach is preferred since variations at the level of individuals have stronger explanatory power than variations between societies. Therefore, according to Mishler and Rose (1998), convincing findings about origins of institutional trust are more likely to be obtained at the micro-level. Applying micro-level institutional performance approach, underlying the differences in personal experiences, this paper concentrates on origins of individual variations in institutional trust. Micro-level perspective assumes that individuals are able to assess the institutional performance and that institutional trust is predetermined by the differences in individual experience with different institutions.

However, in post-socialist societies institutional reforms caused institutional discontinuity. The regime whose performance is evaluated today is radically different from the regime in which individuals have been socialized throughout their lives. This is the reason why at the beginning of transition, according to Mishler and Rose (1997), individuals in post-socialist economies were not capable of distinguishing between specific institutions. Instead of making judgments about institutions on the basis of their performance, individuals evaluated institutions through a general frame, which was determined by the economic situation in the country they lived in. However, as democratization continued, people have become more aware of the differences between political institutions.

Therefore, low levels of institutional trust in post-socialist economies could be the outcome of general distrust in all institutions as they are perceived as political and corrupt and not because citizens are not able to make distinction between institutions and evaluate their performance (Marien, 2011). Similarly, Boda and Medve-Bálint (2014) confirmed that individuals in post-socialist economies are equally able to make clear distinction between institutions when forming their attitudes towards them.

The performance-based explanation of institutional trust is grounded on the assumption that people tend to trust institutions they perceive to be working efficiently. At the individual level, trust in institutions builds on a number of factors, among which peoples' perceptions of how an institution fulfills its main task is the most essential. It implies that each individual is able to assess institutional performance based on their experience with the political and economic performance of the institutions. Several empirical findings suggest that perceived quality of policy outcomes has strong effects on institutional trust (Citrin & Green, 1986; Hetherington, 1998; Newton, 1999; Kim, 2005).

In the relevant literature, distinction has been made between perceived economic and political performance of institutions. On the macro level, several empirical studies confirmed the influence of subjective perceptions of national economic performance (Rohrschneider & Schmitt-Beck, 2002; Citrin & Green, 1986; Miller & Borelli, 1991; Hetherington, 1998; Mishler & Rose, 2001) and subjective perceptions of individual's economic conditions on institutional trust (Citrin & Green, 1986; Miller & Borelli, 1991; Brehm & Rahn, 1997; Mishler & Rose, 2001). In the realm of political performance, individual evaluations of regime's capacity to provide fair protection of civil liberties, fair treatment of its citizens, transparent and effective administration determine the level of trust in institutions (Rothstein, 1998; Mishler & Rose, 1997; Johnson, 2005).

The goal of this paper is to test the relevance of performance-based approach in explaining institutional trust in Serbia. We will try to determine to what extent citizen's perceptions about institutional performance affects their trust in institutions. For that purpose, EBRD data collected through three waves of research (2006, 2010 and 2016) will be used. We expect from our empirical analysis to answer the question whether or not people in Serbia tend to trust institutions they perceive to be working effectively.

Data and Method

For the purpose of this study, we use data collected by the most recent Life in Transition Survey – LiTS (EBRD, 2016). This survey is conducted in regular 5 year intervals, in order to analyze and understand the way in which economic and political changes affect the lives of people in countries in transition and shape their views on issues such as democracy, market economy, satisfaction with their own lives and expectations related to the future. Beside data from the most recent survey conducted in 2016, data from two previous waves (EBRD, 2006; EBRD, 2010) will be used. The survey was implemented in 34 countries of Central and Eastern Europe on a sample of 51,000 households and for the purpose of comparison with developed countries of the EU, the survey also included the countries of Western Europe (Germany, Italy).

In order to investigate the role of institutional efficiency in building institutional trust in Serbia we will use empirical data on the level of citizen's trust in key public institutions and perceived economic and political performance. Measurement of phenomena such as trust is associated with serious methodological limitations, given that the only effective way of their measurement refers to the examination of the citizens' perceptions. Prior to testing the

relevance of institutional performance for institutional trust it is necessary to clarify how institutional trust will be empirically operationalized. To measure trust in institutions we rely on the following question: “To what extent do you trust the following institutions?” The available answers (complete distrust, some distrust, neither trust nor distrust, some trust and complete trust) have been assigned values from 1 to 5, with higher values indicating higher levels of trust. The list includes several institutions on the representative and executive side of the political system. Our measure of institutional trust is calculated as the mean value of trust in the following institutions: the president, government, local government, parliament, courts, political parties and the police.

In an attempt to account for the level of institutional trust, we examine perceived policy outcomes in the economic and political sphere. For the analysis of national economic performance, citizens’ perceptions of the present economic state compared to previous period and their satisfaction with the present state of the economy are used. Concerning individual economic position, we use citizens’ perceptions of present household’s living conditions and their satisfaction with the present financial situation. The assessment of political performance is realized on the basis of citizens’ perceptions of present political situation and their perceptions about regime’s capacity to secure free and fair elections, law and order, freedom of speech, peace and stability, the press that is independent from the government, strong political opposition and court system that treats all citizens equally.

After presenting and discussing the main trends in institutional trust and economic and political performance based on comparative data from all three waves of survey, we specify a multiple regression model in order to evaluate the impact of citizens’ perceptions of institutional performance on institutional trust.

Results and Discussion

Institutional trust

Trust in institutions is crucial for the successful implementation of public policies that depends on citizens’ support. Institutional trust represents confidence in the institutions of the system and reflects the strength of a state itself. In the LiTS, trust in institutions is measured using the following question: To what extent do you trust the following institutions? Table 1 shows the percentages of citizens who stated that they have some or complete confidence in key public institutions. Table 1 contains data on confidence in various institutions in Serbia from three consecutive waves of survey (2006; 2010; 2016), as a percentage of the respondents who expressed “complete trust” and “some trust” in these institutions.

Table 1
Trust in institutions (%)

	2006	2010	2016
The President	28.83	25.67	37.74
The government	18.22	11.25	33.29
Local government	/	16.66	21.95
The parliament	15.61	9.67	23.01
Courts	15.83	15.60	26.53
Political parties	11.72	6.06	12.47
Armed forces	41.45	42.39	63.46
The police	31.03	35.35	48.48
Banks and the financial system	28.53	22.91	33.89
Foreign investors	26.78	17.44	25.33
Non-governmental organizations	18.71	15.28	24.80
Trade unions	17.21	12.57	22.48
Religious institutions	48.60	41.80	48.74

Source: EBRD 2006; 2010; 2016; authors' calculations.

Data from Table 1 reveals that between 2006 and 2010 Serbia experienced a decline of trust in all institutions, except police and armed forces. This decline was not uniform and especially worrisome was decline of confidence in political institutions. If trust in different political institutions is interpreted as an indicator of citizens' public support for the state, data indicate decline of that support. Political parties stand out as an institution with the least confidence.

The most recent data from 2016 show an increase in citizens' confidence in all institutions in Serbia. Data from all three waves of survey indicate that Serbian citizens have preserved their confidence in three traditional societal institutions: the armed forces, the religious institutions and the police are institutions with the highest degree of citizens' trust. The army is the only institution where the trust level exceeds 60%. Despite increasing trust levels, a majority of Serbian citizens still do not trust major state institutions. The largest difference between proportion of citizens that report complete trust and complete distrust is in the case of political institutions. The proportion of citizens that report complete distrust in local government is several times higher than proportion of those who have complete trust in this institutions. Similar situation is in the case of parliament and courts. Low level of trust in representative institutions is worrisome since it might challenge regime legitimacy and jeopardize new democratic institutions. Citizens express the least trust in institutions that are of vital importance for the development of representative democracy (political parties, government, parliament), while hierarchical institutions - the church and the army enjoy the high level of confidence. In other words, citizens provide the least support for institutions responsible for the implementation of reforms, while institutions whose transformation was necessary for the development of democracy and reforms are most trusted.

Decentralization of power and strengthening the institutions of local government in transition countries has been indicated as a positive development from the perspective of democracy (Gibson & Hanson, 1996). Local

governments, because of the proximity to their electors, are expected to be more accountable and therefore more trustworthy. However, in the case of Serbia, larger proportion of citizens have confidence in representative institutions at the national level (president, government and parliament) than in local government. Data on governmental performance in Serbia show that local government are perceived as less efficient than national government (Table 2).

Table 2
Governmental performance in Serbia- the perceived quality of policy outcomes (%)

Level of government	2010	2016
Local government	18.04	24.80
National government	10.21	32.10

Source: EBRD 2006; 2010; 2016; authors' calculations.

We assume that the individual properties of institutions, like their (perceived) effectiveness, shape citizen's trust toward them. According to the micro-institutional theories, the institutional trust depends on the capacity of the institutions to meet society's preferences and is determined by the gap between people's expectations and perceptions of the institutional performance. Consequently, if the citizens' satisfaction with the institutional performance decreases, institutional trust should decrease, too.

From the perspective of performance-based approach, the main factor influencing institutional trust is perceived quality of policy outcomes. The literature distinguishes between perceived quality of economic and political outcomes. Institutional trust is determined by differences in individual experiences with the political and economic performance of the institutions.

Economic performance

If the regime is able to meet citizens' expectations in the economic domain, they will be satisfied with economic conditions and express higher level of trust toward institutions. Data in table 3 provide the insight into subjective perceptions of national economic performance, containing percentages of individuals who perceive present economic situation in a country better today than in the previous period, for three consecutive waves of study. Table 4 presents the percentages of citizens who are satisfied with the present state of the economy. The increase in the percentage of Serbian citizens who evaluated the performance of the economy positively in relation to previous period, as well as who are satisfied with the present state of the economy, is consistent with the increase in institutional trust and *vice versa*.

Table 3
Perceptions of the present economic state (%)

2006	2010	2016
9.01	8.49	27.52

Question: To what extent do you agree with the following statements: The economic situation in our country is better today than around 4 years ago.

Source: EBRD 2006; 2010; 2016; authors' calculations.

Table 4.
Individual satisfaction with the present economic state (%)

2006	2010	2016
9.31	4.68	18.1

Note. Question: To what extent do you agree with the following statements: On the whole, I am satisfied with the present state of the economy.
Source: EBRD 2006; 2010; 2016; authors' calculations.

Perceptions of individuals about their own economic position are given in table 5 and 6. Increase of the percentage of respondents reporting improvement in their household living conditions, as well as satisfaction with the own financial situation, is consistent with the higher levels of institutional trust and vice versa, which supports the economic output-oriented explanation of institutional trust.

Table 5
Individual perceptions of present household's living conditions (%)

2006	2010	2016
13.71	12.89	27.59

Question: To what extent do you agree with the following statements: My household lives better nowadays than around 4 years ago.
Source: EBRD 2006; 2010; 2016; authors' calculations.

Table 6
Individual satisfaction with the present financial situation (%)

2006	2010	2016
/	15.67	30.04

Note. Question: To what extent do you agree with the following statements: All things considered, I am satisfied with my financial situation as a whole.
Source: EBRD 2006; 2010; 2016; authors' calculations.

Political performance

Political performance is related to the regime's capacity to secure desired outcomes such as protection of civil liberties, fair treatment of citizens, free and fair elections etc. Citizens trust government and respective institutions only if they are satisfied with how these institutions work. Several empirical studies confirmed that positive evaluation of regime's capacity in above mentioned areas coincide with higher levels of trust in political institutions, both in developed democracies (Citrin & Green, 1986; Miller & Borelli, 1991; Newton, 1999) and in post-socialist countries (Johnson, 2005; Rose, Mishler, & Haerpfer, 1998; Miller, Kosheckina, & Grodeland, 2004).

A rough picture of the political situation in the country can be obtained on the basis of individual perceptions of present political situation compared to previous period (table 7). The proportion of respondents who consider that present political situation is better than in previous period is doubled between 2006 and 2016.

Table 7
Individual perceptions of the present political situation (%)

2006/1989	2010/2006	2016/2010
15.53	12.51	31.50

Note. Question: To what extent do you agree with the following statements: The political situation in our country is better today than around 4 years ago.
Source: EBRD 2006; 2010; 2016; authors' calculations.

For the more detailed measure of political performance of the government we will use citizen's perceptions about regime's capacity to secure free and fair elections, law and order, freedom of speech, peace and stability, and press that is independent from the government, strong political opposition, court system that treats all citizens equally (table 8).

Table 8
Indicators of political performance (%)

	2006	2010	2016
Free and fair elections	/	37.66	47.28
Law and order	/	25.41	43.23
Freedom of speech	/	56.35	52.78
Peace and stability	/	40.29	59.35
A press that is independent from the government	/	27.19	31.9
A strong political opposition	/	26.20	23.81
A courts system that treats all citizens equally, rather than favoring some over others	/	15.73	31.36

Note. Question: To what extent do you agree that the following exist in your country?
Source: EBRD 2006; 2010; 2016; authors' calculations.

Respondents were asked to evaluate to what extent they agree that above mentioned procedural goods and desired outputs exist in their country. On the basis of their answers we were able to measure two important qualities of the government: its capacity to protect freedom and assure fair treatment of citizens. Again, changes of citizens' perceptions about political performance are in line with the changes of institutional trust, with the two exceptions: proportion of respondents who agree that freedom of speech and strong political opposition exists decreased between 2010 and 2016. The expectations of fair treatment by the courts system is very low in Serbia. Although the share of those who believe that court system treats all citizens equally increased from 15.73 to 31.36, it is still at a very low level. When asked which model is closer to their country, 41.87% of respondents in Serbia answered that they live in a country with few political liberties and weak economic situation.

Performance-based model of institutional trust

Descriptive statistics confirmed that changes in the institutional trust were in accordance to the changes in citizens' satisfaction with the political and economic performance of the institutions and an increase in these levels was accompanied by an increase in the levels of institutional trust. All these findings speak in favor of performance-

based approach to institutional trust. However, in order to empirically test the relationship between institutional performance and institutional trust and determine the explanatory power of performance variables for the development of institutional trust, the OLS regression is performed. To answer the question of whether or not individual-level perceptions of institutional performance are significant predictors of institutional trust, a multiple regression model is estimated and coefficients presented in Table 9.

The adjusted R-squared and the F-statistics values indicate that the chosen explanatory variables in the model explain a fair amount of the variations in institutional trust. Standard regression diagnostics tests confirm the robustness of the model. Performing Breush-Pagan/Cook Weisberg test for heteroscedasticity, we fail to reject the null hypothesis of constant variance ($\text{prob} > \chi^2 = 0.4865$), indicating that residuals in the model are homoscedastic. Testing for multicollinearity rules out the possibility of multicollinear independent variables. According to Shapiro-Wilk test of normality, distribution of the residuals in the model is normal ($p\text{-value} > 0.05$). The performance approach to institutional trust seems to be empirically verified in the case of Serbia. The variables 'state of the economy', related to individual-level perceptions of aggregate economic performance and 'household financial situation', which refers to citizens' perception about their financial position, are significant at the level of 1%. It implies that both national and individual-level economic performance are significant predictors of institutional trust. The role of state institutions is to provide sound economic policy and citizens who evaluate the economic situation positively have higher confidence in state institutions.

Among political variables, perceptions of free and fair elections, the rule of law, freedom of speech and impartiality of courts also have strong explanatory power in the model (level of significance $p < 0.01$). Peace and stability does not appear to affect institutional trust, since the coefficient is neither statistically significant nor has the expected sign. None of the control variables (age, gender, education) are found to be significantly affecting institutional trust.

Citizens' perceptions of aggregate economic performance ('State of the economy') is the single best predictor of institutional trust in our model. When an individual's evaluation of national economic conditions improves by one point, his or her trust in political institutions goes up by 0.23 points (at the 1% level of significance). According to the results of the model, individuals who are satisfied with own financial situation are likely to display 0.07 points higher trust in institutions than those who are not satisfied. Citizens' evaluations of economic performance at the national level have been found to have stronger impact on institutional trust than assessment of their own financial situation, suggesting that people believe that state and its institutions are responsible for national economic conditions rather than for the well-being of each individual. Our findings are very similar with the results of the analysis of institutional trust in Baltic states (Kadri, 2006), as well as the analysis of institutional trust in Central and East European countries (Mishler & Rose, 2002, p. 21).

Table 9
Determinants of institutional trust: estimated coefficients of the OLS regression

VARIABLES	Model
Gender	-0.0352 (0.0380)
Age	0.00120 (0.00124)
Education	-0.0165 (0.0143)
State of the economy	0.225*** (0.0229)
Household financial situation	0.0674*** (0.0211)
Free and fair elections	0.185*** (0.0268)
Law and order	0.102*** (0.0287)
Freedom of speech	0.0749*** (0.0269)
Peace and stability	-0.00533 (0.0271)
Courts	0.0876*** (0.0236)
Constant	0.666*** (0.124)
Observations	1,319
R-squared	0.472
Adjusted R-squared	0.4676
F (10, 1308)	116.76

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

Source: EBRD 2016; authors' calculations.

In accordance with our hypothesis, perceived political performance is positively associated with the institutional trust: the better an individual perceives political institutions to work, the higher his or her trust in institutions is. The perception of free and fair elections is the second strongest predictor of institutional trust. Individuals who

perceive that free and fair elections exist in Serbia tend to express 0.19 points higher institutional trust ($p < 0.01$). Regressing institutional trust on the Law and order variable reveals that individuals who believe that there is the rule of law in a country has a trust score, on average 0.10 points higher ($p < 0.01$). Similarly, citizens who believe that courts are treating all citizens equally express 0.09 points higher trust in institutions than those who don't. Peace and stability have no effect on institutional trust.

Conclusions

In this paper we tested the relevance of performance-based approach in explaining institutional trust in Serbia. In light of the evidence presented in this paper we concluded that the individual level performance variables significantly affect institutional trust. Citizen's perceptions of economic and political performance have a strong explanatory power as determinants of institutional trust. Individuals that perceive economic and political conditions as favorable, tend to have more trust in institutions.

Citizens' perceptions of economic performance at the national level is the single best predictor of institutional trust and has a stronger impact on institutional trust than the assessment of their own financial situation. Among political variables, perceived fairness of electoral process, degree of the rule of law, impartiality of the courts system and freedom of speech appear as significant predictors of institutional trust.

Economic evaluations affect institutional trust, meaning that in order to increase institutional trust the government should put considerable efforts in providing a sound economic environment and improve performance in managing the economy. Since evaluations of national economic performance have stronger impact than assessments of individual financial position, the government needs to come up with measures that stimulate growth, ensuring that the benefits of economic growth must be available to the majority of people.

Perceived government's performance in achieving free and fair elections, the rule of law, freedom of speech and impartiality of the courts have the expected effect on institutional trust, confirming assumptions. Therefore, institutions can increase public trust by developing their capacities of providing the so-called procedural goods and desired outputs such as free and fair elections, rule of law, equal treatment of citizens before courts and protection of civil liberties.

Empirical evidence presented in our paper could be useful for the further discussion of the determinants of institutional trust and ways by which it could be generated in the future. It is among the first analyses that tests the performance-based approach to institutional trust in the case of Serbia. Further research could be directed at testing the relevance of theories within the cultural approach to building institutional trust. Performance variables explain approximately half of the variance in institutional trust, suggesting that there are other important predictors of institutional trust in Serbia. Since citizens' evaluations depend not only on the perceived institutional performance but also on the expectations they have, another possible direction for further research could be to explain how citizens' evaluations of institutional performance are linked to their expectations.

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7

FEMALE LABOR FORCE PARTICIPATION AND INCOME INEQUALITY: THE CASE OF TURKEY

Serkan Değirmenci¹

Abstract

This chapter analyzes whether increasing female labor force participation (FLFP) has an equalizing effect on the income inequality during the recent economic crisis in Turkey. The analyses use the micro data from the SILC of TurkStat for 2007-2011. We identify female added workers who participate into the market throughout the crisis and calculate counterfactual inequality measures to reveal the equalizing effect of FLFP. Findings show that participation of women, particularly in lower income households, reduces the income inequality. Hence, the elimination of gaps in participation between men and women may be helpful to lower the income inequality in Turkey.

JEL Codes: D31, J16, J22

Keywords: female labor force participation, income inequality, Turkey

Introduction

There are many empirical studies analyzing the trends, drivers or impediments of the female labor supply in the literature, particularly for developing countries (e.g., World Bank, 2009; Gunatilaka, 2013; Verick, 2014). These studies mainly emphasize different aspects of the conventional gender roles as the culprits of high gaps in labor market participation between sexes. However, gender compositions within the labor markets are evolving over time, but the number of studies exploring the consequences or the implications of these changing participation patterns is not growing at the same pace (e.g., Autor *et al.*, 2004).

On the other hand, the resulting effects of economic crises on the labor markets attract much more attention than underlying factors of them in the literature. For a relevant instance, there are numerous empirical studies analyze the increasing labor force participation of married women as one of the familiar outcomes of an economic crisis, also well known as added worker effect (AWE). However, studies on the further implications of this phenomenon are so limited. An explicit and expected result of increasing female labor force participation is the potential change on the household income at the micro level. As a reflection into the macro economy, we also expect a change in the whole distribution of income (Gonzales *et al.*, 2015). Therefore, the impacts of wives' earnings on the income inequality are covered for many times in the literature, but there is no consensus (Danziger, 1980; Maxwell, 1990; Nelissen, 1990; Callan *et al.*, 1998; Cancian & Reed, 1998, 1999; Alba-Ramirez & Collado, 1999; Amin & Davanzo, 2002; DelBoca & Pasqua, 2002; Lee, 2005; Dayıoğlu & Başlevent, 2007; Pasqua, 2008; Ding & Dong, 2009; Harkness, 2010; Shin, 2010; Schirle, 2011; Guerin, 2013; Bayar & Yanık İlhan, 2014; OECD, 2015; Sudo, 2017). While one side of the discussion argues that wives' earnings decrease the inequality, other side contradicts with that. Hence, the evidence is so mixed.

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These two observations from the literature are the main motivations behind this chapter. Considering these facts, we aim to analyze whether increasing female labor force participation has an equalizing effect on the income inequality during the recent economic crisis (2008-09) for a developing country, namely for Turkey. To address this question, we identify female added workers who participate into the labor market throughout the crisis years and we calculate counterfactual income inequality measures to reveal the possible existence and extent of an equalizing effect of female labor force participation. The key question here is simply whether income inequality indicators change significantly with increasing female labor force participation. Our findings show that participation of added female workers, particularly from lower income households, reduces the overall inequality of the income distribution. Although the extent of this change is so limited, it is significantly positive. These findings implicate that the elimination of high gaps in labor force participation between men and women may be helpful to lower not only gender inequality but also income inequality in Turkey.

The setup for the rest of this paper is as follows: Section 2 describes the dataset used throughout the analyses. Section 3 briefly covers the identification strategy and presents the empirical findings. Section 4 concludes the discussion with some directions for further studies.

Data

In this study, we use micro data from the Survey on Income and Living Conditions (SILC) for 2007-2011. This survey is carried out by the Turkish Statistical Institute (TurkStat) and is designed to be representative of the Turkish population. In addition to the indicators of income and living conditions, SILC data includes some detailed questions to detect the labor market statuses, again at both the individual and household levels. Therefore, it provides us an ability to track the labor market activities of individuals and households along with their earnings. On the other hand, studies about the labor market in Turkey frequently use the Household Labor Force Survey (HLFS) data to analyze the supply side of the market. Since HLFS solely aims to give detailed information on the individual characteristics of suppliers and identify the labor market status of a given person, it does not focus on the information at the household level such as income and living conditions. SILC fulfills this gap by focusing on the households combining labor market statuses of individuals with their earnings. However, while the estimates of SILC about the statistics of labor market converge with HLFS in some years, it hugely diverges in other years. In addition to a brief account of SILC in terms of household income and some major inequality measures, we compare the estimates of SILC and HLFS with respect to some major labor market statistics in this section.

Table 1 summarizes some major income statistics of unweighted and weighted sample (population) from the data of Survey on Income and Living Conditions (SILC) for the analysis period (2007-2011). First point to note that the sample size of SILC increases radically in 2011 (56348), it gradually increases from 42458 to 45389 during 2007-2010. Number of households in the sample also increases strikingly in 2011 (15025), before it spans between 10796 and 12106. These changes in the sample size in 2011 survey give us a clue about a structural change in the survey with 2011. Therefore, to be consistent with the old survey structure along the study, we prefer not to include the survey data of 2011 in our empirical analyses. Mean household size in Turkey decreases between 2007 and 2009, and then it stagnates. Annual mean household disposable income per household increases during the term and varies between 17115.35 and 23023.5 for the sample. Annual median household disposable income per household follows a similar pattern. When we adjust the household disposable income with equivalence scale (OECD “modified” scale), we get nearly half of the mean and median disposable incomes per household. Gini

coefficients for Turkey between 2007 and 2011 average at 0.40, however it increases up to 0.42 in the climax year of the crisis, 2009. As expected, S80/S20 ratio follows a similar trend and reaches the maximum level again in 2009. It also applies to the headcount ratio.

Table 2 summarizes the major labor market statistics for 2007-2011 by comparing SILC and HLFS data sets on the gender division. As it is noted, SILC has some questions for the labor market status of individuals but not directly aims to give information about that. However, HLFS's sole goal is to detect the labor market statuses of individuals. Therefore, we observe some abnormalities in the SILC data for the labor market statistics compared to the HLFS. Particularly, for the years 2007 and 2009, we observe that SILC data overestimates the female participation and underestimates the male participation in the labor market (see Figure 1 and Figure 2). Our aim with using SILC is to get a unique opportunity to analyze the income and labor market statuses of individuals simultaneously. However, for the years 2007 and 2009, this does not seem to be reliable due to biases observed on the labor market statistics in SILC. Therefore, in order to make sound identifications, we also prefer not to use data of the surveys of the years 2007 and 2009 in our empirical analyses. We will limit our analyses with the comparison of the years 2008 and 2010. These years are namely pre- and post-crisis years.

FEMALE LABOR FORCE PARTICIPATION AND INCOME INEQUALITY: THE CASE OF TURKEY

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Table 1 – Summary Statistics (SILC) (2007-2011)

	2007		2008		2009		2010		2011	
	Sample	Population (000)	Sample	Population (000)	Sample	Population (000)	Sample	Population (000)	Sample	Population (000)
Individuals	42458	68476	43755	69232	45362	70541	45389	71342	56438	72377
<i>Male</i>	20695	33998	21379	34336	22181	34989	22238	35400	27638	35917
<i>Female</i>	21763	34478	22376	34896	23181	35552	23151	35942	28800	36460
Households (HH)	10796	17800	11222	18240	11870	19198	12106	19321	15025	19658
HH Size (Mean)	3.93	3.84	3.90	3.79	3.82	3.67	3.75	3.69	3.75	3.68
Equivalent HH Size (Mean)	2.24	2.22	2.23	2.19	2.19	2.15	2.17	2.15	2.18	2.16
Annual HH Disposable Income (per HH) (Mean) (TL)	17115.35	18825.73	18077.36	19330.79	19696.7	21292.97	21109.66	22062.68	23023.5	24350.16
Annual HH Disposable Income (per HH) (Median) (TL)	13163.51	14492.52	13821.87	14810	14944.82	16200	16304.5	17190	17664.01	18749.18
Annual Equivalised HH Disposable Income (per HH) (Mean) (TL)	8336.736	9284.763	8837.872	9538.44	9813.008	10721.9	10624.69	11139	10035.79	10776.65
Annual Equivalised HH Disposable Income (per HH) (Median) (TL)	6294.977	6944.072	6666.667	7225.805	7373.842	8000	8002.534	8423	7506.365	8138.625
Gini Coefficient	0.408	0.405	0.409	0.404	0.419	0.414	0.408	0.400	0.412	0.404
S80/S20 Ratio	8.14	8.01	8.19	8.00	8.77	8.50	8.22	7.89	8.49	8.04
Headcount Ratio	17.024	16.261	16.727	16.626	18.198	17.253	17.476	16.725	17.276	16.124

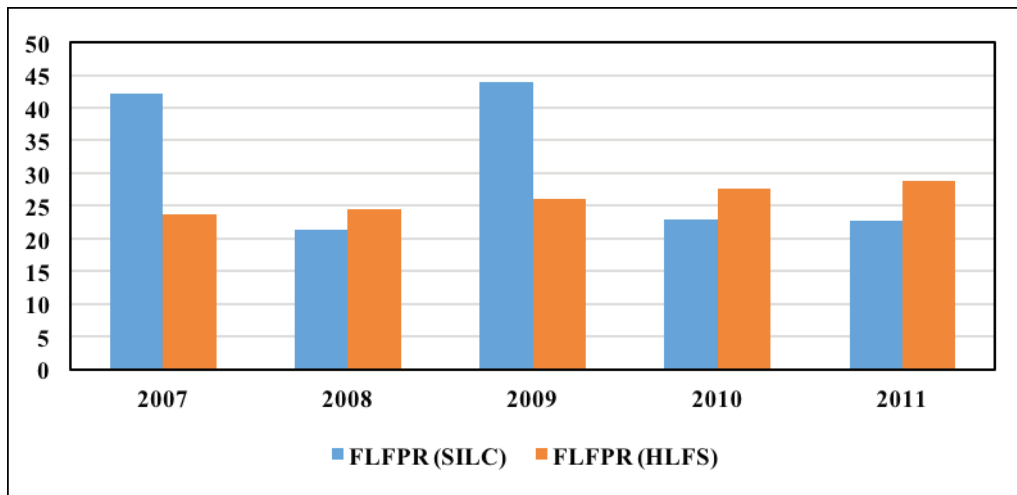
Source: Author's calculations using the data from SILC (TurkStat, 2007-2011)

Table 2 – Summary Statistics of Labor Market (SILC vs. HLFS) (2007 – 2011)

		2007		2008		2009		2010		2011	
<i>Levels</i>		SILC	HLFS	SILC	HLFS	SILC	HLFS	SILC	HLFS	SILC	HLFS
Population (000)	Total	68476	68901	69232	69724	70541	70542	71342	71343	72377	72376
	Male	33998	34178	34336	34589	34989	35000	35400	35401	35917	35909
	Female	34478	34772	35896	35134	35552	35541	35942	35941	36460	36467
Population (15+) (000)	Total	50050	49994	50690	50772	52681	51686	52543	52541	53424	53593
	Male	24542	24513	24817	24917	25909	25369	25801	25801	26241	26320
	Female	25508	25480	25873	25855	26772	26317	26742	26740	27183	27273
Not in the Labor Force (15+) (000)	Total	27767	26879	27954	26967	28772	26938	28650	26901	28816	26867
	Male	13017	7415	7595	7441	13763	7471	8030	7544	7784	7453
	Female	14750	19464	20359	19526	15009	19466	20620	19357	21032	19414
Labor Force (15+) (000)	Total	22283	23114	22736	23805	23909	24748	23893	25641	24608	26725
	Male	11525	17098	17222	17476	12146	17898	17771	18257	18457	18867
	Female	10758	6016	5514	6329	11763	6851	6122	7383	6151	7859
Employed (15+) (000)	Total	20367	20738	20626	21194	20927	21277	21519	22594	22414	24110
	Male	10510	15382	15526	15598	10637	15406	15989	16170	16774	17137
	Female	9857	5356	5100	5595	10290	5871	5530	6425	5640	6973
Unemployed (15+) (000)	Total	1916	2376	2110	2611	2982	3471	2374	3046	2194	2615
	Male	1015	1716	1696	1877	1509	2491	1782	2088	1683	1730
	Female	901	660	414	734	1473	979	592	959	511	885
<i>Rates</i>											
Labor Force Participation Rate	Total	44.5	46.2	44.9	46.9	45.4	47.9	45.5	48.8	46.1	49.9
	Male	47.0	69.8	69.4	70.1	46.9	70.6	68.9	70.8	70.3	71.7
	Female	42.2	23.6	21.3	24.5	43.9	26.0	22.9	27.6	22.6	28.8
Unemployment Rate	Total	8.6	10.3	9.3	11.0	12.5	14.0	9.9	11.9	8.9	9.8
	Male	8.8	10.0	9.8	10.7	12.4	13.9	10.0	11.4	9.1	9.2
	Female	8.4	11.0	7.5	11.6	12.5	14.3	9.7	13.0	8.3	11.3
Employment Rate	Total	40.7	41.5	40.7	41.7	39.7	41.2	41.0	43.0	42.0	45.0
	Male	42.8	62.8	62.6	62.6	41.1	60.7	62.0	62.7	63.9	65.1
	Female	38.6	21.0	19.7	21.6	38.4	22.3	20.7	24.0	20.7	25.6

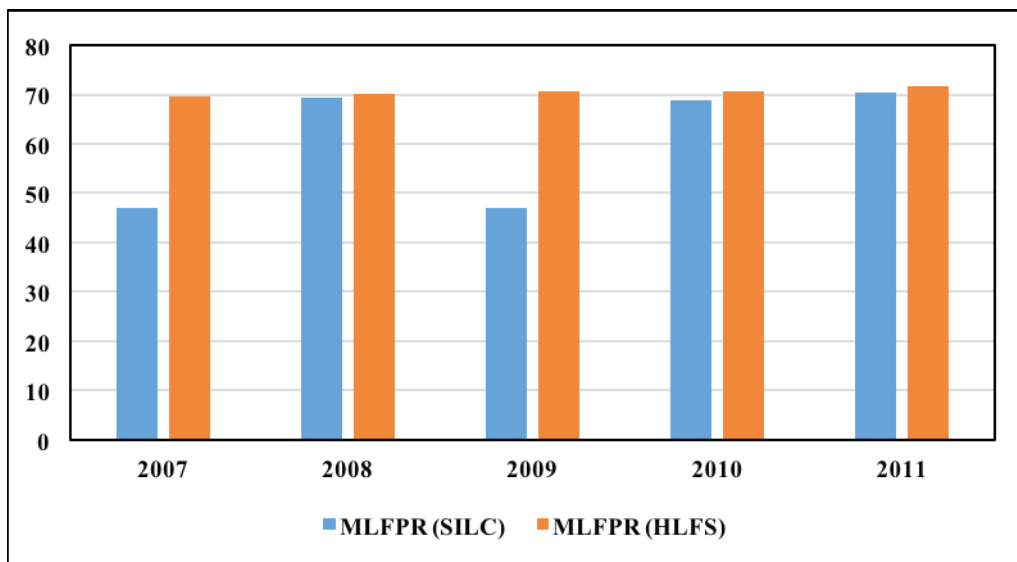
Source: Author's calculations using the data from SILC and HLFS (TurkStat, 2007-2011)

Figure 1 – Female Labor Force Participation Rate (SILC vs. HLFS) (2007-2011)



Source: Author's calculations using the data from SILC and HLFS (TurkStat, 2007-2011)

Figure 2 – Male Labor Force Participation Rate (SILC vs. HLFS) (2007-2011)



Source: Author's calculations using the data from SILC and HLFS (TurkStat, 2007-2011)

Identification and Findings

This study does not consider the impacts of “actual” earnings of women on the income inequality. Differently, this chapter investigates the effects of “potential” earnings of added workers on the income inequality. In order to do that, we make analyses in two steps. At first, we identify the potential added “women” workers. Added workers are defined as adult women who are not actively participated in the labor market in the former year, but are employed or seeking for a job in the latter year. Secondly, we impute “minimum” wages to these added women workers as their labor income. We have two justifications by adding minimum wages as imputed earnings for women. One of them is the fact that women who tend to participate in the labor market during the economic crisis period likely come from low-income households. They are generally low educated and inexperienced. So, even if they find a job (probably informal jobs), they get minimum wage at most. Secondly, adding minimum wages as imputed earnings gives us a baseline in our comparisons. Even if we observe a small difference between the actual and counterfactual distributions, we will know that increasing female labor force participation has still a room for further improvements in income inequality. In this respect, we have two income distributions as actual (reference) and counterfactual. Comparisons of income inequality measures using these two distributions provide us an answer for the question whether increasing female labor force participation significantly alter the income inequality.

Table 3a and Table 3b summarize our findings of the inequality measures calculated for 2008 and 2010 by using the SILC data to compare the actual and counterfactual income distributions. We explained the reasons why our counterfactual distribution is constructed by imputing the minimum wage to the added female workers. Moreover, we also should note another constraint, which leads us to add a hypothetical wage instead of subtracting the earnings of women. That constraint is that the reference year for the income data in each survey is the previous year. For instance, in the survey data of 2008, we observe the income data pertaining to the earnings of 2007. However, we can observe the labor market status of a given individual for both the years 2007 and 2008. Hence, we are able to identify the movement of a woman from non-participation in 2007 to the participation in 2008. Then she is called as a “potential” added worker. However, it is not an option to add her earnings from 2008 to the household income of 2007. For this reason, we impute the minimum wage of 2007 as her earnings and we add it to the household income of 2007. By doing that, we get a counterfactual income distribution to compare with the actual reference distribution for the year 2008. The same procedure is applied to the 2010 survey data. This identification strategy has a drawback. By coding a woman as “potential” added worker, we presume that she will get at least a minimum wage. However, we are fully aware of the fact that some part of them will not find a job and will not get an earning at all. On the other hand, the remaining part of them will get a job and maybe will earn more than the minimum wage. Therefore, we assume that the earnings of women with higher than minimum wage cancel out the women with zero earnings.

Finally, we calculate the major income inequality measures presented in Table 3. According to our findings, if we add only minimum wages for a year to the annual household incomes as the labor earnings of potential women added workers; all the income inequality measures improve, but in a limited extent (see Table 3b).

Table 3a – Income Inequality Measures (Actual Distributions) (2008 and 2010)

	2008	2010
Relative mean deviation	0.28920424	0.28506703
Coefficient of variation	1.0142141	1.0281743
Standard deviation of logs	0.72869256	0.71964398
Gini coefficient	0.404347	0.40055687
Mehran measure	0.52782974	0.52285671
Piesch measure	0.34260561	0.33940695
Kakwani measure	0.14208549	0.13991045
Theil entropy measure	0.3056412	0.30322624
Theil mean log deviation measure	0.28080512	0.27574289

Source: Author's calculations using the data from SILC (TurkStat, 2007-2011)

Table 3b – Income Inequality Measures (Counterfactual Distributions) (2008 and 2010)

	2008	2010
Relative mean deviation	0.28460636	0.284952
Coefficient of variation	0.99715987	1.027767
Standard deviation of logs	0.71721532	0.71906077
Gini coefficient	0.39844801	0.4003744
Mehran measure	0.52092747	0.52258962
Piesch measure	0.33720829	0.33926675
Kakwani measure	0.13835386	0.13979272
Theil entropy measure	0.29693068	0.30297349
Theil mean log deviation measure	0.27229408	0.27540893

Source: Author's calculations using the data from SILC (TurkStat, 2007-2011)

Conclusion

This chapter simply initiates to analyze the role of female labor force participation on the income inequality. As the women's activities increase in the labor market, household incomes change. These changes in household incomes also lead to a change in the overall income distribution. The question whether this change is beneficial or not is an empirical one. First, it is important to detect whose women's participation increases within the distribution. There are two distinct ideas here. One of them argues that women from low-income household likely participate in the labor market, particularly in the economic crises periods to smooth out the household consumption. Therefore, this distorts the income distribution in favor of the bottom income quintiles. Other one argues that educated women generally mate with educated men and increasing education level is positively correlated with increasing labor market participation. This phenomenon which is also known as "assortative mating", distorts the income distribution in favor of the upper income quintiles (Greenwood *et al.*, 2014). After the detection of

which women's earnings dominates in the distribution, second it is crucial to calculate the extent of the change. This study initiates to cover these two aims with some basic empirical exercises.

To that end, we analyze empirically whether increasing female labor force participation has an equalizing effect on the income inequality during the recent economic crisis (2008-09) in Turkey. In the empirical work, we use the cross-sectional microdata from the Survey on Income and Living Conditions (SILC) conducted by Turkish Statistical Institute (TurkStat) for the period 2007-2011. We identify female added workers who participate into the labor market throughout the crisis years and we calculate counterfactual income inequality measures deriving a hypothetical distribution to reveal the possible equalizing effects of female labor force participation. Our empirical findings show that labor force participation of women, particularly in lower income households, reduces the overall inequality of the income distribution at a limited extent. These findings implicate that the elimination of high gaps in labor force participation between men and women may be helpful to lower not only gender inequality but also income inequality in Turkey.

To foster our arguments and to eliminate the drawbacks of the study, we need to make further analyses utilizing from the "panel" data sets of SILC. By using panel data of SILC, we will be able to track the earnings and labor market transitions of individuals and households simultaneously, over the years. Therefore, we hope to find better grounds to justify our counterfactual income distribution in our latter studies.

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8

ANALYZING INCOME INEQUALITY IN TURKEY VIA COALITION GAME APPROACH¹

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Abstract

In this paper, we suggest an explanation for the persistence of high levels of income inequality in Turkey. Although some governments tried to redistribute income through income taxes or intervention in the market, these attempts failed and income inequality returned to previous levels in a short time. In this work, we use a game theoretic model to explain income inequality in Turkey, inspired by Marxian and institutional perspectives. We define three socioeconomic groups in population; labor, owners of industrial capital and owners of financial capital. Each group wants to govern to increase its income share, but the distribution of relative political powers determines the ruling group or coalition. We search for an equilibrium among possible forms of government. Our main hypothesis is that a fair distribution of income is possible only under a democratic regime, in which all socioeconomic groups in a country join the ruling coalition. If not, the ruling regime would be either a mass dictatorship or an oligarchy and income would be redistributed in favor of a certain group. We show that, not only conflict between classes, but also disunity within classes is the source of unstable democracy and high level of income inequality.

Keywords: Income Inequality, Game Theory, Turkish Economy, Social Classes, Democracy

JEL Codes: C62, D30, D74

1. Introduction

Is it possible to have a significant decrease in the level of income inequality in Turkey? Mainstream economics has been trying to find solutions to this problem by sectoral transformations in production, dissemination strategies and equality of opportunity in education and transfers to the lowest income groups (Dabla-Norris et al., 2015). After the 2008 crisis, both top income groups and the economic system that feeds the richest percentile of the society were blamed for rising income inequality and poverty in developed countries (Stiglitz, 2015). To overcome this problem, it is suggested that capital-rich high-income groups should be taxed on both national and international scale (Piketty, 2014) and that designated percentage of these taxes should be used to finance some implementations that will make income distribution more equitable (Atkinson, 2015).

Income distribution is not only an economic issue, but it is also a political matter since distribution of income is determined by the decisions of economic actors. In other words, besides the internal and external economic factors, the current economic situation in a country is also related to the society's approval (Baumann, 2015). Experiences

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in Turkey and in the other countries show that if a social class exhibits integrity or entirety, it may have the power to make political power to take decisions in their interests. However, in Turkey neither the capitalist class nor the working consistently exhibit unity within themselves. In addition to the relative political powers classes possess, discord within each group are decisive on the political regime in the country.

In this study, we discuss the implications on income distribution of various political regime equilibria emerging out of a coalition building game played according to the political powers of three different economic actors. In the first section, we introduce analytical basis for the model. In the second section, we identify three economic actors and then we define their political powers by analyzing Turkish economic history. Specifically, we examine the political economic equilibria resulting from different combinations of population ratios and political powers of the three actors. In the third section, we analyze how different political regimes in Turkey altered income distribution with the help of the theoretical framework established in the second section.

2. Analytical Basis⁵

Acemoglu et al (2008) develop a theoretic framework describing the conditions of forming a ruling coalition in non-democratic environment. Power of a ruling coalition equals to sum of political power of its members. When a coalition is formed, it tends to centralize decision making powers in its own hands. Since a non-democracy reflects existence of weak institutions, there are no binding commitments and agreements on how resources will be distributed between members of any coalition, so that most powerful member of a coalition can potentially eliminate the other members. According to their findings, a coalition will be a self-enforcing ruling coalition if and only if it does not possess any subcoalition that is sufficiently powerful and self-enforcing. On the other hands, elimination of a member of a self-enforcing coalition emerges from a “large” shock rather than small perturbations.

Jung (2012) studies the evolution of income distribution in Germany through different political regimes. In the model, society consists of three basic groups: first group possesses intellectual ability, second group possesses physical strength and the third group possesses neither ability nor physical strength. A group’s political power depends on its population share and contribution to output. Political powers of the groups determine the outcome of elections; either a coalition might be formed or a single group might rule the country. The ruling group or groups seize the wealth of the other group(s). The two groups cannot sustain a stable coalition because the less powerful coalition partner will face the risk of being confiscated by the stronger partner; thus, it will tend to disrupt the coalition and repeat the elections. A stable democracy and a fair income distribution take place only if the ruling coalition is formed by all three groups.

This study is based on Jung’s model but it differs in two aspects. First, this study employs a kind of class analysis. Inclusion of economic classes and subgroups within a class to the analysis allows us to obtain a richer set of results by studying their joint interests as well as conflicting goals. Second, in Jung’s model, political power of a group equals to multiplication of its population ratio and average income, but instead, in our paper political powers of the groups are determined by more heterogeneous functions. For the capital classes, their contributions to output and the amount of income they earn play an important role in determining their political power. However, if the political power of the working class is explained by the same function, they will dominate the other groups,

⁵ There are large number of economic models on income inequality. But the ones focus on political-economic equilibria are rare. Some of them are Drazen (2002), Dixit and Londregan (1998), Persson and Tabellini (1994), Galor and Zeira (1993), Loury (1981), Weingast et al (1981).

and dictatorship of the working class will be inevitable because of their high share in the population. Thus, we suggest that the degree of integration within the working class should also be added as a variable when modeling the political power of the working class. Hence, heterogeneous political power functions as well as class analysis constitute the originality of this work.

3. Model

When income distribution is taken into consideration, two consecutive processes are concerned (Boratav, 2012). The first is the primary distribution in which bourgeoisie, landlords, merchants and lenders seize the surplus produced by the direct producers including workers, peasants, and small producers. The second process arises with the redistribution of surplus among the subgroups of the dominant classes. These subgroups consist of industrial/ agricultural capital, financial capital, commercial capital and rentiers. The mechanisms of this secondary distribution include market processes, the state's intermediary, the relative prices and/or the changes in financial and monetary system. Marxist analysis generally explains income distribution by the principle of autonomy of distribution. Accordingly, income distribution is determined by the relative powers of the classes against each other and against the state.

On the basis of class analysis, two factors determine the selection of social groups or classes (Clarke, 1978). The first one is that the incomes of the classes are provided by their own production factor. For example, basically, the working class earns income by its labor and industrial capital earns income by physical capital. Second, classes should be represented in the political process. Working class is represented via parties and /or trade unions whereas the capital classes are represented politically through employers' organizations and lobbying activities.

Agents in Turkish economy are divided into various classes and fractions both in urban and rural areas. This division can be systemized in various ways. Labor can be divided in terms of qualification, and capital can be classified in terms of scale. On the other hand, classes and subgroups within classes can be aggregated in terms of their economic shares and political powers. In this study, we prefer the second aggregation. Labor, L , is aggregated as direct producers in the economy. Since capital class is in conflict of interest with both working class and within itself, in the analysis it is aggregated as two subgroups. The first of these is industrial/agricultural capital, I , which is the dominant subgroup in political and economic terms during 1960s and 1970s, and financial capital, F , as the dominant subgroup since 1980s. Population shares of industrial/agricultural capital, financial capital and labor are symbolized as κ , ξ and $(1-\kappa-\xi)$ respectively.

Each group aims to maximize its income, but only at the expense of the incomes of the other two groups. The problem of the redistribution of resources among the members of the society is handled within the political processes. Government came to power through elections; therefore it reflects the dominance of a coalition consisted of groups or a single group.⁶ The possible outcomes of elections can be expressed as set of possible coalition combinations those have number of elements ranging from 1 to 3. The principle of Jung (2012) that states that incomes can be seized by the coalition in the economy and redistributed among the groups is also valid in this study. There is no binding commitment mechanism among the groups within the country. Therefore, no coalition member can exclude other members of the coalition from redistribution of income, and also no coalition member can make

6 () One should remember that groups included in this study consist of different classes rather than actors with different ideologies. In reality, political parties tend to locate in center in order to maximize their votes thereby attracting voters from different classes with similar ideologies, so voters are integrated vertically in respect to classes they belong to.

a commitment how to distribute income among members. P_i , political power of group i , represents its strength in the decision of redistribution of factor revenues. Group or coalition Q can seize the income of group(s) ($S \setminus Q$) outside of this coalition when $P_Q > P_{S \setminus Q}$. Total political power of Q group or coalition is $P_Q = \sum_{j \in Q} P_j$.

Political power of each group is expressed as follows:⁷

$$\begin{aligned} P_I &= \kappa + \frac{\pi \kappa p}{Y} m \text{ and } 0 < m < 1 \\ P_F &= \xi + \frac{\psi \xi q}{Y} n \text{ and } 0 < n < 1 \\ P_L &= (1 - \kappa - \xi) r \text{ and } 0 < r < 1 \end{aligned} \quad (1)$$

where P_I , P_F and P_L are political powers of the industrial capital, financial capital and the workers, respectively. Y is the total income in the economy. and represent political expenditures of industrial/agricultural and financial capital owners, respectively, such as campaign donations during electoral process or lobbying activities for obtaining privileges. Political power of a group is a function of its proportion in population, its relative income and, in case of groups owning capital, the amount it spends for political influence. These expenditures are also determined by their incomes: Industrial capital owners earn π from production process, whereas financial capital owners earn ψ .⁸ We assume that labor cannot purchase power: Workers do not own the means of production, they must sell their labor power to earn income. Each worker gets a competitive wage in return for one unit of labor, whereas a capitalist can enjoy substantially more income obtained from many units of capital under his control. Therefore, the amount set aside by workers to buy political power may be negligible. Moreover, we also assume that, r , workers' level of unity is less than 1. Two main reasons prevent workers to unite and act as one political decision maker as capital owners do. The first reason is diversification of labor: There are different types and statues of labor such as subcontracted workers, family workers, blue-collar workers, white-collar employees etc., which are different from others in terms of their habits, ideologies and so on.⁹ The second reason is the observation that workers tend to conceive their rights and shape their demands according to the quality of the relationship they have with their employers. As long as they feel their employer treats them fairly, they are not likely to press for rights and demands of workers in other firms. Since the workforce is distributed between a large number of companies, workers' firm specific orientation reduces class solidarity.

Relative political power of group i is

$$\lambda_i = P_i / P_S \quad (2)$$

where P_S is total political power of all groups. Let denote population shares of the groups in the ruling coalition. We define political regimes in equilibrium in line with Jung as follows:

7 () Jung assumes that political power of each group is homogeneously equal to . However, political power of labor and capital cannot be realistically formalized in the same way due to fact that labor dominates capital in terms of total units and contribution to output but fails to overwhelm political decision making. Thus, it is necessary to explain why labor might be politically weaker than capitalist class.

8 () Incomes of factors are obtained from production function (See appendix for production function we used).

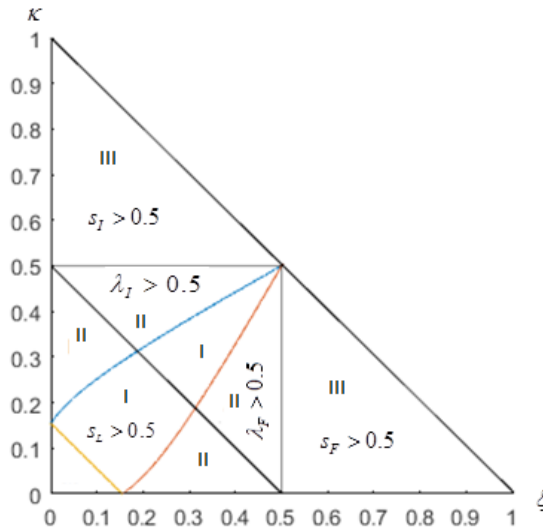
9 () Diversity of labor was a topic of discussion in both economics and sociology. Weberian view tries to explain this diversity in terms of ideological differences among workers whereas Marxists object to this approach, arguing that it casts a veil over exploitation relations. This issue has also been debated between Marxists, especially as to how to define and categorize middle class (see Wright, 1980 and Poulantzas, 1975). This study uses both views.

1. Democracy if $s_{RC} = 1$
2. Dictatorship of majority if $0.5 \leq s_{RC} < 1$ and
3. Oligarchy if $s_{RC} < 0.5$.

Relative power of any group or coalition that forms the government has to be greater than . By equating the relative power of each group to 0.5, we obtain a closed function that shows the boundary of ruling alone for that group in terms of parameters of the model¹⁰.

In Figure 1, the political equilibria are shown in a graph where vertical axis represents population ratio of industrial capital and horizontal axis represents population ratio of financial capital for $0 < \kappa < 1$ and $0 < \xi < 1$.¹¹ Equation for the longer hypotenuse is $\kappa = 1 - \xi$ whereas equation for the shorter one is $\kappa = 0.5 - \xi$. Within the rectangle, population ratio of workers is above fifty percent in the left side of the shorter hypotenuse whereas population ratio of each class is below fifty percent in the right side. There are also three curves (one of them is a line because of the assumed values for this particular simulation) in the rectangle representing the locus of points where political power of a class is equal to fifty percent: the upper curve is for industrial capital; the lower curve is for financial capital and the line is for labor. Political power of each class is below fifty percent within areas numbered I in the figure; in this area, the only stable regime is a democracy where all groups become part of the coalition. In the regions numbered II, political regime is an oligarchy due to fact that political power of one class is above fifty percent but its population ratio is below fifty percent. Political regime in the areas numbered III is a dictatorship of majority because both political power and population ratio of the strongest class is above fifty percent.

Figure 1: Graph of Political Regimes in regard of Relative Political Powers and Population ratios of Classes



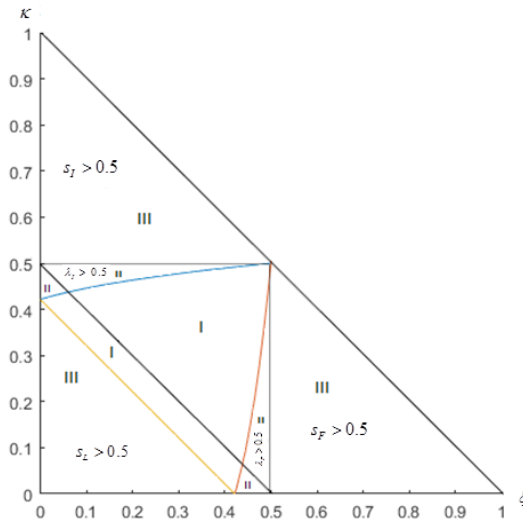
10 () For our findings, see equation (3) in appendix.

11 () Values are as follows: $\alpha = 0.33, A_I = 5, A_F = 5, m = 0.3, n = 0.3, p = 4, q = 4, r = 0.3$

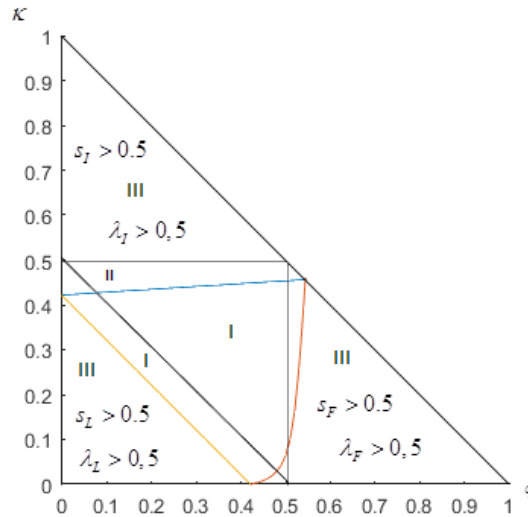
4. Discussion

Figure 2 shows how political regimes distribute in triangle when workers' level of unity, r , is equal to 0,9. After this three-fold increase, oligarchy areas of capital groups become narrow. Comparing to previous situations, majority of dictatorship of working class is more likely due to large gain in power. Yet, curves seem running more symmetrically and distribute more equally. A high level of unity of workers still doesn't ensure them dominate other two groups. This may be caused from that workers are still excluded from ownership of means of production. Structure of production function makes labor and capital perfect substitute; so that production process attaches capital critical importance, just as labor. One can infer that as the degree of substitution between capital and labor increases and domination of owners of one specific production factor on others are lessen, then the possibility of democracy is more likely to be political regime in that country.

Figure 2: Graph of Political Regime when $r=0,9$

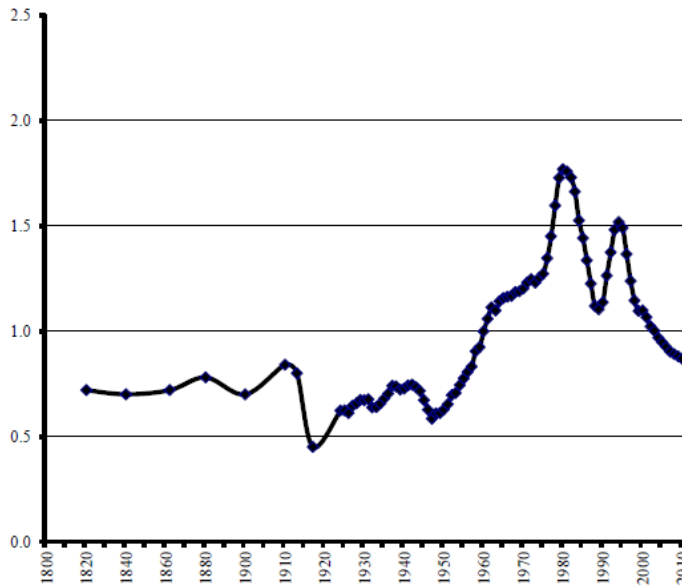


And what does happen if both level of unity of workers and capital accumulation change? A situation in which three-fold increase in level of unity of workers and twenty-fold increase in capital per capita for industrial capital owners is shown in Figure 3. Accordingly, a possible oligarchy for financial capital is less likely while industrial capital may dominate other groups with less population ratio. Comparing to Figure 2, democracy area in Figure 3 is narrower.

Figure 3: *Graph of Political Regimes when $r=0,9$ and $p=80$* 

4. Historical Interpretation

In this section, income distribution in Turkey will be evaluated in light of inferences obtained from the model. Figure 4 depicts the evolution of ratio of non-agricultural wage to average non-agricultural income averaged over 5 year periods from the start of 19th century to the current decade. The ratio can also be interpreted as the income share of labor among all urban income groups including industrial and financial capital. Data covers a long-time period which includes critical events for labor that caused changes in distribution of political power and even regime change.

Figure 4: *Non-Agricultural Wage / Non-Agricultural Average Income Ratio in Turkey*

Source: Pamuk, 2013: 306

Evolution of capitalist class in Turkey can be analyzed in three stages. In the first stage, particularly in 1920s, a capitalist class is hardly apparent. Early capitalists rose from the ranks of petty bourgeoisie and ex-military officers who subsequently became dominant over the economy and the state. Articulation process between the state and the bourgeoisie took the form of facilitating accumulation in favor of certain capital owners and moving them to advantageous positions (Boratav, 2012). Capitalists had not become a class yet, in fact their interests were conflicted. They fought for their interests individually, lacking class consciousness.

There were some difficulties for development of capitalism in the 1920s. After the war, vast majority of non-Muslim entrepreneurs had left the country. Turkish entrepreneurs and workers who had taken their place lacked knowledge and experience. Infrastructure was inadequate. The low level of income per capita resulted in low demand for goods and insufficient sales, so capital accumulation was slow. In addition, state had insufficient resources. Considering all these facts, it became inevitable to rely on private sector for growth and industrialization. State gave privileges to some owners of capital for this purpose, political influence playing a decisive role in who received support and became the new rich. Although there was a substantial increase in the number of entrepreneurs in this early period, these entrepreneurs gave more weight to commercial investment rather than to build industrial enterprises. Therefore, government concluded that private sector could not achieve the desired rate of industrial development and, especially in the wake of the 1929 crises, that state intervention in the economy and a program of public investment were necessary (Altıparmak and Aytekin, 1998). The main mechanism to support capital accumulation process during this statist period was holding down wages and agricultural incomes (Pamuk, 2014). Indeed, as shown in Figure3.6, the increase in the rate of non-agricultural wage level to the non-agricultural average income remained restricted and could not reach the levels seen in the Ottoman era.

1920s can be summarized as follows in terms of economic and political structure: a large majority of the population lived in rural areas. There was no working class. Capital owners, still lacking a common agenda, aimed at maximizing their individual profits. Political regime was one party system ruled by Republican People's Party. There were failed attempts for transition to democracy. Each new party gained support from ones who couldn't get the privileges government provided; their voter support lacked any class character (Boratav, 2012). Thus, political regime of this period cannot be associated with any regimes mentioned in the model.

Although this structure was still in place after the transition to multi-party regime, capital owners gradually began acting together in pursuit of their common interests. It is possible to describe the transition to multi-party democracy as the beginning of a new era which became more noticeable in 1960s and 1970s when the political-institutional environment underwent through significant changes. In conjunction with new constitution, the principle of separation of powers came to the fore whereas power of the ruling party was restricted. Planned economy and industrialization by import substitution were adopted as the economic model (Kazgan, 2009).

Tensions were increasing within the capitalist class in this period. Within the framework of the planned economic objectives, government had granted more privileges to industrial capital, which was located mainly in Istanbul and a few other major cities (Boratav, 2012). This group, believing that it would have a competitive advantage in international markets, supported the abandonment of protectionism and opening up to international trade. Owners of small-scale firms, most of which were located in Anatolia, stood against these demands and requested the continuation of the import substitution system. These owners of commercial capital began organizing in chambers of commerce across Anatolia whereas big capital gathered under the roof of Turkish Industrialists' and Businessmen's Association (TUSIAD) in the 1970s (Güzelsarı and Aydın, 2010). This was not TUSIAD's only conflict; it was struggling to protect its interests against an increasingly organized working class.

According to Boratav (2012), 1960s and 1970s passed under the oligarchy of the industrial capital. However, Pamuk (2014) sees hints of a coalition between the capitalist class and the working class in the same period as Keynesian policies helped expansion of the rights, political representation and organization of the working class. As can be seen in Figure 4 relative income of labor accelerated in this period and reached a historical peak in the late 1970s.

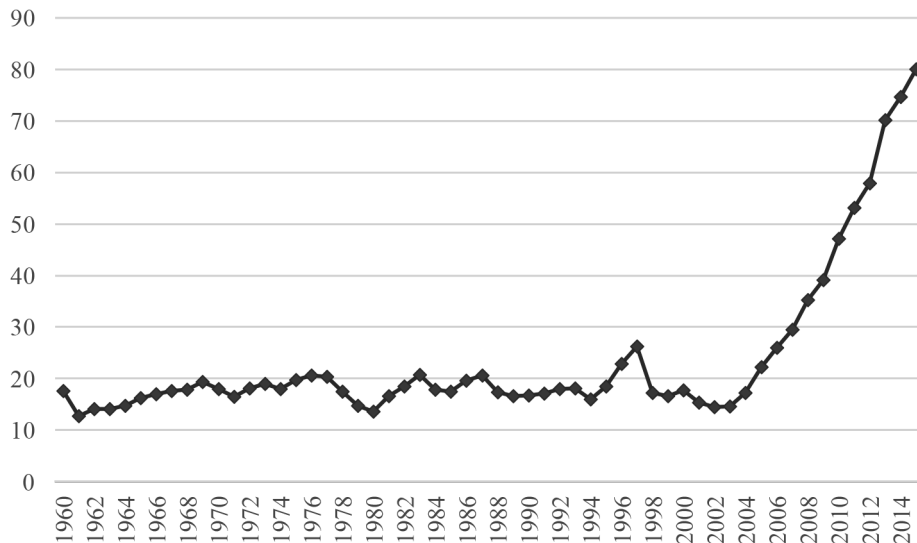
Near the end of the 1970s, a novel development related to capitalist class occurred in Turkey: Due to the economic crisis and political impasse, the two camps of capital became united in their successful demand for economic and political regime change. Both this event and the following experiences demonstrated that, once capitalist class built a consensus, it could dominate government policy (Boratav, 2012). This type of alliance between industrial capital and financial capital was observed all around the world in 1980s with the rise of globalism.

The economic transformations in 1980s had the goal of replacing the import substitution regime by export-led growth model (Pamuk, 2014). After the military coup in 1980, all existing political parties and trade unions were closed, and collective bargaining rights were curtailed. Only parties recently formed under military watch were allowed to participate in elections. Motherland Party (MP) came to power in 1983 and ruled the country alone for eight years. MP tried to apply neo-liberal economic policies; economy was deregulated, barriers to international trade were lowered and exports were encouraged with weak currency policy and the suppression of domestic demand by reducing workers' real income. Even though all major demands made in the 1970s by capital owners had been realized in the 1980s, paradoxically, government attained a more powerful position vis-a-vis capitalist class during this period (Boratav, 2012). Government paved the way for some new entrepreneurs by preferential treatment and

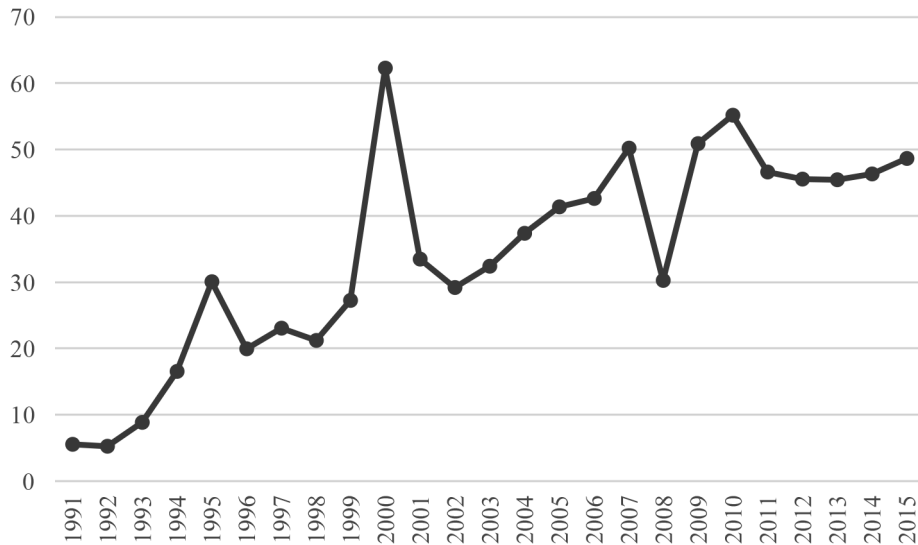
granting of privileges as in 1920s. Concurrently, the relative influence of non-industrial capital, especially financial capital, over economic policy making began to grow, eroding the power of industrial capital. With the removal of election ban on older parties and return to de facto multiparty democracy in late 80s, MP, suddenly facing threat of losing elections, ended its policy of suppressing domestic demand and instead employed populist policies. Although coalition governments in the 1990s, which included left-wing parties, created expectations toward a more inclusive and fair society, the strict requirements of IMF prescriptions followed by government stood as an obstacle in building a socio-economic consensus to achieve a better income distribution.

According to Pamuk (2014) when multi-party democracy was reconstituted and political parties started to compete for votes in the end of 1980s, working class gained a chance again to be represented politically. This led to a coalition involving all three classes. As shown in Figure 4, relative incomes of workers increased during this short period which ended by the collapse of the coalition in the face of macroeconomic instability and a severe financial crisis in mid-1990s. Yurtsever (2011) argues that the main coalition in 1990s and afterwards in Turkey has been between financial capital and industrial capital. As can be seen from Figures 5 and 6, linkages between the two types of capital kept increasing during this time: industrial capital has increased the weight of financial investments in its portfolio because of their superior returns, firms took on more and more debt as bank credits to private sector expanded substantially and volume of stock trading expanded by tenfold. As a result, claims by financial firms on industrial sector has increased dramatically. These developments also resulted in the decline of both the share of industrial production in GDP and the share of industrial employment. De Brunhoff (2003) similarly argues that coalitions showing cohesion within the capitalist class have been observed in many countries and their main purpose has been to fight against demands of working class.

Figure 5: Domestic Credits to Private Sector by Banks and Financial Institutions in Turkey (% of GDP)



Source: World Bank Open Data data.worldbank.org

Figure 6: *Total Value of Stocks Traded in Turkey (% of GDP)*

Source: World Bank Open Data data.worldbank.org

There had been chances in recent Turkish history to build inclusive coalitions representing all classes. Instead, we observe failed coalitions that were supported by two classes but excluded the third. According to our model, any point in the $\kappa\theta\zeta$ triangle in Figure 1 represents a stable political regime; any stable regime requires that either a single class is in power or all three classes share power in a coalition. The Turkish experience shows that no single class has enough political power to rule alone, thus stability can be achieved only by an inclusive coalition. However, classes often try to exclude one another from a potential ruling coalition with the adverse consequences of worsening instability and inequality.

In Lieu of Conclusion

Although there have been efforts in the 2000s to ensure fair competition in markets, mainly by establishing autonomous regulatory public institutions, there is still tension within the capitalist class because of a fast-rising group of capital owners thanks to privileges granted by government. On the other hand, working class suffers from informal employment, subcontracting and atypical work. Unionization rates in Turkey are way behind compared to OECD countries.

How can weaker position of labor and dominance of capital over it be explained? According to Marx, classes are formed in the struggle against each other (quoted from Marx and Engels, Yurtsever, 2011). To become a class, workers should be in a common struggle against capital; otherwise, as individuals, they remain powerless and have to compete with other workers. State also has an important role in the formation of classes. According to the Yurtsever (2011) “... one of the state’s roles is to ensure the continuity of the dominant mode of production and to protect the process of the social formation. To achieve this goal, state sometimes come to the fore or sometimes stands back in response to changing power relations.”

Capital owners in Turkey are considerably less fragmented compared to workers. They can unite and make a consistent demand to further their common interests if need arises; otherwise they can act as a class. Although distinct groups within the capitalist class can be easily identified, these groups have sufficient common group to move together.

One of the critical inferences of the model is that any coalition excluding the third party turns into an unstable political regime due to fact that more powerful partner in the coalition has the potential to seize other partner's income. Considering the 1960s and 1970s, we observe that the coalition including labor and industrial capital but excluding financial capital became unstable and eventually collapsed. Later in 1980s, industrial capital and financial capital formed a new coalition under which labor lost ground and even the limited gains acquired during transition to multi-party democracy were rolled back. On the other hand, global financial meltdown in 2007 and 2008 damaged the coalition between industrial capital and financial capital in Turkey as well as in other parts of the world and evolved into a crisis of capitalism. The disorganization of working class, erosion of support for democratic ideals and rise of authoritarianism have intensified under this coalition; looking for possible linkages between these developments would be a worthy research agenda. Since the crisis, subject of income inequality has acquired currency; whether this is a sign of capitalist demands for a new form of coalition or not remains to be seen.

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Appendix

We use the following form of Cobb-Douglas production function to obtain the factor incomes:

$$Y = (A_I K_I + A_F K_F)^\alpha L^{1-\alpha} \quad (1)$$

and are industrial/agricultural capital and financial capital, respectively. A_I and A_F represent each form of capital's weight in the production process. represents labor.

Factor incomes equal to their marginal product under the assumption of perfectly competitive markets:

$$\begin{aligned} \frac{\partial Y}{\partial K_I} &= \alpha (A_I K_I + A_F K_F)^{\alpha-1} A_I L^{1-\alpha} = \pi \\ \frac{\partial Y}{\partial K_F} &= \alpha (A_I K_I + A_F K_F)^{\alpha-1} A_F L^{1-\alpha} = \psi \\ \frac{\partial Y}{\partial L} &= (1-\alpha) (A_I K_I + A_F K_F)^\alpha L^{-\alpha} = \omega \end{aligned} \quad (2)$$

Isocurves in Figure 1, Figure 2 and Figure 3 are obtained from following equations. Different shapes of isocurves in the each figures are resulted from different values attached to each parameters.

$$[\xi + (1-\kappa-\xi)r - \kappa](A_I \kappa p + A_F \xi q) = \kappa p m \alpha A_I - \xi q n \alpha A_F, \text{ for } \lambda_I = 0.5$$

$$[\kappa - \xi + (1-\kappa-\xi)r](A_I \kappa p + A_F \xi q) = \xi q n \alpha A_F - \kappa p m \alpha A_I, \text{ for } \lambda_F = 0.5$$

$$[\kappa + \xi - (1-\kappa-\xi)r](A_I \kappa p + A_F \xi q) = -\xi q n \alpha A_F - \kappa p m \alpha A_I, \text{ for } \lambda_L = 0.5$$

Society, Culture National Identity & Immigration

This book is designed to introduce the latest advances in academic research of the identity, nationality and immigration issues in the 21th Century. The book is composed of several defining papers that are essentially associated with society, culture, national identity and immigration. The articles in the book draw attention to social and cultural issues related to nationalism produced and spread all around the World after the French Revolution. The issue of nationalism brought about many related subjects which are not only identity and culture but also political and social movement including migration issues. The opinions in each article reflect its authors' own thoughts.

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