

A COMPLEX SYSTEMS MODEL FOR UNDERSTANDING THE CAUSES OF
CORRUPTION: CASE STUDY - TURKEY

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It is attempted with this dissertation to draw an explanatory interdisciplinary framework to clarify the causes of systemic corruption. Following an intense review of political sciences, economics, and sociology literatures on the issue, a complex systems theoretical model is constructed. A political system consists of five main components: society, interest aggregators, legislative, executive and private sector, and the human actors in these domains. It is hypothesized that when the legitimacy level of the system is low and morality of the systemic actors is flawed, selected political, social and economic incentives and opportunities that may exist within the structure of the systemic components might -individually or as a group- trigger corrupt transactions between the actors of the system. If left untouched, corruption might spread through the system by repetition and social learning eventually becoming the source of corruption itself. By eroding the already weak legitimacy and morality, it may increase the risk of corruption even further. This theoretical explanation is used to study causes of systemic corruption in the Turkish political system. Under the guidance of the complex systems theory, initial systemic conditions (legacy of the predecessor of Turkey Ottoman Empire) is evaluated first, and then political, social and economic factors that are presumed to be breeding corruption in contemporary Turkey is investigated. In this section, special focus is given on the formation and operation of amoral social networks and their contribution to the

entrenchment of corruption within the system. Based upon the findings of the case study, the theoretical model that is informed by the literature is reformed: Thirty five system and actor level variables are identified to be related with systemic corruption and nature of the causality between them and corruption is explained. Although results of this study can not be academically generalized for obvious reasons; the analytical framework proposed here can be referenced by policy makers who are willing to trace the roots of systemic corruption in developing countries.

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TABLE OF CONTENTS

	Page
ACKNOWLEDGMENTS	ii
LIST OF TABLES	v
LIST OF ILLUSTRATIONS	vii
Chapter	
1. INTRODUCTION	1
Introduction	
Recent Popularity of an Ancient Problem	
International Business Hurts and the Issue Globalizes	
Why Do We Have To Study Corruption? Consequences of Corruption and the Research Question	
Problems in Corruption Research	
Summary	
2. LITERATURE REVIEW, THEORETICAL FRAMEWORK, METHODOLOGY AND LIMITATIONS	20
Introduction	
Literature Review into the Causes of Corruption	
Constructing an Interdisciplinary Framework to Study Causes of Corruption	
Complex Systems Theory and Its Application to the Case Study	
Methodology	
Limitations	
Summary	
3. MEASURING CORRUPTION IN TURKEY	42
Introduction	
Place of Turkey on Corruption Perception Indexes by Years	
Findings of Global Corruption Barometer Surveys	
Findings of the Business Environment and Enterprise Performance Survey	
Place of Turkey on Global Good Governance Index by Years	

	Findings of Household and Business Views on Corruption Survey	
	Findings of Research for Public Sector Reform Survey	
	Recent Media Coverage of Corruption	
	Summary	
4.	INITIAL SYSTEMIC CONDITIONS: LEGACY OF THE OTTOMAN EMPIRE.....	61
	Introduction	
	Political Conditions	
	Social Conditions	
	Economic Conditions	
	Dissolution of the Empire: First Signs of Systemic Corruption	
	Summary	
5.	CORRUPTION BREEDING FACTORS IN POLITICAL AND SOCIOECONOMIC STRUCTURE OF MODERN TURKEY	74
	Introduction	
	Problems in Political Structure	
	Problems in Economic Structure	
	Problems in Social Structure	
	Revisiting Legitimacy	
	Summary	
6.	AN EXPLORATORY MODEL OF SYSTEMIC CORRUPTION IN TURKEY	144
	Introduction	
	Refining the Variables and Reconstruction of the Model	
	Conclusive Remarks	
	Summary	
	REFERENCE LIST	169

LIST OF TABLES

Table	Page
1. Score and Ranking of Turkey on Transparency International Corruption Perceptions Index (1980-2004)	43
2. Findings of the Global Corruption Barometer Survey (2003)	46
3. Findings of the Global Corruption Barometer Survey (2003)	47
4. Findings of the Global Corruption Barometer Survey (2003)	48
5. Findings of the Global Corruption Barometer Survey (2003)	49
6. Findings of the Global Corruption Barometer Survey (2003)	49
7. Findings of the Global Corruption Barometer Survey (2003)	50
8. Findings of the Global Corruption Barometer Survey (2004)	51
9. Findings of the Global Corruption Barometer Survey (2004)	51
10. Findings of the Global Corruption Barometer Survey (2004)	52
11. Control of Corruption: Turkey versus Other Countries (1996-2004).....	54
12. Rule of Law: Turkey versus Other Countries (1996-2004)	96
13. Scope of Turkish Underground Economy (1998-2004)	109
14. Population Growth in Turkey (1927-2000).....	117
15. Change in Turkish Population Patterns: Urban versus Rural (1990-2000)	118
16. Unemployment in Turkey (1990-2003)	120
17. Adult Literacy Rate in Turkey (1990-2003)	121
18. Income Inequality in Turkey (1990-2003).....	123
19. Membership to Civil Associations: Turkey versus Western Countries	128

20. Protest Potential: Turkey versus Western Countries	136
21. System-level Variables and Their Presumed Relationship with the level of Corruption in a Political System	152
22. Actor-Level Variables and Their Presumed Relationship with the Level of Corruption in a Political System	160

LIST OF ILLUSTRATIONS

Figure	Page
1. A Complex Systems Model That is Informed by the Literature to Explain Causes of Corruption	37
2. A Complex Systems Model That is Reformed by the Case Study to Explain Causes of Corruption	146
3. Formation of Corruption Breeding Social Networks.....	149

CHAPTER 1

INTRODUCTION

Introduction to Chapter 1

In this introductory chapter the dynamics that raised global awareness on the issue of corruption is discussed, consequences of corruption are detailed, research question is formulated and problems in contemporary corruption research are defined.

Recent Popularity of an Ancient Problem

Corruption has been traditionally seen as an issue of domestic politics, but it recently emerged as a global issue attracting an international response. Global awareness against corruption increased due to the changing international political and economic atmosphere after the cold war. Those autocratic regimes that enjoyed enormous political and economic support of opposing pole leaders, the US and the USSR, in exchange for their active or passive loyalty, lost their backing both in domestic and international politics and faced with a legitimacy problem. With the exception of their Middle Eastern counterparts, security of whose seats are in danger nowadays, many of the corrupt and despotic leaders of the cold war were forced out of office either by a coup or a popular vote. Their abuses of authority were made public and investigations into the source of their incredible fortunes quickly started. Some examples in this category include Chile under Pinochet, the Philippines under Marcos, Uganda under Idi Amin, and Zaire under Mobutu.

In more developed countries, toleration of the masses towards the questionable governance practices, -because the fear of communism had overridden all other concerns- came to an abrupt end and demand for a more transparent, accountable and effective government increased. Illegalities such as financing of counter-guerilla/counter-revolution groups in Latin America by drug trafficking, and Mafia-right wing politics relationship in Italy and in most of the remaining European countries were investigated, and previously untouchable elites who amassed huge fortunes and sometimes personal armies by taking advantage of the fear of communism were finally touched. From Spain to Korea, from Argentina to France, numbers of politicians and their networks within the State apparatus were brought down on corruption charges.

Starting with early 1990s, increasing freedom of media from the ideological confrontation made it easier for the investigative journalist to study corruption in public sector, and advances in information and communication technologies made creation and dissemination of corruption related information easy. Access-to-information laws that regulate the access to government information helped people to learn more about government expenditure and operations. Although there are still numbers of economic and political barriers to be broken down, information age empowered people to the disadvantage of political and bureaucratic elites who used to have a firm monopoly over information and manipulated it as they wished.

For ex-communist countries of Eastern Europe and former Soviet Union countries, transition to free markets and democracy without having the necessary political, social and legal institutions have been painful and the situation has been exacerbated by the termination of previously tight external and internal controls. One side

effect of this situation was extreme corruption and organized crime activity. The leading roles in this game have been played by neo-capitalist ex-communist party elite and their cronies in organized crime world. Since 1989, these political-criminal elites have not only plundered their countries through fraud, capital flight, rigged privatization and all sorts of abuses in the markets, but also siphoned off millions of dollars of aid and loan for developmental projects. It has been almost impossible to do business in these countries without paying bribes to government officials or buying protective services from organized crime groups which were bolstered by uncertain economic conditions, weak law enforcement, inadequate laws, unprotected borders and vulnerable financial systems.

International Business Hurts and the Issue Globalizes

Combination of advances in communication and financial networks thank to the improvements in information technologies, easiness of travel and elimination of political and economic barriers between the capitalist and communist blocs have boomed the international trade and investment during the last two decades. The volume of the international trade increased by twenty fold, from \$320 billion to \$6.8 trillion since 1950 (Trade and globalization, 2005). In 1982, the global total of foreign direct investment flows was \$57 billion; by the year 2000, that number had grown to \$1271 billion - nearly twenty times the level two decades earlier (Investment, 2005). That the walls around national markets have been crumbling and the separation between national and international economics has been vanishing is no secret. Inter-firm trade between transnational corporations now accounts for between thirty and forty percent of all world trade (United Nations Conference on Trade and Development 1994, p.131) and global companies are determined to deal with any inhibitor to international investment and

trade. Corruption, obviously, is one of these inhibitors, because from a strictly business perspective, it means additional and mostly unpredictable taxes and distortion of competition in the markets.

As the biggest player in international economics in terms of volume of imports and exports, provision of services, and foreign direct investment, the United States took the first concrete step in combating with corruption in international trade in 1977 by passing the Foreign Corrupt Practices Act (FCPA). However, FCPA, that was substantially revised in 1988, which prohibits the US based companies to bribe of foreign government officials, put the US business at a competitive disadvantage relative to other multi-national companies that are not penalized by their home governments for overseas bribery to win contracts. Some of these countries, such as Germany, even let their firms to have tax returns for these operational expenses. The end of the cold war opened up huge opportunities for the international business community and without paying bribes, American companies has had tremendous difficulty in entering the virgin markets of the Eurasian continent. Increasingly hurt by the growing unfair competition, the US took the issue to the global front and started demanding the international community to follow the example it set. It is no surprise that Organization of American States (OAS), where the US plays the leading role, has been the first international organization to produce a truly international agreement to fight corruption in 1996. Following OAS, Organization of Economic Cooperation and Development (OECD) negotiated a convention in 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions under continuous pressure from the US side. As Rodrik wonderfully put it, “We now care about the corruption in the developing world because we believe their corruption hurts

us” (1997, p.110). Indeed, American pressure can best be felt in the radical change of attitude of the biggest developmental aid organization in the world, the World Bank (WB), where the US calls the shots with its tremendous voting power. WB used to be very careful in holding an apolitical stand, and until the mid 1990s, argued that its Articles of Agreement, the rules that govern its activity, prohibited it from making decisions based on political considerations, and a country’s political structure, its human rights record and corruption were all too political for the Bank to consider (Marquette, 2003). The Bank’s previous stand on corruption is best reflected in the following statement of the Bank’s former president James Wolfensohn:

When I got to the Bank, the General Counsel called me in to give my briefing on what I could do and what I could not do as President of the Bank. And he said the one thing you can not do is to talk about the C word. And I said, what is the C word? He said the C word is corruption. And under the charter of the Bank you are not allowed to talk about politics and corruption is politics. You can talk about social justice, you can talk about poverty but for God’s sakes don’t talk about the C word because you will get fired (Marquette, 2003, p.11).

The Bank has slowly changed its apolitical stand against corruption in the years that followed the collapse of the communist bloc. WB identified corruption as the single greatest obstacle to economic and social development and set up an anti-corruption unit under its Public Sector Governance Group. In an annual joint meeting in 1996, WB and International Money Fund (IMF) presidents publicly condemned corruption and promised to attach greater priority to fighting it in their programs (Elliott, 1997). After numerous reports indicated that millions of dollars of developmental aid ended up in private Swiss bank accounts of ex-communist new-democratic political elites of Eurasian countries, WB heavily regulated its procurement process. Good governance, presented by the WB

as the magic wand to clear out the corruption, once ignored in the name of neutrality, is now recognized by it as a vital component of development.

As the largest trade bloc in the world, Europe soon decided to follow the steps of the USA in anti-corruption front. The European Ministers of Justice at their annual meeting in 1997, declared that “Corruption represents a major threat to the rule of law, democracy, human rights, fairness and social justice, that it hinders economic development and endangers the stability of democratic institutions and the moral foundations of society” (How, 2005), and in their next meeting proposed the establishment of the Group of States against Corruption (GRECO) by the Council of Europe. GRECO was set up in 1999 and it prepared separate conventions on Criminal Law on Corruption and Civil Law on Corruption which entered into force in 2002 and 2003 respectively. In the international law enforcement front, the Group of Experts on Corruption within Interpol was tasked with developing and implementing an anti-corruption strategy, primarily to improve law enforcement capabilities of member nations in tackling with corruption, in 1998. And finally, the largest global policy making institution, the United Nations General Assembly adopted a Convention Against Corruption in 2003 and required member states to take the necessary legal and institutional steps to prevent and criminalize corruption and further international cooperative efforts. As of February 2005, 118 countries signed the convention, and a Conference of the States Parties is established to review implementation and facilitate activities required by the convention.

Why Do We Have To Study Corruption? Consequences of Corruption and the Research Question

In sum, raising awareness on the issue of corruption can be explained by normalization of politics after the cold war, increasing freedom of media, improvements in producing and accessing information, elimination of corrupt elites from the political scene and publication of their stories, and a perceived increase in organized criminal and corrupt activity in ex-communist countries. However, based on impressionistic evidence, it can be claimed that corruption owes its becoming an international policy issue less to the increasing alertness, but more to its perceived damaging effect on international investment and trade. Although corruption has been an issue of national politics for ages, it was never considered a problem of international relations until the end of the twentieth century. For instance, in contrary to transnational organized crime and terrorism which are increasingly viewed as non-traditional actors of the international system, there are no organized international corrupt forces to be dealt with on an international level.

Perception of corruption as a barrier to international trade and investment is obviously a competition related distributive concern. Crudely speaking, from this perspective, fighting with corruption is about cutting the additional taxes in international business transactions and leveling the playground for global firms. However, making corruption's damage on international business the reason why we think corruption is a problem and a starting point for how we should deal with it, would lead to wrong calculations and conclusions. As will be explained in detail later, corruption is a developmental problem, not a trade problem, and its real victims are local people, not the global firms. The political, economic and social prices associated with the existence of

corruption are paid by the locals, and this is the very reason why corruption should be seen as a problem and studied. Although causes and consequences of corruption tend to be intertwined, its major outcomes on the local political-economies, as they were found in the literature, are provided on the following list in an effort to reveal the significance of the problem:

- Corruption undermines the rule of law, legitimacy of the state, stability of the institutions, and the moral foundations of society (Doig and Theobald, 2000); in extreme cases it can lead to criminalization of the State such as in kleptocratic states of Africa (Bayart et. al, 1999), or in transitional countries of Eastern Europe (Yasar, 2001);

- Corruption weakens the ability of the State to promote good governance, fairness and social justice (Johnston, 1993; Ackerman, 1999; Anderson and Tverdova, 2003);

- Higher corruption is associated with higher poverty and income inequality (Gupta, 1995);

- Corruption distorts proper and fair competition in markets, discourages foreign investment (Wei, 2000);

- Corruption reduces the resources available for economic development infrastructure (Azfar et. al., 2001; Campos and Pradhan, 1999);

- Corruption increases the cost of public investment, erodes the capacity of the government to extract taxes, lowers government revenues and quality of public infrastructure (Tanzi and Davoodi, 1997);

- Corruption influences the choice of projects undertaken by the government, lowers the level of investment, and redirects public investments towards unproductive sectors (Mauro, 1995).

Naturally, the first step of addressing a problem is analyzing its causal dynamics so that a framework towards the solutions could be formed. Following this logic, the research question of this dissertation is simply as follows: What are the causes of corruption? With the recent popularization of corruption as a policy issue, this question have been frequently asked by a variety of disciplines; however, definitional, data and measurement related problems have inhibited formation of a coherent theory of corruption so far. Before theorizing about the causes of corruption a closer look into these issues is a must.

Problems in Corruption Research

Defining Corruption

Classical notions of corruption focus on the moral health of whole societies and moral health was measured by looking into the sources and distributions of wealth and power, leaders-followers relationship (Johnston, 1996); or of a “people’s love of liberty”, “the quality of political leadership [and] the viability of political values or style” (Shumer, 1979, p.7) and for Machiavelli, “virtue” (Shumer, 1979, p.8). Dobel (1978, p.960), describes societal or state corruption as the loss of a capacity for loyalty, and explains the essence of the corruption as the decline in the ability and willingness of the citizens to act spontaneously or disinterestedly to support other citizens or communal institutions.

For analytical and practical purposes, and partly due to the recent dominance of economics discipline on the issue, in modern times systemic perspective in the study of corruption was replaced by a narrow focus on specific corrupt acts such as bribery, extortion and embezzlement. This conceptual shift forced a classification of behavior

against objective standards such as law. However, using law as a standard was criticized by some (Gibbons, 1989) on the grounds that there would be times the laws enjoy little legitimacy -especially in developing or transitional countries-, or legalism tells us little about the social significance of behavior.

Heidenheimer (2002) categorizes corruption definitions under three titles: public office centered, market centered, and public interest centered. Following definitions are commonly cited in the literature as examples of their respective definition categories:

Public office centered definition of Nye (1967, p.417):

Corruption is behavior which deviates from the formal duties of a public role because of private-regarding (close family, personal, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private regarding influence.

Market-centered definition of Van Klaveren (1989, p.9) is more like a description:

A corrupt civil servant regards his public office as a business, the income of which he will seek to maximize. The office then becomes a maximizing unit. The size of his income depends upon the market situation and his talents for finding the point of maximal gain on the public's demand curve.

Public-interest centered definition of Friedrich (2002, p.58) focuses on the nature and impacts of corruption, specifically on the public:

The pattern of corruption can be said to exist whenever a power holder who is charged with doing certain things, i.e. who is a responsible functionary or office holder, is by monetary or other rewards not legally provided for, induced to take action which favor whoever provides the rewards and thereby does damage to the public and its interests.

Principal-agent-client (PAC) model based definitions form another category.

Although this approach is still linked to the official behavior, it does not only focus on the corrupt behavior of the bureaucrat, but also take into account the behavior of his

superior and the citizen who interacts with the agent during the execution of the corrupt transaction. According to Klitgaard (1988, p.24):

PAC approach defines corruption in terms of the divergence between the principal's or the public interest's and those of the agent or civil servant: Corruption occurs when an agent betrays the principal's interest in pursuit of her own.

Rose-Ackerman follows the PAC argument but slightly differs from Klitgaard's definition; her focus is not limited to payments that conflict with the principal's goals, nor is it limited to payments that have been formally declared illegal (1978, p.6-7). Rather, it embraces all payments to agents that are not passed on to superiors. Nevertheless, she adds, many third party payments are illegal, and it is only these which she calls corrupt (1978, p.7).

There are also definitions coming from outside of academia. World Bank's definition of corruption "the abuse of public office for private gain" is very popular for practical purposes. Transparency International [TI] adopts a more detailed approach by describing corruption as

Behavior on the part of officials in the public sector, whether politicians or civil servants, in which they improperly and unlawfully enrich themselves, or those close to them, by the misuse of the public power entrusted to them (1996, p.1).

Asian Development Bank believes private sector corruption should be integrated into the general definition of corruption:

Corruption involves behavior on the part of officials in the public and private sector, in which they improperly and unlawfully enrich themselves and/or those close to them, or induce others to do so, by misusing the position in which they are placed (Asian Development Bank, 2000, p.1).

Defining corruption according to the level of its actors and scale is another approach. Grand or political corruption involves those on top of the political system,

major decisions and contracts and large sums of money. Petty or bureaucratic corruption is spoken of when the actors are lower level bureaucrats, and involves provision of goods and services, and small scales of money. Bureaucratic corruption can involve private actions of the bureaucrat such as embezzlement in the absence of no other actor, or it may include multiple actors such as bribery. As it is hard to separate politics from bureaucracy, it is also hard to separate political corruption from bureaucratic corruption.

Johnston (1996) argues that all the definitions that classify behavior suffer from the same deficiency; they can not be applied to all times and places. He (1996, p.23) suggests that definitions should identify a problem that resides not in specific actions but rather in the broader processes through which consent is to be won, and influence and authority are to be used. This neo-classical approach incorporates the basic idea of the abuse of public roles or resources for private benefits, but it does not intend to classify corrupt behavior, but rather is concerned with corruption as a political or moral issue.

Thompson (1993) follows the same mentality and does see corruption as a property of a political system and introduces a different concept named mediated corruption:

The corrupt acts are mediated by the political process. Mediated corruption includes the three main elements of the general concept of corruption: a public official gains, a private citizen receives a benefit, and the connection between the gain and benefit is improper. But mediated corruption differs from conventional corruption with respect to each of these three elements. (1) the gain that the politician receives is political, not personal and is not illegitimate in itself, as in conventional corruption (2) how the public official provide the benefit is improper, not necessarily the benefit itself, or the fact that the particular citizen receives the benefit (3) the connection between gain and the benefit is improper because it damages the democratic process, not because the public official provides the benefit with a corrupt motive. In each of these elements, the concept of mediated corruption links the acts of individual officials to qualities of the democratic process. In this way, the concept provides a partial synthesis of conventional and systematic corruption (Thompson, 1993, p.369).

There are multiple ways to define corruption and each approach has its own pros and cons list. Nevertheless, for the purposes of this study, I position myself near the neo-classical approach since it employs the traditional description of what constitutes corruption: “abuse of public office or resources for private gain”, does not primarily focus on specific corrupt acts, but on the political and economic conflicts shaping them.

Collecting Data on Corruption

Corrupt transactions generally happen in secrecy and unless somehow publicized, details about the identity of the parties and nature of the exchanged benefits, both material and non-material, are beyond the reach of the conventional researcher. Except for media reports and criminal justice statistics, -and a few instances of participatory research- there is no data source to lean on to measure the size of corruption in any given regime. We cannot be sure how fair and impartial media covers corruption stories unless the press is considered free and independent. However, in cases where media can be trusted, we still can not be certain of what percentage of actual corruption is reflected in the press. It is a question of market for corruption stories and availability of resources for investigative journalism. Media, by its nature, will tend to give priority to dramatic scandals which would attract more attention, but more common everyday practices of corruption would be ignored.

When it comes to criminal justice statistics, if there is systemic corruption in a given regime, it is highly probable that criminal justice institutions are not corruption-free and their seriousness or impartiality in fight with corruption is questionable, so their data can not be trusted. In countries with honest criminal justice systems, the data is still problematic, because how representative their corruption-related data of actual amount of

corruption is vague; -the scenarios would be multiplied-, corruption level may be low but the law enforcement would be very successful in surfacing the little amount of corruption and produce a lot of cases, or corruption would be really high but the law enforcement would be less effective and uncover lower numbers of cases, or simply political priorities would be different and resources would be directed to other sorts of criminal justice issues. Ideally, aggregation of participatory research that would be based on direct observations of corrupt transactions by impartial researchers should solve the problem indefinitely, but this kind of research is very rare and for obvious reasons we can not expect to see more examples of it in the near future.

Measuring Corruption

In an attempt to address the data and measurement problem, one common method recently employed has been surveying of corruption perception levels in the world and building corruption perception indexes (CPI) based on this data. CPIs are either prepared by research firms which provide risk assessment to international business or by international advocacy organizations. Following is a quick list of major CPI creators, nature of their CPIs, and their data sources:

-Name: Business International Corporation, now part of Economic Intelligence Unit. Nature of the CPI: Assessment of the level of bribery in various countries. Source of data: A network of correspondents and analysts around the world.

-Name: Political Risk Services Inc. based in New York. Nature of the CPI: Assessment of the level of bribery in various countries in annual publication International Country Risk Guide. Source of data: Company experts.

-Name: World Economic Forum based in Switzerland. Nature of the CPI: Measure of bribery in annual publication, World Competitiveness report. Source of data: Experts of the organization and partner institutions.

-Name: Political and Economic Risk Consultancy based in Hong Kong. Nature of the CPI: Measure of bribery in Asian countries. Source of Data: A network of researchers and analysts in Asian countries.

-Name: TI based in Berlin. Nature of the CPI: Measure of bribery all around the world. Source of data: Survey of surveys on country experts and business leaders.

f) Name: The World Bank based in Washington, D.C. Nature of the CPI: This is not actually a CPI but an aggregate measure combining three elements of governance quality: probity, bureaucratic quality and rule of law. Source of data: Open source political and economic indicators.

Survey targets of CPIs are generally businessmen, especially foreign investors, journalists, and country specialists who are asked about to what extent business transactions in the country in question involve corruption. The CPI of TI that is prepared by a team of researchers in Gottingen University of Sweden is published since 1995 and it is the most comprehensive perceptions index and the most frequently used one by the researchers. According to the methodological note of the latest CPI (TI, 2004), evaluation of the extent of corruption in countries is done by non-resident experts and business leaders. In an attempt to improve the reliability, TI integrates the results of 18 different polls targeting this population before creating the index.

CPIs have proved to be wonderful tools to expand our empirical knowledge of corruption, but they also limited our understanding of it. Following are some of the content and method related issues:

- Corruption has been equaled to bribery in business transactions, while there were many other facets of it, such as embezzlement, extortion, fraud and all kinds of favoritisms including nepotism, cronyism, and clientelism.

- Perception levels of foreigners, especially businessmen, on the extent of bribery, have been assumed to be representing the real corruption levels.

- There is no clarity on whether these levels represent the total number of bribes or the numbers of transactions affected by bribery.

- In preparation of these indexes, exclusive focus is placed on the bribed side of the bribery and incentives of the bribed to take bribe, while the bribers and psychological, social and financial motives behind their corrupt behavior and the interaction between the incentives of the bribed and the briber are ignored.

- The indexes do not tell much about how, when and where the change happened, if a country's CPI score has altered from one year to another. If it (most probably) indicates a perception change among respondents to the surveys there are two problems: perceptions change very slow, and considering the popularity of CPI indexes, especially Transparency International's, not only in academic circles, but also in national and international media, the chances that they are going to be influenced by the most recent rankings are very high. As it was mentioned before, it is also possible that corruption perceptions in country X may be very high in a given time period, not because corruption

is actually on the rise, but law enforcement is breaking more cases in that particular period for a number of possible reasons and these cases make good stories in the media.

According to Galtung, perception indexes can only measure two things: Trends over time and relative positions vis-à-vis the other countries and they do not capture the amount of corruption in any country (1998).

If quantification of corruption is so problematic, comparison of corruption levels between countries to surface the causes of corruption is equally tricky, to say the least. Nonetheless, using the country scores on CPIs as dependent variable and a variety of political, economic and social indicators that are considered to be related with corruption levels as independent variables, considerable amount of cross-country research were done, in an attempt to find causes of corruption, but instead of showing causality they only indicated statistical significance of interrelatedness between coded variables (Mauro, 1995; Ales and Di Tella, 1997). Khan and Jomo (2000) maintained that regression results in corruption studies ought to be interpreted with care and should not be considered a substitute for historical analysis. For instance, quantitative study of Treisman (2000) found that countries with Protestant traditions, histories of British rule, more developed economies, and (probably) higher imports were less corrupt; federal states were more corrupt; while the current degree of democracy was not significant, long exposure to democracy predicted lower corruption. Now, there are significant exceptions to these findings. For instance, they can not explain why Singapore and Hong Kong have been able to make to the top ten lists of cleanest countries of the world for the last ten years on CPI of the TI. Yes, they have a history of British rule, and are economically developed, but they are neither protestant nor federal, and have a long history of

authoritarian regimes. Switzerland, Norway, Finland, Sweden and Netherlands have never been ruled by British in modern times, but they consistently rank among the top ten cleanest, either; yes, some of them have protestant majorities, some have mixed populations, some have federal systems, and some do not. On the other hand, Bangladesh and Nigeria always compete for the worst corrupt country position on CPI of the TI, and they have a history of British rule. Examples could be multiplied but aside from failing to produce causality on a country basis, this body of research can not produce recipes for individual countries, neither.

Despite good intentions, chances of solving validity, reliability and precision issues with comparative data is very low due to the secretive nature of corruption. And understandably, explanatory power of cross-country quantitative studies based on problematic data will always be limited if not flawed. But what if it is just observed that there is serious amount of corruption in a given regime, and its causes should be studied so that an effective anti-corruption framework can be designed? To that end, instead of focusing on the extent of specific corrupt acts for quantitative comparison purposes, paying attention on state-society relationship and wealth-power conflicts that happen in specific socio-cultural settings where corruption finds its meaning and shape seems like a more meaningful research path. To present a model that could describe these processes, the first step should be identifying the causes of corruption as they are found in the literature.

Summary of Chapter 1

In this introductory chapter the dynamics that raised global awareness on the issue of corruption was discussed, consequences of corruption were detailed, research question was formulated and problems in contemporary corruption research were defined.

CHAPTER 2

LITERATURE REVIEW, THEORETICAL FRAMEWORK, METHODOLOGY, LIMITATIONS

Introduction to Chapter 2

In this chapter, a literature review on the causes of corruption is provided; an interdisciplinary theoretical model that is informed by the literature is constructed and methodological information relating to the study is noted.

Literature Review into the Causes of Corruption

A review on the causes of corruption can be organized in several ways such as types and dimensions of corruption. For practical reasons, my organization is based on three major disciplines that deal with the issue of corruption most extensively.

Political Science Perspectives

First, modernization and later democratization theories focusing respectively on political development level and regime type have had a major impact in explaining corruption in political science. State building and formations of institutions that could promote industrialization and economic growth meant modernization, and corruption was largely seen as something caused by incomplete process of modernization and remaining traditionalism (Myrdal, 1968). A direct relationship between the consistence of patrimonialism and corruption is constructed; because patrimonialism puts personal relationships at the core of the political system and weakens the distinction between public and private, it is considered to be damaging the formal roles and institutions, and

opening up opportunities for corrupt clientelistic and nepotistic behavior (Hope and Chikolo, 2000; Bratton and Van de Walle, 1997).

Huntington (1968) believes that corruption is a by-product of rapid modernization and claims when institutions of a state become insufficient in answering to the political and economic demands of the society, corruption and/or political violence raise as alternative paths to pursue in the way of satisfying these demands. According to him, to find corruption we should look into political and economical imbalances in the society; where political opportunities are scarce and economic opportunities are ample; people use political power to buy wealth, and in reverse situations they use economic power to buy political power. However, not all corruption is bad, he argues. In connection with the fact that economic growth is a very important part of modernization, he makes the infamous corruption could grease the wheels of modernization argument:

In terms of economic growth, the only thing worse than a society with a rigid, over centralized, dishonest bureaucracy is one with a rigid, over centralized honest bureaucracy (1968, p.69).

Following the logic of this argument, it was claimed that small payments to officials could speed up bureaucratic procedures and in this way contribute economic growth (Leff, 2002; Leys, 2002). Major assumption here is that corruption would disappear in the long run as markets become stronger and the state more efficient and modern. A natural reverse argument can be developed on the grounds that if the markets do not get strong and the state fails to meet the political and economic needs of the population, as it has been the case in most developing and transitional countries, corrupt practices entrench, people's trust in fairness and impartiality of the institutions decrease, the pressure of

traditional informal solidarity networks on the formal institutions increase and destabilization follows.

Following Huntington's logic on political and economic imbalances/corruption relationship, but refusing the grease the wheels argument, Johnston (2001) structured a corruption syndromes schema for different societies according to their political and economic imbalances along institutionalization and participation continuum, under the titles of interest group bidding (USA and many liberal democratic regimes), elite hegemony (China, Korea, Japan and military regimes), fragmented clientelism (Russia, many African civilian regimes) and patronage machines (Mexico, Malaysia). In the same line, Ackerman (1999) makes a distinction between kleptocracies where corruption is organized at the top of the government, and mafia-dominated States and other states where bribery is the province of a large number of low level officials.

The alternative of development theory, dependency school argues that unless the peripheral and exploited status of the third world countries change, their authoritarian, politically underdeveloped, corrupt regimes will continue (Blomstorm and Hetne, 1984). Since corruption is part of a larger problem, its termination depends on the termination of the puppet elites and the political system from the Western bloc, and the development of national economies depending upon import substitution industrialization policies.

Another major explanation of corruption comes from the democratization school which argues that corruption can only be controlled by democratizing the state (Friedrich, 1989; Amundsen, 1999) and strengthening the democratic institutions (Doig and Theobald, 2000). It has been noted that democracy increases the possibilities of exposure for corrupt officials through greater civic engagement, free media, civil society

organizations, and rival candidates for political positions in monitoring, and by the opportunity of voting out corrupt politicians through free and fair elections (Diamond and Plattner, 1993; Quah, 2003). The general hypothesis of a negative relationship between democracy and corruption was tested by using TI's Corruption Perceptions Index and Freedom House's country levels of democracy, and although a negative statistical relationship was found, it did not necessarily built a causal relationship, leave aside the methodological problems with these two indexes. What matters according to Treisman (2000) is whether or not a country has been democratic for decades. This argument is more convincing, because even if authoritarian control is challenged by economic liberalizations and political democratizations, unless previously strong controls are replaced by checks and balances between government departments, and judicial independence is ensured, the level of corruption might increase, as it is observed in ex-communist countries of Eastern Europe.

Huge government presence in economic sector and powerful central governments were found to be threatening since they were assumed to be providing opportunities for corruption; in this respect privatization and decentralization were encouraged. Since everyone tends to know everyone's business in decentralized settings; it is claimed, it is harder to conduct under the table deals (Goldsmith, 1999). However, some researchers dissented with this idea and argued that decentralized systems are more open to corruption. According to Banfield (1979) in decentralized systems potential corrupter needs to influence only one segment of the government and there are fewer centralized agencies to enforce honesty. Manor (1999) claims that decentralization is always attended by an increase in the number of persons who are involved in corrupt acts. Prudhomme

(1995) argues that there are more opportunities for corruption at the local level: Firstly, local officials have more discretionary powers than national decision makers. Secondly, local bureaucrats and politicians are likely to be more subject to pressing demands from local interest groups in matters such as taxation. Whether centralized or decentralized settings are more open to corruption is a contested area, but it is safe to assume that in early stages of transition to free market democracy, immediate privatization and decentralization is risky. As exemplified in ex-communist countries, these processes are wide open to corruption/organized crime activity; not the ordinary citizens but the criminal elites have the money to participate in privatization process auditing of which is significantly weak (Yasar, 2001). Same is true for competitive politics: it requires fund raising, and some researchers argue that multiparty democracies in transitional countries would be especially open to corrupt influences (Goldsmith, 1999).

Economics Perspectives

As stated in the introduction chapter, econometric literature dominates the current study of corruption. Macro-economic empirical research in this area is mainly focused on determining the causes and consequences of corruption at a general level by using country scores on corruption perception indexes as dependent variable, and political, economic and socio-economic indicators such as the level of democracy, press freedom, civil rights, the role of colonialism, institutional quality of government sectors, gross national domestic product (GDP) levels, salaries of public employees, gender, religion as independent variables (Lambsdorff, 1999; La Porta et al., 1999; Paldam, 1999; Treisman, 2000). Due to the very nature of their field, economists are interested in corrupt acts with financial rents, so their research is heavily focused on bribery. There is a rich literature on

the effects of corruption on the economy; however, except for the ones the research direction of which are difficult to guess -whether they provide insights into the causes or consequences of corruption-, research perspectives into the consequences of corruption are not provided below for it is not the purpose of this section.

Economic development literature argues that corruption should be lower in more economically developed countries, because economic development increases the spread of education and literacy. By doing so, it increases the chances of exposure of corrupt practices and reduces the tolerance levels towards corruption, push for depersonalized relationships in economic decisions involving more than one-party and equality of treatment for all agents (Treisman, 2000; Shleifer and Vishny, 1993). Paldam (1999) finds a negative correlation between GDP per capita and corruption levels. However, no causality between GDP and corruption can be derived from this says Lambsdorff (1999), because we can not now if a country is poor because of corruption or it is corrupt because of poorness.

Assuming that international trade and investment will stay away from corrupt markets, Wei (2000) hypothesizes that openness to international trade is an indication of a country's cleanliness and finds empirical support to his proposition. Broadman and Recatinini (2000), working on the same relationship, can not find such strong evidence to this hypothesis. Wei (2000) also tests the relationship between foreign direct investment levels and corruption perception levels in the same study, and his results are indicative of a negative correlation.

Based on the assumption that underpaid employees will tend to supplement their incomes with bribes, Rijckeghem and Weder (1997) test the relationship between public

sector salaries and the level of corruption and find a negative relationship between them. Rauch and Evans (2000) test the same hypothesis, but can not find a strong relationship.

Friedman (2000) looking into the relationship between the size of underground economy and corruption claims that corruption, not the tax rates, is the main determinant of the size of the underground economic activities, and underground economy is one of the major mechanisms through which corruption becomes deeply entrenched in the society.

Rather than these macroeconomic approaches, microeconomic studies of corruption in public sector have more to say about the causes of corruption, especially in bureaucratic space. However, because they mostly rely on observational studies, it is difficult to conduct them, so they appear rarer than macroeconomics based studies. Principal-agent-client (PAC) model of Robert Klitgaard (1988) has been the theoretical inspiration for many micro-economic studies into the causes of institutional corruption and provides the basis for proposals for controlling corruption. In this model, corruption is defined as the abuse of office for private gain; P is the chief of the institution, A is his subordinate, and C is the citizen. Main assumptions are: Institution is independent of outer influences (political) and can set its own agenda, P is honest, and A is a rational man whose priority is pursuing his self-interest rather than the interests of the institution. P enlists A to provide service for the institution or the client, but has incomplete information about honesty of him and his activities. A rational man, A, to pursue his interest, may abuse his office in his relationship with C, where the result will be bribery and extortion, or he may do the same thing in his relationship with the P, where the result will be internal fraud and embezzlement. Targeting incentives of the agent is the best way

to deal with the asymmetric information problem. In this framework, Klitgaard (1988) argues that corruption can be curbed at following levels:

a) Pre-employment: By preventing the opportunists to enter the system by effective monitoring at recruitment.

b) Post-employment: By providing rewards for honest behavior, and detecting and punishing corrupt behavior. The rational A will make a calculation before engaging corrupt behavior: If the expected costs of corrupt actions are bigger than its expected benefits, the rational man will stay away from corruption.

Following this model Rijkceghem and Weder (1997, p.21) lists some of the key factors impacting bureaucratic corruption, including payment scale, quality of internal and external controls, strength of administrative and legal penalties and public sector regulations. Increasing transparency in procedures to ensure accountability, elimination of excessive regulation and complexity in bureaucracy were also found to be effective in controlling opportunities and incentives to engage in corrupt behavior by government employees (Lambsdorff, 1999; Rauch and Evans, 2000).

The basic ideas here are theoretically and empirically investigated in a number of studies. Chand and Moene (1999) and Mookherjee (1997) argued that the wages are so low in developing countries that they invite corrupt behavior. Rijkceghem and Weder (1997) hypothesize that low salaries force public officials to supplement their incomes by taking bribes, while high salaries imply higher alternative costs if corrupt behavior is detected. In their study of 28 countries, they find a significant negative relationship between level of public sector salaries and the level of corruption. While Besley and McLaren (1993) argue that unless auditing and monitoring capacity is increased, fighting

corruption only on the basis of wage incentives will not help. It should also be noted that due to the development by the state strategy public sector generally is too huge in developing countries that a significant increase in salaries would be incredibly costly.

External and internal controls, which refer to the probability of being detected and facing administrative and legal punishment, point to the deterrence of the penalty, which matter on the rational agent's expected cost calculation. Mookherjee and Png (1995) look into the monitoring problems in public agencies through a case study and explain that auditing is not a clean-cut solution, because auditor being ineffective or corrupt is always possible. They claim appointing another auditor to oversee the work of the auditor or just increasing his salary and/or providing bonuses for the number of cases he reported could probably solve the problems, but also add that this could be too costly for the institution. Effectiveness of external controls is not investigated to a great extent within the economic literature.

There are several topics in public sector regulations that are thought to be related with corruption level in a country: Extent of government involvement in the economy is one of them. It is presumed that more government presence in the economy means more opportunity for bureaucratic abuse. This argument is mostly true for developing countries, for instance in state-owned businesses nepotism and cronyism in recruitment is high and thank to the tips received from connections in the government, insider trading is often practiced both in financial and real markets. However, due to the social state philosophy public sector is huge in the most developed countries of Scandinavia and these countries are among the least corrupt. It is more logical to conclude that not its size but the way public sector operates count.

Sociological Perspectives

One of the most common arguments in describing corruption is its changing meaning across societies. Yes, corruption generally refers to the abuse of public office for private gain, but the border between public roles and private interests are drawn differently in different societies. The development of the nation-state, political roles and norms in this structure, and Weberian logic of bureaucratic organization were results of a long process in the West. The western administrative apparatus was copied by the developing nations but obviously it had no socio-cultural roots. In traditional societies, obligation to the family, clan, ethnic group, hometown folks overwhelm the obligation to the state, and a public official is expected to do favors for his people in the form of employment, rewards, condoning wrongdoings, etc. Price (cited in Amundsen et al., 2000, p.65) argues that in the case of India that “a public servant is confronted with a wide range of pressing demands for action which are not described in official rules and regulations.” Ruud (cited in Amundsen et al., 2000, p.65) in his research on Bengali villagers states “to be the same man, and not to entertain primary loyalty at certain times to an informal institution, to remain the person which your friends have trust, that seems more human, at least under certain circumstances to Bengali villagers.”

Explaining extensive nepotism and favoritism in the Middle East, Jabbra and Jabbra maintain that accountability and loyalty to one's family, friends, and his village often takes precedence over accountability and loyalty to the state, and thus leads to practices of nepotism and corruption (2001). They find the roots of extensive patronage in protection seeking outside the family through ties with powerful protectors or patrons since the identification with the national community and national laws is weak (2001).

Vankatappiah believes that patron-client relationships, patronage, influence go hand in hand with corrupt and unethical conduct in the Middle East and these are indications of a very poorly developed social conscience for which personal profit and private loyalty take precedence over public duty (1968, p.275).

In his work on government corruption in Latin America, Nef claims that the culture of Latin America's administrative culture is defined by the persistence of amoral familism. Dukenbaev and Tanyrykov explain the importance of tribal relations and cronyism in politico-administrative relations and appointments in public administrations of transitional Central Asian republics (2001). Yasar (2001) talks about embeddedness of corruption in everyday practices of Russian people, something inherited from the communist period, as a survival mechanism.

Regarding the entrenchment of corrupt practices in a regime, Heidenheimer (2002) provides a typology of perceptions toward corrupt behavior encompassing a continuum from black to grey and white. Black corruption means that the elites and the society have a mutual understanding of punishing corrupt behavior. Grey corruption refers to a situation where majority of elites and population are indecisive and the rest is divided over the punishment of the behavior. White corruption means neither elite nor society would define and punish corrupt behavior.

Other than problems of loyalty and legitimacy, specific practices such as gift-giving and reciprocity, and exchanging favors on people-to-people and people-to-bureaucrat, and bureaucrat-to-bureaucrat domains are detailed in case studies of traditional and transitional societies (Yan, 1996, Ledeneva, 1998). In these studies, it is stressed that these practices create a certain amount of personalization of affairs in the

public scene and the sense of obligation and indebtedness often leads to favoritism. A prior personal relationship, such as kinship and shared native homes often helps normalizing the affair in the eyes of the other people. Informal solidarity networks and special purpose networks in traditional and transitional societies to obtain scarce goods and services are also studied (Mitchell, 1975; Ledeneva, 1998) and they were found to be working against the principles of fairness, impartiality, effectiveness and accountability in public sector. Indeed, when they become common and very effective they can erode the legitimization of the system in the eyes of the disconnected law-abiding citizens. In environments where “who you know” is much more important than “what you know” people spend all their energy on establishing and maintaining networks, a process which erodes legality and formality.

Constructing an Interdisciplinary Framework to Study Causes of Corruption

Survey of the literature into the causes of corruption reveals that each of the relevant disciplines offers valuable insights, but interdisciplinary attempts to link them have been rare. “Current research on corruption has tended to be fragmented and researchers often show very little understanding of work in academic disciplines other than their own area of expertise” (Jain, 2001, p.99). Primary intention of this dissertation is to address this gap by offering an interdisciplinary framework to explain causal dynamics of corruption.

There is corruption in every other regime and there will always be, but in terms of pervasiveness of corruption and the level of damage suffered, the general observation is that developing countries are less fortunate than the developed ones. Despite having methodological problems and focusing on only bribery, corruption perception indexes are

highly correlated with each other, and their rankings share the same troubling characteristic: There is an inverse relationship between the development level and corruptness. Developing and transitional countries invade the bottom of the list in every other corruption perceptions index. In this respect, the theoretical model here will focus on development and persistence of corruption in developing and transitional countries as opposed to the developed countries where political corruption is not sporadic and limited with individual acts, and where bureaucratic corruption is not as pervasive as it is in developing countries.

What is a developing country? There are a lot of variations in the usage of the term (third world, the south, non-industrialized, less developed), but developing country is a general term that apply to those countries which are economically and socially underdeveloped and institutionally weak in contrast to the developed countries which are industrialized and technologically advanced and where people enjoy a relatively high standard of living, are socially developed in terms of education, healthcare and life expectancy. It is widely accepted that in these countries, public and civil institutions are working and replying to the needs of the population. Transitional country is a newer term and it is used for defining countries which changed its political system from one to another, and in the process of transformation of its economy, institutions and society according to the requirements of the new regime. For practical purposes, I use the term developing for both classes of states since most of the transitional states (such as ex-communist countries) are also developing countries or vice versa. While developed countries generally refer to Western European, Anglo-Saxon and some Far Eastern

countries; the rest of the World-in changing degrees- is composed of developing countries.

Starting with the geographical explorations of the 15th century, the European powers dominated the world by way of colonialism and imperialism. Extensive accumulation of wealth that was extracted from the colonies helped growth of the trade. Then, the profits of mercantilism were channeled into industrialization which enabled western powers to raise the strongest armies. Under the aura of the technological, industrial and military achievements of the West, most political elites of the rest of the world believed that to make their states advanced and wealthier, they had to modernize their countries. Same political-intellectual trend was followed by colonialist-created newly independent states of post World Wars period, and lately by the ex-communist countries of Eastern Europe and Central Asian republics. Modernity has often been interpreted as westernization by the reformers in developing countries and in line with this thinking, Western political-economical systems were either imitated by or forced upon developing countries. However, these systems (such as nation-state and capitalism) developed through particular conflicts and processes between and within particular societal sectors and the state in a specific cultural atmosphere which was also shaped by these processes. Without having a similar background, importation of an alien political and economical, and sometimes cultural infrastructure into a non-western context created specific tensions between state and society, produced unequal economic and power distributions and problems of legitimacy, loyalty and morality. In my case study, I trace the evolution of corruption to these issues and show how corruption is produced and reproduced by distorted interactions between a political system's actors. To explain the

conceptual and theoretical links between corruption and the functioning of a society's economic or political institutions, I use the complex systems perspective.

Complex Systems Theory and Its Application to the Case Study

Complex systems is a new field of science studying how parts of a system give rise to the collective behaviors of the system, and how the system interacts with its environment (New England Complex Systems Institute, 2005). It is rooted in the cybernetics theory which was founded at the intersection of neurology, electronic network theory and logic modeling by Norbert Wiener (1948). In cybernetics, the focus is on the functional relations between the parts of a system, rather than the parts themselves. Complex systems contain a large number of mutually interacting parts (Rind, 1999), and to understand the behavior of a complex system we must understand not only the behavior of the parts but how they act together to form the behavior of the whole (Bar-Yam, 1997). The difference between simple and complex systems is the parts in complex systems are interconnected and interwoven, and each part should be described in relation to other parts (Bar-yam, 1997). Examples of complex systems are a brain, a human body, a computer and a government.

The purpose in studying complex systems is to extract general principles (Bar-yam, 1997) and one of the methods to study complex systems is selecting a system and identifying and describing each of the parts as well as their interactions where the objective is to show how the behavior of the whole emerges from them (Bar-yam, 1997).

A complex system is one whose evolution is very sensitive to initial conditions or to small perturbations, one in which the number of independent interacting components is large, and one in which there are multiple pathways by which the system can evolve

(Whitesides and Ismagilov, 1999) In this regard, there are two key concepts in complex systems, -emergence and complexity- (Bar-Yam, 1997).

In line with my commitment to the neo-classical approach to define corruption as abuses of public office and resources for private or group gain, acts which are produced by specific political-economic processes happening in specific socio-cultural environments, I believe corruption is the product of a malfunctioning system where there are multiple actors who are complex within themselves and in their relations with each other and with the system. My argument in this context is as follows:

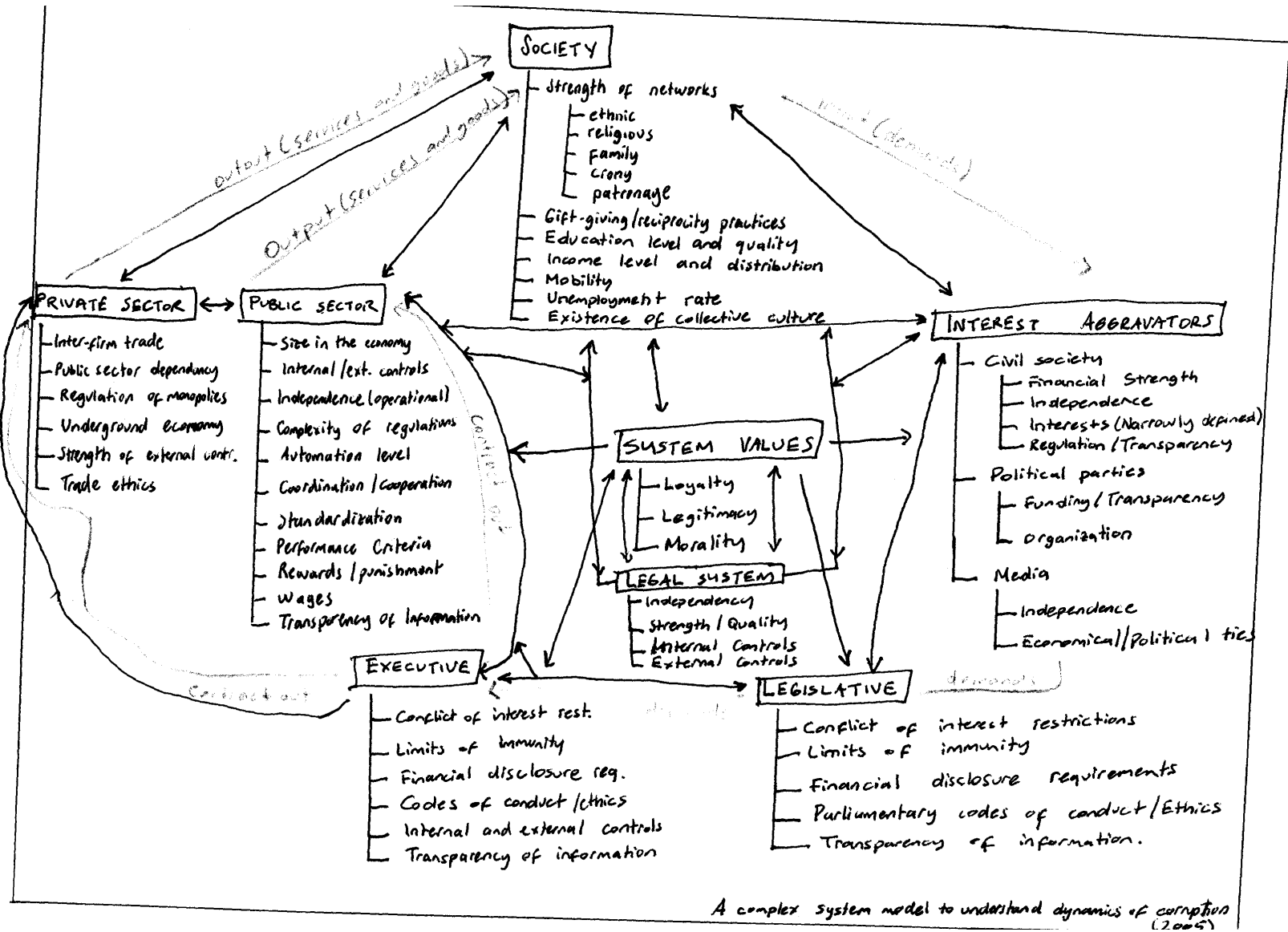
When the actors of a given political system clash for power and wealth in an environment where legitimacy of the system is in question, multiple motivations and opportunities that exist within the structure, triggers or fuels corrupt transactions. If corrupt practices entrench and corruption is normalized in the eyes of the actors, systemic values are eventually replaced with corrupt ones and the system itself starts enforcing the new rules of the game. To survive in the game, actors follow these rules in their interaction with the other actors and corruption entrenches more. To be able to explain corruption and to devise ways to control it, we have to go back to the first place where the seeds of corruption are sown, then explain how corruption is sustained by the complex relations in the system with the help of which motivations and opportunities that exists within the system. With its emphasis on emergence and complexity of the systems, complex systems theory may very well fit into what I am trying to achieve. In parallel with this proposal, I formed an explanatory model, which is presented in page 37 as Figure 1, which is informed by the relevant literature in three different disciplines.

In line with the theory's guidance, I first focus on the emergence of the Turkish political system. This starts with defining the initial conditions in my case: Ottoman political, economical and social system, its actors, actor's relationship with each other. For all the right reasons; it is customary to trace the roots of current issues in Turkish political, economic and social sphere to the Ottoman period, because simply put, Turkey is the heir of the Ottoman Empire and despite the regime change, it inherited its superstructure (society) and infrastructure (institutions) from its predecessor. This historical overview is followed by the evolution of the Turkish Republican system and its actors, and opportunity spaces and incentives within the body of the actors, and how these spaces give rise to corrupt acts.

Methodology

When I had first decided to study causes of corruption as my dissertation topic, I had made consultations with one of my professors who thought me a class on political corruption. He had advised either doing a comparative quantitative study by using corruption perception indexes or to stay away from the topic because of the data and measurement problems that were explained in the previous chapter. If I could not collect data and test hypotheses by following the 'scientific method' that study would not qualify as a dissertation I was informed. However, I was not willing to base my dissertation on perception indexes due to the extremely limited explanatory capability of these indexes on the nature of the corruption problem in any given country. It is known that the scientific method is a straightforward procedure: Ask questions, form hypotheses derived from theories, collect and analyze data, test hypotheses to confirm or falsify them.

Figure 1. A complex systems model that is informed by the literature to explain causes of corruption.



However, extreme focus on the scientific method limits the scientific progress, I will argue, because careful observation and individual level thinking as a source of knowledge is discouraged, and students are forced to think in previously established boxes in hypothesis-deduction approach. Early philosophers such as Socrates, Aristotle, Machiavelli, whose works are considered the basis of what we study today in social sciences, did not follow the famous method, did not test hypotheses and make deductions out of them. In development stage of a scientific field, there are no good theories to extract hypotheses from, but a lot of theorizing goes on, some theories make good job in explaining the phenomenon under study, some do not. Just like making careful systematic descriptions, theorizing without using the scientific method is still part of the scientific process.

So, if this study should be named after a methodological approach, the best name could be exploratory. If there is no agreement on the description and scope of a problem which corruption is one, it means exploration process still continues. In this respect, rather than affirmation or falsification of previously established studies, I aim to develop an interdisciplinary theoretical model of studying the causes of corruption. For that purpose, I have searched for mechanisms and unifying principles that were scattered in political science, sociology and economy disciplines and have developed an initial model that is informed by the literature. After application of this initial model to a case study the model will be reconstructed based on the findings.

The data in exploratory research comes from secondary sources such as available literature and data, and / or from qualitative techniques such observation and informal discussions with the relevant stakeholders. I had previously maintained that attempting to

measure the exact level of corruption is a daunting task due to data problems; however, before going into detailed analyses into its causes, it is necessary to provide a current picture of corruption in Turkey to explain the reader why it deserves to be a case study for systemic corruption. To do that, I have relied on survey data in corruption perception studies. While TI's corruption perception indexes provided the views of foreign country experts and businessmen operating in Turkey, national and international surveys that target Turkish nationals have supplied the data which helped estimating what the actors of the Turkish system themselves thought about the corruption problem in their own system. By providing the perceptions of both the outsiders and the insiders, it was hoped that the reliability of the overall corruption picture that is tried to be drawn would increase. In an attempt to give a hint about how the perceptions are formed recent data about the cases of corruption as they were found in the national and international media follows the perceptions part.

The data that is used for building Chapter 4 and Chapter 5 finds its sources in statistical information, public opinion surveys, interviews with politicians and civil society leaders on various aspects of Turkish political, social and economic development, as they were placed in books, academic journals, official governmental reports, researches of national and international organizations, and national and international newspapers and journals. Although not officially documented, for this reason not referred, I have to maintain that my informal discussions with local informants including political party representatives, bureaucrats, businessmen, legislators, academicians, and ordinary people on the issue of corruption for years serve as supplementary sources of

information since they have helped me a great deal in connecting the dots offered by the above mentioned data.

I am not only a Turkish citizen but a member of the Turkish law enforcement agency, so a serious suspicion of bias about my study can arise. On the bright side, in terms of research, accessing and interpretation of the documents produced in Turkish language has naturally been much easier for me. Being an insider in the Turkish system with multiple roles as a private citizen, a member of the general society, a student, and a government worker; I have been -knowingly and/or unknowingly- collecting information about the functioning of the system through plain observation, mass education, media and interaction with other actors of the system for years. This particular fact helps me to connect the dots easier and look from a more holistic perspective when it comes to analyzing the particular systemic problem of corruption. However, I also acknowledge the fact that it is not always easy for an actor of the system to take himself out of the system he is a part of, on a mental level. I do not have a quick prescription to solve this dilemma other than assuring the reader that building my case study I have used open-source information, authenticity of which could easily be verified by the interested parties.

Limitations

Although exploratory research can provide significant insight into the studied matter and can even inform why, how and when something might occur, its results can not be easily generalized. Especially when the study focuses on a one country case study where the researched problem is traced back to a peculiar historical background, a political and economic development trajectory and a culture; its outcomes may only serve

to the purpose of guiding similar case studies of countries with similar historical dynamics. In this respect, it should be noted that this dissertation do not claim to create a universal theory of corruption.

There is not an agreement in the literature whether we can speak of a private sector corruption. Common practice is we can not, since corruption is generally described as abuse of public office and resources by public officials. In this respect, corruption within private sector will be touched upon whenever it is deemed necessary for systemic explanation purposes. For instance, siphoning off the funds in private banks by the bank owners is fraud in the private sector, but if it happens with the passive participation of public regulatory agencies it becomes corruption and falls into the framework of this study.

Just as it is not right to link all economic, social and political problems in developing countries to corruption, it would be naïve to expect instant development by controlling the corruption by draconian measures. Following this logic, this dissertation neither addresses issues like economic efficiency and structural development unless they are directly related to the issue at hand, nor claims to provide recipes for economic growth, and socio-political development.

Summary of Chapter 2

In this chapter, a literature review on the causes of corruption was provided; an interdisciplinary theoretical model that is informed by the literature was constructed and methodological information relating to the study was noted.

CHAPTER 3

MEASURING CORRUPTION IN TURKEY

Introduction to Chapter 3

As it is explained in detail in Chapter 1, measuring the exact level of corruption is a next-to-impossible task. Although we can never be sure how precisely they estimate the real size of corruption, perceptions of corruption at least gives an idea how big of a problem it is seen in the in a given political system. In this section, findings of global and local corruption perception surveys as they relate to the corruption problem in Turkey are provided. Recent corruption cases as they are covered by the national and the international media is pictured next in an attempt to give the reader a better idea of how perceptions are formed.

Place of Turkey on Corruption Perceptions Indexes by Years

The Corruption Perceptions Index (CPI) is a poll of polls, reflecting the perceptions of business people and country analysts. The statistical work on the index is coordinated by Professor Johann Graf Lambsdorff, the inventor of the index, at Passau University in Germany. Following the provision of official methodological note on doing comparisons based on the findings of the CPI, I will provide the ranking and scoring history of Turkey on the index:

Comparisons to the results from previous years should be based on a country's score, not its rank. A country's rank can change simply because new countries enter the index and others drop out. A higher score is an indicator that respondents provided better ratings, while a lower score suggests that respondents revised their perception downwards. However, year-to-year shifts in a country's score can result not only from a changing perception of a country's performance but also from a changing sample and methodology. With differing respondents and slightly differing methodologies, a change in a country's score may also relate

to the fact that different viewpoints have been collected and different questions been asked (Internet Center for Corruption Research [ICCR], 2004).

In TI's CPI index, it is assumed that the closer a country to the score of ten, the cleaner it is and vice versa. For instance, in 2004, Finland with a score of 9.7 topped the index, while Haiti and Bangladesh with a score of 1.5 shared the bottom line among 145 countries. In Table 1, score and ranking summary of Turkey between 1980 and 2004 is provided.

Table 1

Score and Ranking of Turkey on TI CPI (1980-2004)

<i>TURKEY</i>	<i>1980-1985</i>	<i>1988-1992</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
Score	4.06	4.05	3.54	3.21	3.4	3.6	3.8	3.6	3.2	3.1	3.2
Rank	33/54	33/54	33/54	38/52	54/85	54/99	50/90	54/91	64/102	77/133	77/145

(Source: ICCR, 2004)

In line with the suggestion of the methodological note, I just focus on the country scores in this section. Since the indexes for 1980-1985 and 1998-1992 were not prepared based on the survey data collected by the TI, but approximated by the organization using a variety of political and economic indicators that were available at the time, I prefer to limit my observation here with the country scores on the indexes prepared between 1996 and 2004.

It is evident from the Table I that Turkey never scored more than 3.8 and generally fluctuated around the digits of 3, which is a considerably low score out of ten. Turkey's score might have gone down after 2000 for the following reasons:

a) In 2000-2001, large scale anti-corruption operations were engineered by the Ministry of Interior. The main forms of corruption that were targeted in these operations included contract rigging, acts of receiving tax returns for bogus exports / imports and fake sales transactions, fraud in farming subventions, illegitimate appropriation of public lands and embezzlement of huge amounts of money preserved in some private banks by their owners.

There are different numbers on the economic costs of these corrupt acts upon the state treasury but one recent estimate was 200 billion dollars (Ikiyuz, 2004).

b) An ex-police chief himself, the then Ministry of Interior Sadettin Tanttan was the main figure behind the operations and after his anti-corruption drive started touching important figures in the political parties that formed the coalition government of the period, he was transferred to a less important place in the cabinet. Subsequent to his replacement, he quit both from his post in the cabinet and his political party, one of the coalition partners (Turkey, 2001).

c) Triggered by the gruesome picture that the sensational anti-corruption operations revealed, large scale public opinion surveys into the state of corruption in Turkey was completed by a newly growing think tank, the Turkish Economic and Social Studies Foundation (TESSS). The alarming findings that I will touch upon later were largely published in national and international media.

d) In 2001, a devastating economic crisis hit the country: The value of the Turkish lira plunged nearly fifty percent; prices rose as much as fifty percent; investors pulled out of the markets; national economic growth fell to minus four percent; and hundreds of thousands lost their jobs (Economic, 2001).

The crisis which was already on the way was set off by a harsh clash between the then prime minister and President in February 2001, over reluctance of the government to fight with corruption in the banking sector (Currency, 2001). It is assumed that general public which was already sensitive on the issue of corruption due to the scandals explained above quickly tied the economic crisis to the plundering of state resources by extensive corruption.

In sum, publication of huge corruption scandals, forceful resignation of the Ministry of Interior, publication of research findings pointing to the existence of corruption in every sector of the system, and formation of the public opinion that tied the devastating economic crisis to corruption in public sector altogether contributed to negative perception formations among the surveyed; that's why Turkey's already low score on previous CPIs started declining even more with the year 2000.

Findings of Global Corruption Barometer Surveys

TI released the first Global Corruption Barometer Survey developed with Gallup International in 2003. This particular survey attempts to measure public attitudes towards corruption and expectations of future corruption levels all around the world. The main difference between the CPI and barometer is that the latter attempts to capture the perceptions of the ordinary people on the issue of corruption in their countries. Following are the questions that were asked in the survey and comparisons between Turkish response and worldwide average:

When respondents were asked about:

a) What their first choice would be if they had a magic wand and they could eliminate corruption from one institution; they answered in the directions that are reflected in Table 2:

Table 2

Findings of the Global Corruption Barometer Survey

<i>Country %</i>	<i>Business licensing</i>	<i>Courts</i>	<i>Customs</i>	<i>Education system</i>	<i>Political parties</i>	<i>Utilities</i>	<i>Medical services</i>	<i>Immigration passports</i>	<i>Police</i>	<i>Private sector</i>	<i>Tax</i>	<i>Other</i>
Turkey	7.1	6.6	3.4	11.7	42.5	5.1	7.3	0.8	6.2	1.5	4.8	3.0
World average	7.0	13.7	4.2	7.5	29.7	4.1	8.4	3.3	11.5	3.1	5.2	2.2

(Source: TI Global Corruption Barometer Survey, 2003)

The most striking result that could be extracted from the information provided in Table 2 is the existence of an extreme negative perception about political parties in Turkey. It is nearly thirteen percent more than the worldwide average. Indeed, the results of last general elections in 2002 confirmed this attitude and revealed that Turkish people have had a big problem with the mainstream political parties. In 2002, while newly established Justice and Development Party (JDP) gained 34.27% of the total votes, secured 363 of the 550 seats in Turkish National Assembly and formed the government by only itself, Republican People's Party (RPP), which was the oldest political party but was not represented in the previous parliament, received 19.39% of the votes and became the opposition party with 178 deputies. 6 political parties which were part of the previous parliament and 3 of which formed the previous government couldn't pass even the 10% threshold and thus stayed outside of the legislative body. At the end of November 2002 elections, Turkey witnessed the first two-party legislative assembly since the start of

multi-party politics in 1946 and the first single party-government in the last 15 years. The purge of mainstream political parties from the political scene was so obvious that some commentators compared this election to a political earthquake (Center for Strategic and International Studies [CSIS], 2002).

It is widely believed that along with daunting economic problems that the country has been dealing for a long time, people's sickness with the corruption, perceived independence of JDP from the establishment (a nine month-old party) and its cleaner image played a very significant role in shaping the election results(CSIS, 2002). Indeed, eradicating corruption from the political and public sphere was the biggest campaign promise of the 9 months old Justice and Development Party:

Corruption, which is an indication and consequence of social, economic, cultural, political and moral decay, weakens the trust of our citizens towards politics, bureaucracy, the state and the justice. In line with the expectation of our citizens from our political party, courageous steps will be taken in fight with corruption. Our main priority should be ensuring the purification of politics and public administration from corruption (Adalet, 2002).

b) When respondents were asked about their perception of the future of corruption in their countries, they replied in the directions that are noted in Table 3:

Table 3

Findings of the Global Corruption Barometer Survey

<i>Country %</i>	<i>Increase a lot</i>	<i>Increase a little</i>	<i>Stay the same</i>	<i>Decrease a little</i>	<i>Decrease a lot</i>	<i>Don't know/no response</i>
Turkey	37.2	19.4	14.7	9.0	3.0	16.7
World average	20.1	22.0	27.1	15.4	4.6	10.8

(Source: TI Global Corruption Barometer Survey, 2003)

By taking a look at Table 3, it can be easily concluded that Turkish respondents are very pessimistic; their expectation of a lot of increase in the amount of corruption in their countries is seventeen percent more than the worldwide average. It seems like majority of the respondents must have lost their trust in the system's ability to get the corruption virus out of its organism.

c) When respondents were asked about how corruption affects their personal / family life people answered in the directions summarized in Table 4:

Table 4

Findings of the Global Corruption Barometer Survey

<i>Country</i> %	<i>Not significant</i> y	<i>Somewhat significant</i> y	<i>Very significant</i> y
Turkey	14.0	19.6	66.4
World Average	35.1	31.1	33.8

(Source: TI global corruption barometer survey, 2003)

Sixty-six percent of Turkish respondents believed that corruption affected their personal/ family life and this percentage was thirty-three percent more than the worldwide average. This result can both be linked to the growing pessimism and to the growing awareness about the consequences of corruption.

d) Another question relates to how corruption affects political life and distribution of the answers given by respondents are reflected in Table 5:

Table 5

Findings of the Global Corruption Barometer Survey

<i>Country</i> %	<i>Not</i> <i>significantl</i> <i>y</i>	<i>Somewhat</i> <i>significantl</i> <i>y</i>	<i>Very</i> <i>significantl</i> <i>y</i>
Turkey	8.4	14.3	77.4
World average	15.5	29.3	55.1

(Source: TI Global Corruption Barometer Survey, 2003)

Four out of 5 respondents in Turkey believed that corruption affected political life and this proportion was significantly higher than the worldwide average. This finding was a sign of extreme distrust towards the political establishment.

e) When people were asked about how corruption affected business life in their countries, they answered in the directions that are noted in Table 6:

Table 6

Findings Of The Global Corruption Barometer Survey

<i>Country</i> %	<i>Not</i> <i>significantl</i> <i>y</i>	<i>Somewhat</i> <i>significantl</i> <i>y</i>	<i>Very</i> <i>significantl</i> <i>y</i>
Turkey	7.8	14.4	77.8
World average	17.1	34.2	48.6

(Source: TI Global Corruption Barometer Survey, 2003)

Respondents in Turkey not only did have serious doubts about proper functioning of the system in the political arena, but had no confidence in the cleanliness of business operations in their country, either. Almost 4 out of 5 people believed that business was

significantly infected with corruption and this proportion was thirty percent more than the worldwide average.

f) The last question referred to how corruption affected culture and values of society and they answered in the directions provided in Table 7:

Table 7

Findings of the Global Corruption Barometer Survey

<i>Country</i> %	<i>Not</i> <i>significantl</i> <i>y</i>	<i>Somewhat</i> <i>significantl</i> <i>y</i>	<i>Very</i> <i>significantl</i> <i>y</i>
Turkey	8.2	15.7	76.1
World average	20.1	36.2	43.7

(Source: TI Global Corruption Barometer Survey, 2003)

The direction of the answers to this question is the same with the direction of the answers to the other questions above. Forty-two percent more than the worldwide averages, almost eighty percent of the Turkish respondents believe that corruption affects the culture and values of the society.

TI conducted another worldwide Corruption Barometer Survey in 2004. This particular survey evaluated the extent to which public and private institutions were considered corrupt, and tried to determine where the public believed corruption's impact was greatest.

Some of the questions and answers to these questions by people in Turkey and in rest of the world were as follows:

a) To what extent do you perceive the sectors in Table 8 your country/territory to be affected by corruption? (1: not at all corrupt, 5: extremely corrupt)

Table 8

Findings of the Global Corruption Barometer Survey

<i>Country%</i>	<i>Political parties</i>	<i>Legislative</i>	<i>Judiciary</i>	<i>Police</i>	<i>Private sector</i>	<i>Tax revenue</i>	<i>Customs</i>	<i>Media</i>	<i>Medical services</i>	<i>Education system</i>	<i>Registry and permit</i>	<i>Utilities</i>	<i>Military</i>	<i>NGOS</i>	<i>Religious bodies</i>
Turkey	4.0	3.8	3.9	4.0	4.1	4.2	4.1	3.8	4.1	3.9	3.8	4.4	4.1	3.5	3.3
World avg.	4.0	3.7	3.6	3.6	3.4	3.4	3.3	3.3	3.3	3.1	3.0	3.0	2.9	2.8	2.7

(Source: TI Global Corruption Barometer Survey, 2004)

b) Some people believe that corruption affects different spheres of life in this country / territory. In your view, does corruption affect...: (1: Not at all...4: To a large extent).

Table 9

Findings of the Global Corruption Barometer Survey

<i>Country %</i>	<i>Political life</i>	<i>The business environment</i>	<i>Your personal and family life</i>
Turkey	3.3	3.3	3.2
World Average	3.1	2.9	2.3

(Source: TI global corruption barometer survey, 2004)

c) Do you expect the level of corruption in the next three years to change? Will it increase, decrease or stay the same?)

Table 10

Findings of the Global Corruption Barometer Survey

<i>Country %</i>	<i>% Increase a lot?</i>	<i>% Increase a little?</i>	<i>% Stay the same?</i>	<i>% Decrease a little?</i>	<i>% Decrease a lot?</i>	<i>% Don't know/no answer</i>
Turkey	15	16	18	26	11	15
Overall	21	24	32	14	3	6

(Source: TI Global Corruption Barometer Survey, 2004)

2004 Barometer Survey revealed that Turkish respondents have trust problems with all the institutions in public and private domain. From personal to political life, from family domain to business environment there is no area that was considered free of corruption's influence. The only noticeable change from 2003 survey is that there is a lesser degree of pessimism toward a cleaner future. In 2003, fifty-six percent of the respondents believed that corruption would get worse, now only thirty-one percent believes so. This change could be explained by the high expectations about the new government's honesty in keeping its promise to fight with corruption

Findings of the business environment and enterprise performance survey

In 1999, World Bank and European Bank of Reconstruction and Development conducted a survey of more than 4000 companies in 26 countries. 150 companies in Turkey were among the survey targets. Among the findings of the survey were:

a) Approximately two and a half percent of the incomes of Turkish companies were believed to be going to bribery.

b) More than twenty percent of the bribes were considered to be paid to customs, almost twenty percent to licensing procedures, another twenty percent to public contracts, and around fifteen percent to the normal continuation of public services

c) Forty percent of the companies admitted paying commissions in state contracts, and the amount of kickbacks changed between five and ten percent of the total contract amounts (World Bank, 2000).

Results of this survey support the findings of the above mentioned barometer survey regarding the institutionalization of corruption in state-business relationships in Turkey.

Place of Turkey on Global Good Governance Index by Years

World Bank recently released a study of comparative governance indicators, which cover 209 countries between 1996 and 2004. The data comes from a large number of enterprise, citizen and expert survey respondents in industrial and developing countries, as reported by a number of survey institutes, think tanks, non-governmental organizations, and international organization (World Bank, 2004). One of the six indicators is named control of corruption and it claims to measure the abuse of public power for private gain, including petty and grand corruption, and state capture by elites (World Bank, 2004).

Following table summarizes Turkey's place among the other countries in control of corruption. Percentile ranks indicate the percentage of countries worldwide that rate below Turkey.

Table 11

Control of Corruption: Turkey versus the World (1996-2004)

<i>Year</i>	<i>Percentile rank</i>
1996	61.3
1998	65.6
2000	48.9
2002	40.8
2004	50.7

(Source: World Bank Governance Indicators for 1996-2004)

Findings of this study is consistent with what TI's CPI tells about corruption perceptions in Turkey versus perceptions in other countries: Turkey consistently ranks somewhere in the middle on the global scale. Considering the fact that most of the data that were used to prepare both indexes came from same and/or similar sources, this result is not surprising. For instance, while Turkey ranked 101 out of 204 countries in World Bank's 2004 index, it was 77th out of 145 countries in TI's index for the same year.

Findings of Household and Business Views on Corruption Survey

In 2000, The Turkish Economic and Social Studies Foundation (TESSF) conducted a survey of 3021 people in 17 provinces regarding their perceptions about corruption in Turkey. To cut it short, findings of this study went in parallel with what TI's Barometer Survey indicated:

- a) There were very low levels of trust to public institutions

b) There was strong belief in unequal treatment in the provision of services by the public institutions

c) Unfair bidding processes both in local and central governments were widely acknowledged.

d) There was almost no confidence in equitability in recruitment both in local and central government.

e) The number of people who did not trust central administration, national assembly, political parties and media were more than the ones who trusted

f) Traffic police, customs, tax administration, registry and permit system, and municipalities were considered to be the most corrupt public administration units.

g) One of the significant findings of the study was that the level of trust was inversely related with the intensity of interaction between the respondents and the institutions (TESSF, 2001).

As a second leg after the household survey, TESSF conducted a survey of 1200 businessmen of different hierarchical positions from a variety of sectors in 12 Turkish cities regarding their perceptions about corruption in Turkey in 2001. The findings of this study included following:

a) Private sector did not trust public institutions.

b) The least trusted institutions were political parties, the parliament, central administration, newspapers and worker unions.

c) The sectors that were perceived to be worst corrupt were customs, traffic police, registry and permit system, municipalities, non-traffic police and tax administration.

d) Almost half of the respondents told that they paid bribes at least once in the last two years; most of the illicit payments went to customs, tax administration and registry and permit system.

e) While more than seventy-five percent of the businessmen believed that there was unfair treatment in bidding processes for contracts in municipalities and central administration, more than forty percent thought that kick-backs were paid for contracts that were won.

f) Forty percent of the surveyed believed that subventions by the state were pre-arranged and forty-six percent thought the courts were not fair in solving inter-firm disputes.

g) Eighty-three percent of the respondents claimed that favoritism, not meritocracy played a role in recruitment at both local and central levels of administration.

In this survey, trust and honesty related questions were also asked, and:

a) Fifty-eight percent of the respondents believed people could not be trusted in general.

b) More than forty percent of the respondents predicted that at least fifty percent of the employees in their sector worked without any kind of social security (TESSF, 2003).

Findings of Research for Public Sector Reform Survey

Turkish Industrialists and Businessmen Association conducted a research into public sector reform in 2002. A section in this survey was dedicated to corruption perceptions. Following are some of the highlights from the study:

a) Four out of five respondents believed that corruption was widespread in Turkey

b) When the respondents were asked about the whereabouts of corruption in the system, they put politics at the first place, followed slightly by general society, high level bureaucracy and private sector.

c) More than fifty percent of the respondents said they did not trust public institutions in general.

d) Regarding to a question asking whether they would inform authorities in case they were asked to pay bribes, 2 out of 5 respondents answered negatively; half of them citing “nothing is going to happen and I will be the loser at the end” and quarter of them mentioning “something worse could happen to me if I complain” as reasons for their involuntariness. According to the researchers of this survey, under these conditions chances of the state attracting citizen support in fighting with bribery is extremely limited (Turkish Industrialists and Businessmen Association [TIBA], 2002).

In sum, the survey results presented here tell that perceptions of corruption in public and private sector are very high in Turkey. I had previously explained that corruption was always there but corruption scandals involving politicians, bureaucrats and businessmen in 2000-2001 period played a significant role in the development of overly negative perceptions. I believe the pessimist public opinion would persist in case another perceptions study would be completed today. A quick scan of the recent media coverage on different scandals of corruption would help the reader why I conclude so.

Recent Media Coverage of Corruption

During the last twelve months only:

a) A former prime minister and a state minister have been put on trial for rigging the privatization of a bank with the help of a known organized crime leader (Yilmaz, 2004);

b) Two former public works and housing ministers have been accused of corruption in tenders put out by their ministries, one of them also with accumulating unjustified personal wealth (Koray, 2005; Yasar, 2005);

c) Two former Energy & Natural Resources ministers, one former State Minister & Deputy Prime Minister and another former State Minister have been accused of alleged irregularities and abusing powers by implementing wrong and illegal energy policies that caused the state to lose money (Ex-ministers, 2004; Ozkan, 2005);

d) In the armed forces, a former general commander of navy has been tried for exerting pressure for some navy contracts to be allocated to his daughter's firm and for having unexplainable wealth (Bir milyon, 2004) ; the wife of a former chief of staff has been accused of extreme irregularities over the state payment of her expenses (Kivrikoglu, 2005); a former general commander of the military police, has been investigated for kickbacks in a building tender for a Special Forces facility(Askerin, 2004). During the investigation into the affairs of the contractor who was claimed to be favored in Special Forces facility contract, it was also revealed that the contractor had loaned huge amounts of money to the former head of the powerful National Security Council (Tuncer, 2005), an amount which was impossible to be amassed by mere salary of the General.

e) Some highest level bureaucrats in Ministry of Energy along with a highly connected civilian contractor have been arrested on bribery and contract rigging charges

(Enerji, 2005). Ongoing investigations revealed that the contractor in this specific case was in cozy relationships with numerous parliamentarians and high level bureaucrats (Siyasete, 2005) Interestingly enough, wiretappings indicated that an acting assistant director in the country's National Intelligence Agency contacted an internationally known organized crime figure for intimidation of a businessmen who owed money to the contractor in this case (Yine, 2005).

f) In another interesting case, according to the intercepted telephone conversations, the intelligence persona who was mentioned above contacted with the chief judge of the Supreme Appeals Court several times in an attempt to affect the fate of an another case that the same organized crime leader was tried for (Emniyet, 2005). Although, there was no evidence of case fixing, the chief judge retired from office after allegations of his involvement with the organized crime leader and the intelligence persona.

g) Assistant general secretary of the Supreme Court of Appeals, who mediated the contacts in section (f) was charged with influence peddling to fix another case in an Istanbul court on behalf of a contractor's son, and with having unexplained wealth (Eski, 2005).

From fraudulent cost-inflation in the establishment of radar systems in Turkish straits (Bogaz, 2005) to contract rigging for mending jobs in state owned orphanages (Yetim, 2005), from giving bogus standards to non-standard goods in exchange for bribes (TSE, 2005), to nepotism and cronyism in academic employment and promotions in universities (Universitelerde, 2005), from game fixing allegations in soccer leagues (Sikede, 2005) to case fixing scandals in the Supreme Appeals Court (Yargi, 2005),

bombardment of the public with news of all sorts and levels of corruption in all kinds of institutions has been going on.

Summary of Chapter 3

In this chapter, Turkey's scoring history on corruption perceptions index is provided first and then a picture of how corruption, its symptoms and consequences are perceived by the Turkish people is drawn. Recent corruption cases as they are covered by the national and the international media is provided last, in an attempt to trace the roots of opinions formed.

CHAPTER 4

INITIAL SYSTEMIC CONDITIONS: LEGACY OF THE OTTOMAN EMPIRE

Introduction to Chapter 4

It was previously explained that in a complex system there are multiple interdependent actors, and collective behavior arises from their non-linear interaction with each other. Evolution of a complex system is very sensitive to initial conditions and a small change in the initial conditions of a system can radically change the long-term behavior of a system (Whitesides and Ismagilov, 1999). Turkey is created on the ashes of the Ottoman Empire (1299-1923) and 624 years of history have left indelible marks on the Turkish system and its actors. In this regard, before analyzing how corrupt behavior arises within the Turkish political system, a brief introduction to the Ottoman system, its actors, their internal dynamics and their relationship with each other, is clearly needed. This chapter is an attempt to meet this requirement.

Political Conditions

At its height, the Ottoman Empire was a highly centralized bureaucratic kingdom and there was no separation of powers in the classical sense. Legislative, executive and legal duties were performed by the central administration and its local extensions. The Sultan was at the top of the system, and the viziers (ministers) who were appointed by the Sultan were responsible with assisting him in policy making and implementation.

Machiavelli said:

The Kingdoms known to history have been governed in two ways: either by a prince and his servants, who as ministers by his grace and permission, assist in governing the realm; or by a prince and by barons, who hold their positions not by

favor of the ruler but by antiquity of blood; the Turks are an example of the former (Huntington, 1968, p.148).

Administratively, the Empire was divided into several sub-units and the governors of these units were either directly appointed by the central administration, or former lords were allowed to act as governors in exchange for open acclamation of their loyalty to the Sultan mostly in forms of military support during wartime and payment of fixed amounts of taxes.

Legitimacy, Loyalty and the Bureaucracy

In Ottoman political culture, serenity and stability of the state had always been held sacred. Loyalty to the state, which was described by Karpas as “the traditional, mythical authoritarian semi-deity” (1976, p.43), was sanctioned both at political and cultural levels. As I will return to the reflections of this attitude on the state-society relations later, suffice it to say at this point that the new Turkish Republic inherited this attitude with no modifications. There were two underlying reasons for the development of this political philosophy: Negative experiences of past Turkish states and the influence of religious philosophy.

First, historically Turks have proven to be very productive in creating states. Until the latest Turkish Republic, Turks have established 16 states which are represented in Turkish presidential flag today with 16 stars. However, until the foundation of the Ottoman Empire, Turks had also shown an ability to collapse the states they founded very quickly. In ancient Turkish tradition, the state was divided into provinces between the sons of the Khans after he passed away and the state would collapse a while after the division due to hegemonic conflicts between the princes. Ottomans who did not want to

repeat the same mistake broke the tradition, and created a system in which throne was inherited by the oldest son of the Sultan after his departure from the world.

Second, Ottomans were strict followers of Sunni Islam and Sunni political thought gives special importance to the preservation of order, equates anarchy to evil, and those fighting and dying for the preservation of the state have been given the special status of martyr. Ottoman rulers were devoted followers of this political cultural trend, and had believed in preemptive strikes against any potential rivals, including the other members of the dynasty, in the name of preserving stability. It should be noted that the Empire had never been a theocratic state, but after Ottoman Emperors started to use the title of “Caliph”, the leader of the Islamic nation, the regime increasingly sought and found its legitimacy in the religion of Islam, and those acting against the orders of the State, interchangeably speaking against the will of the Sultan, were considered to be traitors and/or terrorists. The religious and political leadership of the Ottomans were widely recognized and accepted both within the Empire and in other Muslim regions of the world until the Caliphate as an institution was abolished by the Turkish National Assembly in 1924.

Of course, this obsession with stability found its reflections on the formation of bureaucracy, too. The viziers (ministers) who helped the Sultans in decision making and who were in charge of daily operations of the Empire were generally selected not from the major population of Turks, but from the promising sons of non-Turkish subjects of the Empire. Starting from childhood, these bright individuals were put into intensive education in special educational settings within the palace and were trained to be allegiant servants of the Empire either as viziers, high level bureaucrats or army

(janissary corps) commanders. Although this personnel policy which was based on merit and continuous in-service training contributed to the formation of arguably the most professional and successful bureaucratic Empires ever, major motive behind its design and implementation in this specific way was political. Ottoman rulers, as explained above, were very concerned about the possibility of a person or group rising in the political scene as an alternative power base and destabilizing the state. Putting people who had strong familial, tribal, or ethnical connections within the mainstream society (In this case Turkic clans) at important public positions was a risk that they often did not take. It is obvious that these smart children who were handpicked from the non-Turkish regions of the Empire did not carry much of a risk; coming to the Palace at such young ages, they lost their touch with their ethnical and religious background in time. Acting this way, Ottoman rulers first inhibited formation of a Turkish aristocracy that would challenge the Ottoman dynasty, and second, created centralized bureaucratic machinery that was independent of societal influences and was only loyal to the Sultan and the State (Mardin, 1973).

Social Conditions

Ottoman Empire was a multi-ethnics and multi-religious empire. In an environment where nationalism as an ideology was not developed yet, for administrative and judicial purposes, the population was divided into religious sections, and every department had considerable amount of freedom in formulating and administering its civil and criminal code according to their own religious believes. However, despite the internal freedom societal sections enjoyed, their members could not be considered as citizens in its modern sense, because the relationship between the state and the society

was strictly vertical and the associations formed by the subjects of the Emperor were far from being called as civil society organizations, simply because they did not have any meaningful contribution to the process of policy formation and implementation.

Activities of the sections were controlled by the state internally through section leaders who were selected or approved by the state, and externally by the appointed bureaucrats of the central administration.

The organizations that were most closely related to the civil society organizations of today were small tradesmen and handcrafters associations. They were instrumental in providing job-related education and social support to needy members, and functional in controlling the quality of the goods and services that were produced in the market and in ensuring the fairness of the competition and the prices. However, as stated before, in terms of policy making and implementation, they did not have an intermediary role between the state and the societal sectors they represented. Baer describes Turkish guilds as being closely connected with the state apparatus, functioning primarily as an administrative link between the urban population and the ruling institution, and providing an important means of supervision and control over that population (1970).

So far, I have talked about the political and social aspects of the Ottoman system and now it is time for a brief on the economics. Below is a shortened account of the relations of production in the Empire.

Economic Conditions

Land Regime

Ottoman Empire was an agrarian state, and partly influenced by the practices of Byzantine, Persian and Seljuk Empires; timar system was the backbone of the land regime. The land was divided into two major sections:

1-Osriyye and Haraciyye: Muslim and non Muslim owners exercised full ownership rights of sale and inheritance over the farmable land in exchange for property tax and excise payment over the product. Generally these lands were newly conquered territories and were subject to later appropriation by the state to be transformed into Miri status, which is explained in detail below.

2-Miri arazi: Most of the farmable land that was owned by the state was in this status. Villagers working on the land were considered renters and they had to pay a certain amount of excise, the rate of which was determined by the state, over the product. State-appointed tax collectors had to extract predetermined amount of taxes from the production, spend a certain part of this revenue to feed and train numbered cavaliers on the land, keep some salary and send the remaining amount to the central treasury in Istanbul. In this system, the land was divided according to the rank of the tax collector: Has was reserved for ministers, state and district governors, zeamet was preserved for higher level military and civilian bureaucrats, and timar was hold for military commanders. Timar holder had to reside on the territory he was appointed and exercise some administrative duties for the state (Since has and zeamet owners had more important duties in the capital and elsewhere, their representatives were performing these duties for them). This system of tax farming was called timar and tax officials and

villagers working on the land were subject to displacement if the state was not satisfied with the overall production and the amount of revenue it received.

Although the Ottoman tax farming system of timar looked like feudalism in Europe, there were significant differences between these two systems in terms of the rights and statuses of the rulers and the ruled population. While the European feudal was close to a local king with legislative, judicial and executive powers in the absence of a central government, timar holder was a bureaucrat whose responsibilities were overseeing the agricultural production, taxation of the product and enlisting and training cavalries. For the European feudal, property ownership was hereditary most of the time, but since the timar holder had no ownership rights over the land, inheritance was not technically possible in the Ottoman system.

Unlike their counterparts in Europe, Ottoman farmers/villagers were not slaves or serves of a landlord, because there was not a landlord per se. As mentioned before, Ottoman farmers were considered as renters of the soil and just like their overseers, they were subject to expulsion from the soil on the grounds of inefficiency. The state was the protector of farmers against possible excesses of the state, and appointed judges performed this function in the name of the Sultan.

Trade Regime

Tradesmen operating on Ottoman territory can be divided into three: Foreign merchants, Muslim and non-Muslim subjects. For the focus in this study is on the internal dynamics of the system, I will focus on the last two sectors. Muslim tradesmen were small in numbers, were mostly small craftsmen, and they had to answer to the call of duty in warfare. Muslim population of the Empire can be described as active reservists similar

to the national guardsmen in the USA and it was technically impossible for them to focus on long-term business activities due to the constant warfare status of the Empire since the 13th century. Non-Muslims on the other hand were free of military service and naturally their existence in the agricultural life was not significant due to the direct connection between the land system and recruitment policy of the state. In this respect, they were either occupied with trade or craftsmanship and the surplus they extracted from their business activities were taxed by the state. Needless to say, accumulation of wealth by these groups did not compose a threat to the state, since it was considered very unlikely for these groups to turn their economic supremacy into political power due to their minority status in the Empire.

It should be noted that, direction of the business activity was mostly from merchant to state, because there was not a significant demand and supply sourcing from private actors. Like a father figure, the state was the ultimate caretaker and this necessitated provision of extensive public works and services from its side. The harmonizing and coordinating role of the state was the principal means by which Ottoman patrimonialism sought to discharge the Sultan's responsibility as "the father of his subjects" (Bianchi, 1984, p.85).

With its superior bureaucratic machine, the Empire played this patrimonial role successfully for a longer period of time, managed to ensure the continuance of the production, kept the general satisfaction level of the population at acceptable levels, and created a civilization that was unmatched by its European contemporaries. However, as I will explain later limitations on accumulation of wealth in private hands prevented the

formation of a powerful merchant class, which would have ignited the process of capitalistic and democratic transformations which were going to be needed later.

Dissolution of the Empire: First Signs of Systemic Corruption

The geographic explorations of 16th and 17th centuries led to the development of new trade routes and massive colonialism which resulted in extensive accumulation of wealth in European continent. Increasing capital in Europe not only strengthened the political power of the merchant class which later was named bourgeois and accelerated the dissolution of feudalism, but also created a surplus that would be used by the coming industrial revolution. While these economic and political developments were on their way in Europe, Ottoman Empire suffered serious strategic political and economical setbacks since its control on the traditional routes such as the famous “Silk Road” stretching from China to Europe, lost their importance. The revenues it extracted from the trade on its territory and the customs tariffs became insignificant. In addition to these automatic losses in revenues, geographical expansion of the state had stopped by the 17th century and above-explained tax farming system, which was primarily designed for meeting the needs of the military machine and the central treasury, became irrelevant.

At this point, the central authority made a dramatic turn to increase the revenues of a suffering treasury: It took the land from the military-bureaucracy, and privatized its taxation. Those who promised to pay the highest tax to the state were given not the ownership but the right of administration of the land. These individuals were named multezim and introduction of this unusual privatization system into the political-economy of the Empire eventually collapsed the Ottoman land system and destabilized the associated legal and administrative structure. Once they got the job, most of the

multezims repressed the farmers viciously in an effort to make much more money than the tax amount they promised to the treasury.

In time, de facto ownership of the land by the multezims transformed into de jure possession, and a new class with money and land started to emerge. This class was later going to be called ayan, a distorted version of the European landlords. Their power increased gradually to the extent of feeding private armies. In 1808, the state had to sign the Covenant of the Union with a group of ayan and recognize their authority on their respective territories in exchange for their allegiance pledge to the Sultan and assistance promise to raise armies in the time of war. The Empire also agreed to determine the tax rates in consultation with ayan. This marks the first time the central authority in Istanbul agreed to share its power with another segment of the society out of its will. Although development of ayan as a powerful class can be interpreted as a significant political development in the name of breaking the hegemony of the authoritarian regime, it also meant the demise of the rule of law and creation of hundreds of little islands of authority within the Empire.

By the 17th century, looting of the primary mean of production, the land, was underway by the local landlords and the bureaucracy. In the past, farmer population was only answering to the bureaucrats of the state as renters and taxpayers, but now they were answering to the multezims and their status was practically lowered to serve. Under repression and exploitation in the hands of greedy multezims, some of the villagers left the soil and joined rural bandits or were enlisted by the local armies of the landlords.

At the end of the 19th century, Ottoman treasury went bankrupt and came under complete control of English and French capitalism, and private bankers. Since the Empire

could not pay its debts, a joint initiative by its debtors, general debts administration, was established and this institution started to control all of the revenues. The Empire was forced down to terminate its trade barriers unilaterally and open up its territory to western businesses. In this picture, locally owned small businesses and already underdeveloped Ottoman industry were forced out of the market. Agricultural production which heavily used outmoded techniques almost stopped, and was replaced by European cheap imports. European businessmen flocked into the Empire and not surprisingly found their local connections in the non-Muslim population of Greeks, Armenians and Jews. As sole masters of trade in the Empire for centuries, only these Ottoman subjects had developed business organizations, support networks and capital. On top of these advantages, they shared religious bonds with the new comers, so Europeans picked them up as associates in their business activities. This companionship helped concentration of more wealth at the hands of Armenian and Greek segments of the population.

By the end of the 19th century, political, social and economical picture of the Empire was not astonishing. The Empire had lost most of its Eastern European and North African territories and was going to lose its remaining provinces in the Arabic peninsula following the World War I.

Since ascendance of the Empire had come with military success in the past, the most significant response of the state to the decadence was modernization of the army: Considerable amounts of funds were spent on education and re-organization of the army for the last two centuries. Although this effort could not stop the collapse of the Empire, because the more pressing economic and political problems were left unattended, it helped creation of a western educated and organized group of military cadets that were

aware of the dynamics of the outer world, and the problems that the state and the society faced. To cut the long story short, Ottoman bureaucratic class, especially the military, was the only organized and progressive element of the population who had both the will and potential to protect the heartland of the Empire.

There were two main groups who adhered to very different schools of thought regarding how to save the country from the collapse: While the first division believed that returning to the past glorious days could be possible by restoring and strengthening the old institutions, the other one was convinced that salvation of the State lied in breaking with the past and in westernization and modernization. Eventually, the second group won the competition and spearheaded the establishment of the first political party in its modern sense: Committee for Union and Progress (CUP). This party managed to force the Sultan to proclaim a constitutional monarchy in 1876, but this attempt lived short since the Sultan was given enormous veto powers which he quickly used within a year to dissolve the national assembly. Learning from the experience and gaining enormous popularity among the bureaucracy, reformist wing compelled the Sultan to open up the assembly and declare the second constitutional monarchy in 1908. Eventually CUP took all the effective positions in the Ottoman government under its control and managed to take the empire to the First World War as an ally of imperial Germany in 1915. At the end of the war, the Ottoman Empire lost the remaining lands outside of Anatolia and a defensive war for the homeland was organized by Association for Defense and Rights of Anatolia (ADRA), which was headed by Mustafa Kemal and some of his friends in the CUP. The independence war was waged by a coalition of local landlords, some Ottoman military commanders, religious leaders and Kurdish chieftains.

Summary of Chapter 4

Evolution of a complex system is very sensitive to initial conditions; to be able to explain how systemic behaviors develop; complex systems theory suggests focusing on the emergence of the system first. Under the guidance of this understanding, the political, social and economic legacy that Turkey inherited from its predecessor Ottoman Empire is narrated in this chapter and a brief introduction to the Ottoman system, its actors, their internal dynamics and their relationship with each other is provided.

CHAPTER 5

CORRUPTION BREEDING FACTORS IN THE POLITICAL AND SOCIO- ECONOMIC STRUCTURE OF MODERN TURKEY

Introduction to Chapter 5

In this chapter while provision of information on the historical development of the system and its actors is continued, legitimacy issues that have surfaced with the Turkish modernization, problems within the political, social and economic areas that initiate, facilitate and reproduce corrupt practices during the interaction between the actors of the system are defined and detailed.

Problems in Political structure

Foundation of the Republic and Problems of Modernization

Following the successful war of independence, supreme commander Mustafa Kemal, a leader of the reformist wing in the Ottoman Army decided to put his plans of transforming the country in action. He saw the salvation of the country in complete destruction of the old regime and radical modernization of both the institutions and the society. Despite facing serious opposition coming from his above mentioned partners in ADRA with the exception of the landlords (Oran, 1997), he undertook drastic reforms in political and social scene to transform the country and the society.

Following is a list of the revolutions and reforms in Turkey between 1922 and 1934:

1. Political Reforms

Abolishment of the Sultanate (1 November 1922)

Declaration of the Republic (29 October 1923)

Abolishment of Caliphate (3 March 1924)

2. Social Reforms

Women were given equal rights with men (1926-1934)

The Revolution of Headgear and Outfit (25 November 1925)

Closing of dervish lodges and shrines (30 November 1925)

Surname law (21 June 1934)

Abolishment of nicknames, pious and royal titles (26 November 1934)

Adoption of the International calendar, time and measurements (1925-1931)

3. Juridical Reforms

Abolishment of the Canon Law (1924-1937)

Instating the new Turkish Civil Code and other legislation to suit secular order (1924 - 1937)

4. Educational and Cultural Reforms

Integration of education (3 March 1924)

Adoption of the new Turkish alphabet (1 November 1928)

Establishment of the Turkish Language and Historical Societies (1931-1932)

Organization of the university education (31 May 1933).

(Source: Turkish Ministry of Culture and Tourism, 2005, p.1).

These revolutions were done under the light of the so-called Atatürk principles which constitutes ideological pillars of the Turkish Republic: Republicanism, Nationalism, Secularism, Popularism, Etatism, and Revolutionism. However transition from the empire to the nation-state has not been painless; rather strict interpretation of the principles of nationalism and secularism by the modernizing elite created certain identity crises and loyalty issues for certain segments of the population, problems which have sustained until this day. For centuries, people's loyalty lied in the persona of the Sultan who was thought to be a merger of political and religious power in his hands with the help of the Caliphate institution. New regime not only abolished the Sultanate and Caliphate, but also attempted to replace it with an alien institution and ideology: Nation-state and nationalism. The empire had defined minorities in religious terms and irrespective of ethnical background no Muslim community was ever given minority status; religion was their common identity. Naming the state after a specific ethnic group, making its language the official language, setting up Turkish Language Institution to

purify the Turkish language from other languages, founding a Turkish History Institution to link the country to pre-Islamic Anatolian and Central Asiatic civilizations, all were part of the nation creating process.

It should be noted that nationalism, flavored with a strong taste of secularism, was not actually demanded by the people but rather imposed upon them in the name of modernity. Karpas explains this dilemma as: “The average individual felt allegiance either to his local community or to the universal state of Islam and was indifferent to the exigencies of the nation-state” (1964, p.52).

Stripping religion of its previously established political and social roles and imposing Turkification on a multi-racial community ignited numbers of skirmishes and serious armed conflicts between the state and those who had a hard time in accepting the ideological and cultural impositions in the early years of the Turkish republic. During the one party-period, there have been brief attempts to channel the demands of the unsatisfied periphery into the political scene through political parties but these attempts either did not live long, or was squashed before they were born. Between 1923 and 1946, Progressive Republican Party and People Republican Party were shut down by inter-ministerial decrees for threatening the unity of the state, and the other one Turkey Free Republican Workers and Farmers Party was not allowed to be founded by the one-party government (Turkish Economic and Political Research Foundation, 2001).

Political party closures did not stop during multiparty period. Between 1950 and 1961, 2 political parties were closed by the courts on the grounds of anti-secularism and threatening the unity of the Republic and after 1961 until today, 20 political parties were closed by the Constitutional Court; 15 for following an agenda to break down the unity of

the state [dominantly left and Kurdish parties] and 5 for violating the laicism principle (Ozhan, 2005).

Actually, problems between the state-elites, deep state, as they are called in Turkey, and those who want a greater role of religion in public life and non-Turkish ethnic groups who strive for greater recognition of their political and social rights have not settled, yet. Mehmet Ali Birand, one of the most respected Turkish journalists and political writers explains the actors of the deep state and their operations as follows:

Military seems to be the forefront representative of the deep state. When it is required, it acts, presses the button and at the end grabs the power...But it does not act completely alone. It both prepares the grounds for intervention and acts after hearing signals, messages and invitations from various other public agencies. Military sees itself as the protector of secular republic and even if they come out of elections, it does not trust political cadres. Military believes it has the right to intervene in the situation whenever it is needed whether intervention means wiping out the political cadres or not. Other voluntary members of the deep state include: Secular cadres, military retirees, active and retired members of police and justice system, social democrats, extreme nationalists on both right and left, some university professors, some businessmen and important members of the printed and visual media. Volunteers both incite the military and participate in reactionary movements as they are invited by the military to do so (Derin devlet, 2005).

We neither have a concrete number of non-Turkish people who are problematic with the nation-state nor of people who complain about aggressive secular practices; However, that a Kurdish terrorist organization-PKK-has been able to fight with the Turkish security forces for 15 years (1984-1999) and still on operational status under a different name, is an indication of a serious popular base. Although they have been shut down several times for following a Kurdish separatist agenda and for having shady relationships with the terrorist organization, Kurdish political parties have been founded under other names after each closure. In the last parliamentary elections in 2002, DEHAP, the latest chain in Kurdish political parties, gained six point eight percent of the

general votes, but could not send legislators to the parliament due to the ten percent national threshold.

Despite being ousted by a civilian coup orchestrated by the state-elites in 1998, an Islamist party having won the general elections by gaining most of the votes in 1996 indicates that Islamist tendencies are very much alive. Indeed, the current government in Turkey is formed by a political party which categorically denies having no religious agenda whatsoever, but most of its founding members came from the political party that was ousted from power in 1996 and later was closed by the constitutional court for religious propaganda. In sum, until these tensions are addressed, the social contract will be flawed, and political legitimacy of the democratic regime will be questionable in the eyes of the people who believe their rights are violated by the state.

Problems in Political Party System

As it was briefly mentioned before, first Turkish political party in modern sense dates back to the late Ottoman period in 19th century. Committee for Union and Progress (CUP) was established by army officers and civil servants in the Ottoman bureaucracy. Main aim of the CUP was to prevent the collapse of the Empire and its rather vague ideology found its sources in nationalism, freedom, and equality.

Republican Peoples Party (RPP), originally Party of the People, which was established by Mustafa Kemal Atatürk in 1923 is the first political party of modern Turkey. Despite the “Republican People” title, like its predecessor CUP, it had little connection with people. RPP was essentially designed as an ideological tool of the state elites to disseminate the official ideology, pillars of which were Republicanism, Nationalism, Secularism, Popularism, Etatism, and Revolutionism. These six principles

are still reflected in the party emblem of RPP with six arrows. RPP was completely integrated with the state and the bureaucracy until the first real multi-party elections in 1950.

Due to internal and external pressures that will be explained later, Turkey switched to multi-party democracy after the World War II. RPP was composed of modernizing bureaucratic elites and landlords/small merchants and a part of the latter faction formed the Democrat Party (DP) by splitting from RPP. Following 1946 elections which are widely believed to be rigged, DP won the 1950 elections with a stunning eighty three point eight percent parliamentary majority (Esmer, 2002, p.2). According to Mardin (1973) the DP projected the image of a party that defended the interests of the periphery, especially those in the realm of religion, while the RPP continued to be identified by the voters with the elitist and secularist orientation of the political center (Sayari, 2002, p.11).

Since 1950, Turkey has experienced a competitive pluralistic party system which changed from bi-partism (1950-1960) to moderate multi-partism (1961-1980) to moderate multi-partism with a dominant political party (1983-1991) to extreme multi-partism with no dominant party (1991-2002) and to multi-partism with a dominant party [2002-today] (Esmer, 2002, p.4).

The elements of continuity in Turkey's party politics are exceptionally long tenure of prominent politicians as party leaders; the constancy of internal party feuds and factional splits; the frequency of party switching among parliamentarians; the strength of the centrist and moderate orientations and attitudes among the voters; and the importance of political patronage and clientelism in winning votes and maintaining control over party organization (Sayari, 2002, p.9).

Obviously, some of these elements carry both anti-democratic and corruption breeding notions. In Turkish political parties, in-party democracy is unspeakable of; there is an oligarchic organization; the leaders act like Sultans and their consultation is limited with a few cronies they adopt as viziers. Candidates who will run for national assembly, mayoral elections, and local party headships are determined by this narrow cadre in an attempt to kill the opposition beforehand. Unless the candidates they favor happen to be endorsed by the central administration, choices of local party organizations are sidestepped. Although it is free for citizens to join political parties, there are no effective primary elections by party members; each district sends party delegates to a general assembly of the party, but these assemblies are not transparent and democratic (Kurtulus, 2005).

One-man show mentality not only kills internal democracy by stifling alternative voices, but also damages accountability. In the absence of effective controls neither from citizens nor from inside the party, political party leaders and their cronies do not feel like answering to anyone and gain virtual immunity for their actions. For instance Suleyman Demirel, seven times prime minister and one time President was quoted to say “I gave it, so what” in response to a question that related to the allocation of state land on his orders through blatant favoritism (Pope & Pope, 1997, p.172, 173).

The chief of TI Turkey Chapter analyzes the –lack of- relationship between legislative assembly members, political party leaders and the society as follows:

There was one Saddam in Iraq, but we had five of them before parliamentary elections in 2002. Saddam of Iraq was deciding who was going to be a legislator and who was going to be a minister. In Turkey, five party leaders behind close doors were making these decisions. They (party leaders) bring these people who are disconnected from the nation, who do not owe anything to the society to the

national assembly as legislators. A legislator should be indebted to the society only. To whom our legislators feel indebtedness? To the party leaders who create the list of who is going to be elected; now, in this situation they become servants of party leaders (Iktidarın, 2005).

Party leaders only listen to what their cronies have to say, they are closed to alternative ideas. In this respect, meaningful and stable relationships between civil society organizations and political parties can not be constructed and political parties can not perform their most important function which is mediation of interests between the society and the state. Political responsiveness to organized interests have remained alien to the Turkish scene (Bugra, 1994) and they hardly paid attention to carefully prepared and debated policy proposals by independent research organizations and think-tanks (cited in Heper, 1998, p.262).

Lack of accountability in Turkish political parties is not only rooted in hierarchical party organization. Incomes and expenses of political parties and of their candidates are not subject to neither regular nor campaign-time checks. According to the law, parties are required to submit only a summary balance sheet to the Constitutional Court, which is one-page long and gives no details (Kurtulus, 2005). The acting Chief of the Constitutional Court complained on this issue as follows:

Constitutional court can not inspect political party finances and it will not be able to do so. We need at least 200 inspectors to do that. If you can not inspect and are satisfied with one page paperwork our political parties equal their incomes and expenses on the papers most perfectly. Especially marginal parties do not even own anything, everything is owned by fictitious companies and parties seem to be their tenants. If the party is closed they just change the name and go on (Yarginin, 2004).

Problems in Legislative System

The Türkiye Büyük Millet Meclisi (Turkish Grand National Assembly) has 550 members, elected for a five-year term by proportional representation. All parties can be

represented, conditional on a 10 per cent threshold. A cause and consequence of the political parties system and the way benefit networks in the society organize and operate, most Turkish parliamentarians thrive upon clientelist networks. According to Sayari (cited in Ozler, 2000, p.43) maintenance of these vertical networks depends on the downward flow of governmental patronage and on the capability of leaders to perform brokerage services for their followers. Those parliamentarians, who are skilled in developing benefit networks, come to have an advantage over those who have a strong background in policy making (Heper, 1998, p.263).

Political patronage is not the only problem of the Turkish legislative system; there are serious flaws in accountability. To start with parliamentary immunity regulations, immunity of the Turkish parliamentarians is not only limited with freedom of speech; legislators are also free of criminal prosecution unless they are caught on the act. Seated parliamentarians are protected against any arrest, court cases, questioning and incarceration during their entire time in parliament, for all crimes committed while they are in power and even for those crimes committed before their election to parliament; immunity may only be lifted for each MP by vote within the parliament (Kurtulus, 2005).

Legislators have an obligation to declare their financial assets before they take the oath, however except for self-regulation by the National Assembly on rare occasions, there is no regulatory body (European Center for Parliamentary Research and Documentation, 2001, p.49) that would systematically check if there is an increase in the wealth of legislators during their tenure. In the absence of follow-up procedures, declaration of assets does not serve any purpose beyond fulfilling a legal requirement.

In parliamentary systems, separation of powers between the executive and legislative is theoretical; if a political party has the majority to form the government itself, checks and balances automatically disappear. In countries like Turkey where the political party leadership is too powerful, unless the party is not willing to do it, neither ministers nor can legislators be impeached. If there is a coalition government, secret agreements between the party leaders can prevent any attempt of indictment. In this regard, self regulation has not proved to be an effective tool so far in Turkish experience, because as Heper (1998) puts, politics in Turkey is not focused on policy issues but on politics. In the near past, several parliamentary investigation commissions to look into questionable assets of some political party leaders' and allegations regarding their involvement in corrupt transactions were set up; however, most of them failed to produce anything meaningful.

Problems in Public Sector

Legacy of Corruption in Ottoman Bureaucratic System

At the heart of the Ottoman political-administrative machine was the timar (land tenure) system and a superior bureaucratic mechanism that was created on recruitment standards based on meritocracy, special education and high salaries. After the territorial expansion stopped and the retreat of the Empire started for a number of internal and external reasons, the land tenure system and the quality and integrity of the bureaucracy started to decrease. Contracting out the tax collection duty to private persons and their abuse of these privileges was followed by the involvement of the now financially deprived bureaucrats into the process of illegal appropriation of state lands and into corrupt practices by peddling their influences. The most common method employed by

the bureaucracy to appropriate land was declaration of parts of the land they manage as waqf (a land or building the revenue of which is reserved for the needy and/or meeting the needs of the community). First, they put their children up as trustees and secured certain amounts of the revenue as salaries then transferred the ownership of these territories to their names following complicated bureaucratic procedures. Waqfs were originally found with pious intentions and were deliberately left out of the state control to ensure their institutional and operational independence. However the lack of control on their management was the very reason why they were corrupted so easily when the system broke. At the end of the 16th century head of the financial department of the Empire was quoted to say:

The decay in Ottoman order affected the administration of the state negatively. Especially expansion of the means to own private property, spreading of the system of private tax collectors and opening up of new opportunities to do business attracted the interests of the bureaucrats into more profitable occupations. Those bureaucrats who abuse their influence easily appropriate land and even get involved in smuggling (Turkish Grand National Assembly, 2003, p.16).

Koci bey, an advisor to the Emperor, in his situation report, complains heavily about the decay of the old system and appointment of incompetent public officials by the central bureaucracy in exchange for bribery (Kurt, 2003). A cynical approach, the famous saying of the 16th century poet Fuzuli, is still used in Turkey to complain about the bribery problem in public service:

I gave them (the public officials) greetings but they refused since it was not a bribe (Ah Fuzuli, 2003).

After 1839, when the first organized reformation (Tanzimat) was attempted in the administrative apparatus, many strict measures to counter not the overall corrupt practices

but the bribery were taken. The main text declared by the administration included a specific line regarding to bribery: “Bribery that has been against the sharia law and has been the first reason for the regression will be destroyed through such a strong law” (Ottoman Research, 1999, p.1). However, the more the state neared to the end, the more the general socio-economic condition was deteriorated and the less the attempts to control corruption proved to be effective. Tevfik Fikret (1867-1915) the most famous poet of the time, in his poem of “Booty Table”, addresses to the CUP officials and bureaucrats who according to him forgot their promises for justice and equality, and gotten busy with personal enrichment, as follows:

The poor nation gives whatever it has, whatever it owns,
Its property, body, life, hope and dreams
Swallow them do not even think if it is
Sin or not, eat it masters eat it, this empire of gluttony is yours
Eat it until you satiate, choke and burst.
(Fikret, 1912)

Despite the independence war and establishment of the new Republic a few years later, it should not be forgotten that not only the people in the bureaucracy, but their mentality was inherited by the new country.

Structural and Organizational Issues in Turkish Bureaucracy

The new Turkish Republic did not replace the centralist bureaucratic state tradition of the Ottoman Empire with a more localized one; public service became even more centralized in the nation-state era. Founders of the republic, who were Ottoman bureaucrats themselves, were well aware of the problems in the public service system, which corruption was one, and by centralizing and standardization of everything, they believed they could open a white page. Ideological reasons played a major role in opting

for centralization, too; creating a nation, developing a nation-state and building a national economy, all these required central planning and policy making.

Of course, management of the bureaucrats, who were at the implementation end of the policies, carried strategic importance for the purposes of the modernizers. In this context, all public service personnel administration operations were decided to be handled by the central ministerial units in Ankara, just like in Ottoman times. Even the tradition of breeding skillful bureaucrats in special educational settings where they were thought to be servants of the state-not the people-has been kept intact with one significant difference: While the Ottoman bureaucrat was loyal to the state through the Sultan who integrated political and religious leadership in his persona, modern Turkish bureaucrat bridged his allegiance to the state through the secular-nationalist ideology. Since the foundation of the Republic, Harbiyye (military schools) and Mulkiyye (Faculty of Political Science in Ankara) have produced the military commanders and most of the high level civilian bureaucrats needed in economic and political administrative units. Although things have changed a little bit for the Mulkiyye in recent years, the students for Harbiyye and Mulkiyye have been carefully selected, provided an educational quality unmatched by the other schools, and of course thought to be the guardians of the Republic. It should be noted that following the establishment of the connection between multi-party politics and public service after 1950s, civilian bureaucracy have gradually lost its exceptional position, and the soldiers increasingly thought of themselves as sole defenders of the Republic. As reflected by three military coups in 1960, 1971 and 1980 and civil overthrow of the government in 1998; whenever they sense any threat against the national unity and secular nature of the state, they directly or indirectly intervene in

democratic politics with the help of their sympathizers in civilian bureaucracy and general citizenry.

The centralist approach of the early Republicans remained largely unchanged until today. In practice, this attitude resulted in the heavy dependence of the public service on the central government from many aspects: From personnel transfers to determination of salaries, from determination of the organizational and operational structure of a local public administration unit to allocation of budgets, everything in today's Turkish public service is decided by the central government.

This hierarchical relationship in turn contributed to formation of vertical relationships between the political party in power and the public service. In the extremely politicized Turkish political system, instead of public policy formulation and implementation based on needs and rationale, often times, politicized demands has shaped the process of policy making.

Not only policy making and implementation, but also the Turkish bureaucrat is under heavy influence of political interests. Since the multi-party period started in 1950s, the first job of every government in Turkey has been the replacement of the key bureaucratic personnel with people they trust. It is sort of a tradition to treat the previous term bureaucrats as the men of the previous government so they are already expectant of replacement. Only those who manage to build connections to every other political party may be able to protect their seat continuously. Some bureaucrats who are resistant to arbitrary replacement resort to administrative courts for help, but even if they manage to go back to their positions, they are either transferred again for another reason, or are prevented from working with the help of indirect countermeasures. After the key

bureaucratic personnel are replaced with protégés of the new political cadre, newly appointed people make extensive changes in the personnel structure working under them.

For fear of corruption, it is forbidden for many bureaucrats to be appointed to neither theirs, nor their spouse's hometown. However, this application which is an indication of mistrust of the state towards its citizens and bureaucrats, contributes to the alienation between local communities and the appointed personnel. Level of motivation for a bureaucrat to serve his own community and feeling of accountability towards his own people should be higher than the motivation and responsibility feelings of a bureaucrat towards an alien community. In this picture, bureaucrat's loyalty towards the politicians strengthens because he is completely disconnected from the people.

As for the selection of new recruits and appointment of personnel to financially and powerfully profitable positions, favoritism plays a central role. In most of the placement processes in the executive units, a written exam which is quite objective is given first, and those who pass the exam go through an interview process; unless they have a direct or indirect connection to the interview committee members, they are left out of the competition by those who are better connected. Following is an excerpt from the editorial column of a daily newspaper in Turkey regarding to the irregularities in the country-wide district governor's exam which is taken by thousands of political science and law school graduates:

Unal Koç takes the exam in 2002 and ranks the tenth in written exam and fails in interviews. He retakes the exam in 2004 and ranks the second, but is eliminated in the interview phase again. He studies harder and takes the exam for the third time in 2005: this time he ranks the first, but again is not found eligible at the interview phase. He is neither handicapped nor has any other problem. He just does not have torpil-protection- (Mulakat, 2005).

Opacity of Operations and Information

Bureaucratic secrecy undermines the principles of transparency and accountability in public sector operations. In the absence of transparency in contracts and allocation of subventions and credits, the risk of corruption gets higher. In a 2002 public opinion survey, when respondents were asked to rank nine Turkish governance indicators from worst to best, “lack of transparency on public spending” was the most negatively perceived one, followed by “lack of citizen participation in public sector decision making” and “lack of accountability of public servants” (TIBA, p.13).

In a study into the measurement of public sector financial transparency in Turkey, transparency was determined to be forty-four out of a hundred (A hundred being the cleanest) and lack of a clear definition of political and administrative responsibility on public expenditures and dysfunctional accountability mechanism were found to be the main reasons for the opacity (TESSF, 2004).

Unwillingness of the state to share information with the public is reflected in the findings of a public opinion survey (TIBA, 2002) that tried to find out sources of information utilized by the citizens to learn about public institutions and their services. In this survey television was chosen to be the first information source with sixty-three percent, followed by radio twenty-eight percent and printed media twenty-five percent (TIBA, 2002, p.16). Neither internet, nor publications of public institutions, nor the public institutions themselves qualified as significant sources of information (TIBA, 2002, p.16). By looking at these results it can be easily concluded that communication of information between the state and the public is close to zero because it takes two to communicate; television, radio and printed media are one way information disseminators.

Accountability Issues

As it was explained before, the way the politics and public service is designed and operated is the main cause of the disconnectedness between the state and the society. In this structure, it is very hard for public servants to feel accountable to the general public for their actions. Although this accountability gap can be filled by the judicial system to a certain extent, there is a serious barrier in front of the Turkish justice mechanism to claim this role effectively: Immunity.

Although one of the general rules of liberal democracies is the equality before the law, millions of public servants in Turkish legislative, executive and legal mechanisms are in protected status in changing degrees. According to a recent estimate, number of the privileged in government sector is close to three million. Here is a list of the people and the nature of the immunity they enjoyed during their service in Turkish civil service:

- a) President (elected by the TGNA) has absolute immunity.
- b) There is no regulation on how the president of the Turkish General National Assembly (TGNA) is tried.
- c) For Ministers including the prime Minister, first their immunity should be lifted by the TGNA, than an investigatory commission should be set up in the TGNA before they can be tried.
- d) For the trial of presidents and members of the Constitutional Court, Supreme Court, Higher Administrative Court, Military Higher Administrative Court, Military Supreme Court; Presidential Council of Courts should give its permission first (none of them are elected).
- e) Public officials can be tried only if their superiors allow. In districts district governors (not elected), in provinces province governors (not elected), in ministries minister, in prime ministry prime minister, in TGNA chief of the TGNA, in presidency the President are these supervisors.
- f) Governors can be tried only if the Ministry of Interior allows.
- g) Mayors and members of the mayoral councils in all provinces and districts can be tried if only the Ministry of Interior allows (Dokunulmazlar, 2005).

What does this picture tell us? Unless their mostly unelected superiors give permission, there is no way the justice system will touch these individuals for their

wrongdoings. Some bureaucrats are even immune from traffic crimes: With a tragicomic administrative circular, Ministry of Interior recently ordered all police departments in the country not to fine the judges and prosecutors for traffic offenses; although this discriminative order seemed to enrage the public for a while, circular remained in effect (Imtiyazlilar, 2005).

So, if the political party in power is corrupt, it will be inclined to appoint either corrupt or silent bureaucrats to top positions and these bureaucrats will employ individuals of same nature at important points. Who would be willing to let his bureaucrat to be tried by the judicial system in such a close hierarchical structure? The risk of a domino effect is too high.

In addition to creating lots of avenues for corruption lack of accountability affects the service quality, either. In a recent survey of a national sample, more than half of the respondents claimed that public servants treat citizens either badly or very badly (TIBA, 2002 , p.14) and they found none of the public institutions satisfactory even at a medium level in fair treatment, effective and rapid service (TIBA, 2002, p.18).

Worse than this, two out of three respondents in the same survey did not believe they could reach a result if they inquire violations of rights when their rights as citizens were violated by public institutions. Even worse, half of the respondents thought they could get into trouble if they do inquire (TIBA, 2002, p.14), and only fourteen percent considered that they could get a fair result if they do this inquiry in front of courts (TIBA, 2002, p.15).

Wages

Understandably, this negative economic picture has found its reflections on the public sector salaries; however, not fairly. According to Undersecretary of the Prime Ministry, there are 1434 types of different salaries, for approximately 2.5 million public employees (Devlet obez, 2004), and sometimes the wage difference between the servants who have the same qualifications and who do the same job at different units amounts to 10 times. While low level salaries create incentives to engage in corruption, unfair distribution of wages incite some public personnel to take the job of equalizing the salaries in their own hands through contributions from the citizens.

Conflict of Interest Regulations

According to relevant laws, public sector employees can not involve in any kind of business activity during their tenure (Turkish Ministry of Justice [TMJ], 1965), and can not accept jobs, directly or indirectly, from the private sectors that are related to the duty and operations of the public office they worked, for three years after they quit (TMJ, 1981). However these conflict of interest regulations are rarely enforced. For instance, the Alcohol Drink Section of the big state economic enterprise for Tobacco and Alcohol Drinks was recently privatized. During inspections by the Prime Ministry Inspection Board, it was revealed that the 307 trillion liras that was owed by the Alcohol Drinks section to the mentioned SEE was erased before the transfer. And also, just before the transfer, the director of the Alcohol drinks section bought raw material of 100 trillion worth by using public money. Following the handover, this director himself got transferred to the company who bought the Alcohol drinks section as the CEO (Tekelde, 2005).

Accepting employment at private banks immediately after retirement is very popular among inspectors working at financial market regulation boards and managers of public banks. Suffice it to give the following examples: While a former president of the banking sector controllers' board at treasury started working at a private bank as vice-president the day after his resignation from his post, in another incident, former CEO of the biggest state owned bank accepted employment at a private holding as the financial coordinator at the same day he quit his job; it was later revealed that he allocated credits from his previous institution improperly to his employers (Ankara Chamber of Commerce, 2001, p.11-12).

Problems in Judiciary

According to Turkish constitution, judicial power is exercised by independent courts. Decisions regarding appointment, transfer and discipline of judges and public prosecutors working for the courts are made by the Supreme Council of Judges and Public Prosecutors whose decisions are not open to appeal (Turkish Constitutional Court, 1982).

This council is closed to outer influences in theory, but its organizational structure does not allow it to be absolutely independent of possible political influences. Since its chair, the Minister of Justice who is a politician, and his undersecretary, who is appointed by him are natural members of the seven-member council, it is widely claimed that there is a strong link between the Court and politics, raising doubts about its actual independence (Kurtulus, 2005).

Since it is very difficult to try the judicial members of the legal system due to the fact that breaking their immunity shield is bounded to extremely complicated procedures,

self-control gains enormous importance to prevent and punish their improper or illegal behavior. According to the law that regulates the disciplinary actions that could be taken by the Council against the members of the judicial system, even if the action that triggers disciplinary action does not constitute a crime, if it is found to be in such a nature that would ruin the occupation's honor and prestige of the public servant, the punishment of termination of contract is given (Bu mekanizma, 2005). However this decree is rarely exercised, especially against higher members of the court system. For instance, when it was found out that the very members of the council spent their holidays at very expensive resorts in Turkey and Cyprus with their wives and that their flight tickets and entire accommodations were met by a private company and a private bank; they were found to be free of any wrongdoing (Yukse, 2004). During a recent investigation into the activities of an organized crime group that allegedly was rigging the purchasing contracts of the Social Security Administration, it was coincidentally found out that the gang was also involved in fixing important cases in courts, and these operations of the group was leaded by the lawyer son of a former vice president of Supreme Council of Judges and Public Prosecutors (Emniyet, 2005). Wiretappings revealed that chief of the gang made numbers of telephone conversations with eight members of the Supreme Court for Appeals. When the police wanted to interview with the justices, the Supreme Court Council of Chief Justices which authorizes inquiries about Supreme Court members refused this demand. Their explanation was tragicomic: "The wiretapping permission was given for the investigation of the organized crime leader; there was not a separate permission for listening to the telephones of Supreme Court members. In this respect, wiretapping evidence against the members is not legally acceptable" (Yargiya, 2004). It

should be noted that no administrative or legal action against these judges were taken and they were in their seats as of 2004 summer (Dinlemeye, 2004).

According to a survey that was done with lawyers who were registered to Istanbul bar association and who completed at least five years in the occupation:

- a) 94.9 % of the lawyers believed that there is corruption in judicial sector,
- b) 63.1 % saw corruption as one of the main problems of the judicial system,
- c) 96.1 % maintained corruption in the judicial system was systematically covered up,
- d) 88.3 % believed that Supreme Court for Appeals was involved in corruption,
- e) 66.6 % claimed that corrupt judges were publicly known,
- f) 93.5 % told that lawyers were abusing their positions for corrupt transactions,
- g) 74.1 % believed that bribery played an important role in occupational successes of the lawyers, and
- h) 97.5 % alleged that expert witnesses that were appointed by the court were receiving bribes (Okcesiz, 2001).

When the lawyers were asked about the causes of corruption in the judicial system, majority of the responses focused on insufficient budget allocation to the justice system, legitimization of corruption in the eyes of the general public, deficiency of occupational principles of morality in the public sector and incapacity of the system to carry on the work load.

Findings of the Turkish Grand National Assembly (2003) on the problems of the judicial sector verify and complement the findings of this survey: Inadequate numbers of poorly paid judges, prosecutors and support personnel; limited money to be paid for investigations and experts; excessive case load and physical reasons such as insufficiency of court buildings. When these reasons get together, quality of the rule of law automatically decreases. Following table summarizes Turkey's place in the world for the last six years, in terms of quality of the rule of law as described and researched by the

World Bank (2004) as the quality of contract enforcement, the police, and the courts, including judiciary independence, and the incidence of crime.

Table 12

Rule of Law: Turkey versus Other Countries (1996-2004)

<i>Rule of Law</i>	<i>1996</i>	<i>1998</i>	<i>2000</i>	<i>2002</i>	<i>2004</i>
Percentile Rank (0-100)	58.4	65.9	59.9	53.1	54.6

(Source: World Bank, 2004. Percentile ranks indicate the percentage of countries worldwide that rate below Turkey.)

Problems in Economic Structure

Problems of Landlordism

In the new Turkish Republic, there were three main classes: Military and civil bureaucracy and their landlord associates as the ruling class, and the poor and uneducated traditional farmer population as the citizenry. After the Christian segments of the population were gone, the lands they left behind were appropriated by the influential landlords, whose evolution was described at the beginning of this chapter. Most of these landlords who had participated in the independence war became members of the Republican People's Party (RPP) later and legitimized their illegal gains (Altun, 2004). One of the first national assembly members, Ali Sukru, was reported to have complained on the issue as follows: "Look at what happened to the real estate and monetary wealth of the people who left the country! As soon as the country is saved, it remained in the hands which were extended to them first. You complained about it, but look at what happened at the end?" (Cited in Altun, 2004, p.82)

Without the land reform done, feudal relationships, mostly in Kurdish Eastern and Southeastern parts of the country, remained alive to this day. In the system of landlordism, agalik as it is called in Turkey, the status of villagers are very similar to the serves in the middle ages; the landlord basically owns the villages and the farmable land and uses the villagers as farmer/workers. Most of the villagers in this system can not even vote independently. In election times, landlords either determine who will run for the elections or support who makes the biggest campaign promises not to the people but to themselves. Promises can take different forms such as favoritism in credit and subvention allocations or appointing bureaucrats the landlords favor to their territories. Kongar claims that, failure of the land reform project transformed yesterday's landlords into today's influential agricultural managers giving them great amounts of political leverage which in turn helped them to secure majority of the grants provided by the state (2003).

In dire times such as during anti-terrorism campaigns, allegiance of the landlords is sought by the state in exchange for relaxing the rule of law on their activities, to say the least. For instance during the military campaign against the terrorist PKK organization in 1980s and 1990s, Turkish government sought and found active support of some of the Arabic and Kurdish landlords in the region, and there were widespread allegations about landlords' having a free hand on raising private armies and involvement in trans-border smuggling.

Problems in State-Private Sector Relations

There is little argument on the ultimate aim of the political and social reformations that were introduced by the bureaucratic elite headed by Mustafa Kemal Atatürk: Transformation of Turkey into a western state and the Turkish society into a

western society. He was reported to have said: “It is nonsense to talk of our civilization and your civilization, this civilization and that civilization. At the present time there is only one civilization that is alive and advancing. We either join that or we are uncivilized” (Lewis, 2003).

The way the new legal system was established stands as the clearest evidence to this fact. While criminal law was word to word translated from the Italian law, civil laws were imported from Switzerland and commercial laws from Germany. The then Minister of Interior Mahmut Esat Bozkurt, pioneer of the alteration of the legal system had explained this crude adoption with the following words: “The decision of the Turkish revolution is adoption of the western civilization without any reservation. This decision is based on such determination that any opposition against it is doomed to annihilation by iron and fire. In this framework, we have to take our laws from the west as they are” (Turan, 1995).

Although political, social and cultural revolutions were on their way, in the absence of a capitalistic economic system the westernization project would be incomplete. As it was explained in detail before, relations of production in the Ottoman Empire was not conducive to a capitalist development. Neither there was a bourgeoisie class that would lead this process nor adequate accumulation of capital to initiate the capitalist transformation. When the Republic was founded in 1923, due to epidemics and starvation, war related casualties, and the migratory movements of Armenian and Greek sectors, population of Anatolia was declined by thirty percent in compare to the situation before the World War I. The population was around 13 million in 1923 (Kirisci, 2003), ninety-eight percent of which was Muslim of mostly Turkish and Kurdish ethnical origin.

Before the war, due to the reasons explained before, non-Muslims had completely dominated the private sector; with they are gone, Turkey was not only a country almost without managers and engineers-it was a country almost without trained waiters, welders or electricians, it would take at least a generation to rebuild the skills that had disappeared (Zurcher, 2004).

Facing this grim picture, founders of the Republic aimed to create a national bourgeois class which would pioneer the formation of a national capitalistic economy. Following is an excerpt from a dialogue between Mustafa Kemal Ataturk and the Soviet Ambassador to Turkey in 1922:

There is not a worker class in Turkey because there is no advanced industrial sector. Regarding to bourgeois, we should transform our bourgeois to a real bourgeois class. My aim is to help the Anatolian businessmen and to ensure they get rich (cited in Safak, 2004, p.75).

In line with this mentality, the state elites supported accumulation of private wealth in the hands of people by using public resources. The big landowners and the small businessmen who managed to establish cozy relationships with the new regime were the first candidates who were going to be enriched. Land, credits, contracts and economic subventions were channeled into the people endorsed by the regime in Ankara. Monopolies that provided public goods and services were first founded by the state than were transferred to the native bourgeois who was ideologically connected to the new government. However, since only those supporting the RPP were able to procure land and industrial benefits, the rest of the population grew resentful (Baran, 2000).

Often times, members of central bureaucracy, their local extensions, and Republican People's Party administrators and members directly or indirectly took roles in

administrative positions in state ventures. Foundation of the first national bank stands as a very good example to this process. On the necessity of founding a bank Ataturk was reported to have said:

Paramount among measures that will liberate and augment the nation is the establishment of a bank, utterly modern and national in identity, born directly out of the people's respect and confidence (Is bank, 2005, p.1).

The first general manager of the bank was an ex-general that fought with Ataturk, who later became the third President of the Republic. The associates included Ataturk himself, his other close friends in the governmental circle, other politicians and private businessmen (Bugra, 1194, p.43), including father in law of Ataturk (Altun, 2004, p.89). According to Avcioglu:

Influential politicians, businessmen and the local landlords were being associates to the bank without making any capital contribution and making massive profits out of the bank which was developing very fast(1979, p.373-374).

Interestingly enough, the one and only political party of the new political regime, Republican Political Party was made an associate to the Bank, too. In 2005, this political party still has enjoyed a twenty-eight point five percent share in the Bank (Is bank, 2005). Is Bank has played a very active role in producing credits for the to-be-capitalists and proved to be a powerful lobbying group in economic policy formation.

During this period, international investment was promoted as long as it agreed to work with the native bourgeois. Actually, international businessmen managed to be effective in Turkey if only they had a local partner who could peddle influence in Ankara to make things easy for trade and investment. Many people who made a political career from their roles in the independence war and in formation of the new republic became either representatives of foreign companies or their lobbyist. Falih Rifki Atay, a

contemporary of Ataturk, and a legislator and journalist for many years, criticized some of these politicians of being influence peddlers who had no capital other than their influence and complained about how it was impossible to get contracts from the government without having a legislator connection, in his memorial of early Republican years (Atay, 1984).

It was hoped by the founders of the Republic that following the businessmen creation process the next stage would be the investment of the accumulated wealth by the national bourgeois into industrial development. However, the outcome of this policy was creation of a completely state dependent profiteer class who was not interested in investing their proceeds into industrial adventures; their main focus was profit maximization through trade and speculation. Avcioglu maintained that:

The policy of creating private sector industrialists by the hands of the state created a lot of rich people, but not great industrialists; the entrepreneurs chose the easier and more guaranteed ways which seemed more promising than building industries (cited in Safak, 2004, p.79).

By the time Great depression hit the World in the 1930s, it was obvious that efforts to create a national capitalistic economy in the leadership of a national private sector had failed. To take a step in industrialization and meet the demands of the society for cheaper prices, the ruling elites adopted a more etatist position by creating State Economic Enterprises (SEE). The SEEs were set up by the treasury money to produce goods and services in a variety of fields from mining to energy, from transportation to communication, from textile to cigarettes, etc. However favoritism could not be prevented during this process either. Not only people close to the ruling elite were placed in administrative positions in SEEs, contracts for provision of inputs to the SEEs and

marketing of outputs of the SEEs were given to the nascent bourgeois who accumulated a certain amount wealth in the first years of the republic.

Although Turkey did not participate in it, the World War II hit the heavily agrarian Turkish economy. Most of the men in production age were called to the military, military expenditures increased, and the agricultural production which constituted the most important part of Turkish exports decreased. In an attempt to meet the previously fixed export deals, the level of goods supply to the internal market was decreased. Members of the nascent bourgeois who bought SEE products wholesale made enormous profits by stockades and black marketeering. To lift the pressure from the government budget and to tax the war time profiteer the government imposed a very unusual wealth levy. However, this turned up to be the latest link in the chain of national bourgeois creation process; the government exclusively focused on the wealth of the remaining non-Muslim minorities, especially Jews in two big cities of Istanbul and Izmir. Boratav claims that the minorities were taxed 4 times more than the Turks during the implementation of the wealth levy collection policy (1982, p.262). According to Bugra (1994, p.81) certain elements of Turkish bourgeois turned the misery of some into its own profit by closing down the real estate and investments of the leaving minorities for extremely cheaper prices.

Assumption of multiple economic roles by the state which lacked the necessary checks and balances mechanism created further opportunities for profiteers. When the government had to devalue the Turkish lira against the US dollar by fifty-four percent in 1946, there were serious allegations about some people having made millions in money market due to their prior knowledge about the operation; information was leaked by

important RPP elites (Altun, 2004). 55 years after this event, rumors of wealth accumulation in the money markets by insider trading was still making the news in Turkey. Investigations that followed the latest wave of buzz following the devaluation in February 2001 revealed that the then President of the Central Bank exchanged his deposits in Turkish Lira to US Dollars only a few hours before the devaluation was made (Devaluasyondan, 2003). There was also widespread speculation about the exercise of extensive money operations by people close to the Council of Ministers, just before the devaluation happened. A written questioner that requested an investigation into these accusations was given to the National Assembly by a legislator two years later after the case. It was disclosed that 5 million dollars was sold by the Central Bank in devaluation day, but the identities of the people were not revealed due to trade secret regulations.

Following the end of the WWII, Turkey, both under the pressure of the Western bloc which it aspired to be a member of for a long time and the growing opposition coming from the public which was disappointed not only with the economic performance of one party government but also tired of its tight grip on civil rights, opted for the multi-party elections. The Democrat Party which was founded by the dissidents in the Republican People's Party dominated the 1950 elections by promises of economic and political liberalism. Indeed, the Democrat Party government kept a pro-market and pro-business attitude during its reign, but this did not mean limiting the scope of government involvement in the economy. Huge subventions to the agricultural sector, provision of large amounts of credits to the business community and big infrastructure projects for the industrial development expanded the economic growth in record numbers. However lack of standardization and controls on the allocation of credits, subventions and public

contracts for the large infrastructure projects brought abuse and preferential treatment in the allocation of public funds. Stories of wealth accumulation through networks between politicians, bureaucrats and businessmen not only by credit distribution and contract allocation, but also through corruption in foreign trade applications and stock operations were all over the news media (Avcioglu, 1973). Adnan Menderes, the prime Minister was quoted to complain about the ongoing situation as:

They are stealing brother, they are stealing. But what can I do? I am a Prime Minister not an inspector! (Avcioglu, 1973, p.755)

By 1955, inflation, foreign debts, corruption and lack of strategic planning in industrial policy had jeopardized Turkish economy. The government responded to the rising economic problems with unsystematic interventions to the markets and this policy only resulted in more profiteering and speculative activity because of information leaks about operations in the financial and commercial markets. Stepping up the controls in the economy did not produce the desired outcome; the government was so desperate that even a death penalty bill for speculators was debated, but was slightly rejected by the parliament (Bugra, 1994, p.25).

Increasing economic and social unrest triggered the first coup in 1960 by the Turkish military which was already feeling uncomfortable with some of the policies of the Democrat Party that were deemed un-secular. Starting with 1963, the country started making 5 year economical development plans to stabilize the economy. However, planning could not change fundamentally pragmatic-and, hence, unprincipled and unreliable characteristics –of policy formulation and implementation process (Bugra, 1994, p.131). Import substitution was determined as the trade and economic policy of the

new era. Since this policy required protection of the local industries with high tariff barriers while supporting them with subsidies, the state-created bourgeois was consolidated during this period.

1963 also signifies the beginning of coalition governments in a country with no prior history of partnership of political parties in governing mechanism. Its reasons will be explained later, but suffice it to say at this point that division of executive offices between coalition partners in Turkey have always been subject to intense fights and bargainings. Division is not interpreted as division of labor for reaching a collective purpose, but as separation of influence spaces where the partners could exercise monopolistic powers in recruiting, spending and contracting in their respective ministries. Heper wonderfully explains this tendency as follows:

Politics in Turkey has been conducted almost completely with a view not only to narrow party interests but also to sheer material interests and that the resources at the disposal of the governments have been seen by both politicians and bureaucrats as nothing more than booty to be distributed among themselves (1998, p.270).

Heper's views are supported by a retired general who was transferred to a passive assignment after his supervision of a multi-million dollar corruption operation in energy tenders:

Turkish political parties are like criminal organizations. Some resources are needed for financing them. Parties share the ministries that will create these resources. Then, income starts flowing from the bribes that are extracted from tenders (Asker, 2002).

During the coalition governments between 1963 and 1980 political stability was nowhere to be found. Due to internal and external political reasons, explanations of which are irrelevant at this point, and general economic problems, ideological

polarization affected all sectors of the society, often times amounting to armed conflicts between rightist and leftist groups. In this atmosphere, the Turkish military intervened in politics two more times in 1971 and 1980. After the coup four ministers were sent to the Constitutional Court on corruption charges. While two of them acquitted, former Minister of Social Security was found guilty on influence peddling and favoritism charges, and former Minister of Customs was found guilty on bribery charges (Yuce divana, 2005).

When the calendars were showing the year 1980, Turkey had an inflation level over a hundred percent, its foreign exchange reserves were empty, production in the country had almost stopped, and energy and basic goods and services were scarce (Eren, 2001). Having believed to be a relief recipe, economy was decided to be completely liberalized in the same year and import substitution model was replaced with export oriented development strategy. With the famous 24 January 1980 economic stability program, the state promised to stop intervening in pricing mechanisms of goods and services and controlling the exchange and interest rates. However, it still remained a powerful actor in the market as the supplier of material and non-material support to export oriented businesses in different forms such as provision of grants from the treasury and credits from the state banks. The strict limitations in front of founding private banks were relaxed and an ambitious program for privatizing state economic enterprises was started.

The architecture of the new period was Prime Minister Turgut Ozal and his post-coup party Motherland which claimed to get four wings in Turkish politics; left, right, nationalist, and Islamist together. After the coup, most of the politicians and political parties were banned from entering the politics and taking advantage of the political

vacuum; Motherland dominated the first post-coup elections and formed one party strong government between 1983 and 1991. However, this period did not prove to be an exception to the policy of creation of rich individuals by the hands of the state; this time through allocation of enormous credits and grants for investors and export-oriented businesses. Kongar describes this period as follows:

The Ozal period was a term of boundless exploitation. Turkey's capitalization process was restructured in such a way that it brought to mind the periods once exploitation in the country had gone wild. During this period of time, an open cooperation of the domestic economy with foreign economies in the international area was established and at the same time, within the country's borders, very close relations and allegiance between the bureaucracy and the bourgeois had been established especially in terms of bribery and corruption (2003, p.613).

An ambitious personality, Ozal was eager to deal with the economic underdevelopment of the country as fast as possible and this very overzealousness brought the ignorance of mechanisms of control and supervision which were seen as hassles by his liberal cadre. Although they helped creation and growth of significant numbers of honest businesses, the enormous tax returns for exports that were designed as incentives to promote exports were abused by large numbers of people and millions of dollars were paid by the government as tax returns for fake exports.

According to the report of parliamentary inquiry commission on bogus exports, while fifty-seven percent of the tax return payments between 1984 and 1990 were made to the firms that were found to be associated with bogus exports, in 1987 this percentage was sixty-four percent (Altin, 2000).

To encourage capital accumulation for larger industrial projects, private bank foundation permits were given without making the necessary background checks on the ability of the founders to setup and operate financial institutions. After the 1994

economic crisis, full deposit guarantees by the state were given to bank owners; however, taking advantage of the weak system of external controls in the banking sector, scores of private banks have been siphoned off by their very owners through various methods later. Actually, fraud in the banking sector by their owners with the passive (sometimes active) participation of bureaucrats who have failed to assume their control duties is a phenomenon started in 1960s. Between 1960 and today 24 private banks were taken over by the state with full financial responsibilities towards the customers of the banks.

To go around bureaucratic hassles, and ensure swift decision making and spending in public expenditures an interesting method first promoted by the Motherland Party and then successive governments was setting up extra- budgetary funds. Incomes and spending of these funds were deliberately left out of the inspection of the supreme audit institution which is tasked with supervising the public expenditures in the name of the parliament (State Audit Court, 2004). These extra budgetary funds played very important roles in populist and political resource distribution (TESSF, 2004a). Until 1999, there were 13 extra budgetary funds, accounting for fifteen percent of central government expenditure or about three percent of GNP, not subject to parliamentary review within the budget process (TESSF, 2004b).

Problems of Underground Economy

As it was suggested in Chapter2, it is not known for sure if a large scale underground economy provides a fertile ground for corruption, or vice versa; but, a high correlation was perceived between corruption and underground economy (Kaufman and Lobaton, 1998).

Underground economy exists in every country on changing degrees; however, it is next to impossible to measure the exact extent of it. According to some estimates, the size of the underground sector range from thirty-two percent to sixty-five percent of Turkey's gross national income (Giant, 2004). Following table shows the official estimates regarding to the percentage of underground economy in the national economy by the Ministry of Finance, Turkey between 1998 and 2004:

Table 13

Scope of Turkish Underground Economy (1998-2004)

<i>Years</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
Percentage	37.26	33.46	26.12	31.48	29.74	29.61	30.07

(Source: Turkish Ministry of Finance, 2005)

According to 2004 numbers, the scope of underground economy in monetary terms is 90 billion dollars. It should be noted that this amount does not include income coming from illegal activities such as trade in stolen goods; drug dealing and manufacturing; prostitution; gambling; and smuggling.

According to a report prepared by Ankara Chamber of Commerce, extremely high income taxes (forty-five percent) and social security charges (forty-two percent), lead to fraudulent income statements and secret agreements between the employers and employees about not reporting the official employment to the state (ACC, 2004a)

In a business-wide survey, forty percent of the (TESEV business views on corruption survey respondents) predicted that at least fifty percent of the employees in their sector worked without insurance. Very recent statistical information disclosed by the

State Statistics Institution confirms these predictions: 12675000 employees who make up fifty-five point four percent of the total twenty-two million-eight hundred and seventy four thousand Turkish workers are working without any social security insurance (Turkiye, 2004).

Another report prepared by Ankara Chamber of Commerce on black market economy suggests that one out of every seven person in Turkey works as illegal street salesmen creating an income of 50 quadrillion Turkish Liras (ACC, 2004b) and since street salesmen do not have a regular business place and are not registered business owners, they do not have to pay taxes, rents, electricity and water so they are able to sell regular goods for cheaper prices and kill the competition in the market. Unemployment and terrible economic conditions are the underlying reasons for the expansion of the street vendor business.

Illegal salesmen do not only sell regular products for cheap after buying them from wholesalers, but also they are into the pirated goods business. Piracy is a major problem in Turkey; the country has been consistently placed on the priority watch list of the International Intellectual Property Alliance (IIPA) which represents the U.S. copyright-based industries in bilateral and multilateral efforts to improve international protection of copyrighted materials (2005a) for the last ten years. According to their 2005 report, distribution of piracy levels in different sectors in Turkey is as follows: Fifty percent in motion pictures, seventy percent in records & music, sixty-six percent in business software, and twenty-three percent in printed material (IIPA, 2005b).

The citizens are not in a position to refuse services of these people, because when their income is low, people go for cheaper products.

However, the more they buy it, the more the culture of illegality deepens in the society. Piracy and selling pirated material is forbidden by law; but, since supply and demand levels are extremely high, the legal provisions do nothing but promote bribery between the pirates, distributors and the law enforcement personnel. Same problem is existent in the enforcement of tax and employment regulations; since violation of them has become a widely accepted social practice, the enforceability level of the laws are very low, and enforcement is often used to extract bribes and extortion money.

Business Ethics

As I had provided its general results at the beginning, TESSF business views on corruption in Turkey survey (2003) revealed that forty-six percent of the respondents paid bribes at least once in the last two years. Regarding to a question about the confidence felt towards fellow businessmen and people in general:

a) Forty percent maintained that businessmen in general do not keep their promises.

b) Three out of four surveyed considered other people would rip them off if they had the opportunity.

In 2002, Turkish Ethical Values Center conducted a survey to learn the approach of Turkish workforce to ethics and corruption in general and to business ethics in specific among 1033 people in 12 provinces. In that survey, amazingly enough, thirty-six percent of the people interviewed told they have never heard the concept of ethics, and only forty-five percent of the respondents who have heard about ethics concept stated that they feel they are knowledgeable about ethics. After the explanation of what was meant by ethics, survey targets were asked if their companies had standards of ethical business

conduct or not in their company. While thirty-one point five percent of businessmen said they did not have any ethics standards either in written nor in verbal form, did only thirty-six point nine percent respond that they had written ethics standards. 62 % stated that they did not have training on ethics and thirty-four percent of the respondents maintained that they observed misconduct or an unethical behavior at their work. Fifty-seven point five percent of the surveyed thought that it was very hard to obey its own ethical standards for a company if that company had relations with the government. The percentage of people who believed organizations face unfair competition if they become ethical was fifty-six point seven percent (Turkish Ethical Values Center, 2002).

In his article on corruption economy and business ethics (Ozilhan, 2001), President of the Turkish Industrialists and Businessmen Association maintained that dominance of the public sector in general economy not only has effected the relations of production but also shaped the relationship between businessmen, politicians and bureaucrats outside the logic and rules of market economy. In Turkey, those firms that are eager to adopt and apply only economic efficiency principles face a serious unfair competition coming from the companies that feed from mechanisms outside the market relationships such as proximity to bureaucrats and politicians. It is very difficult to adopt self-disciplinary business ethics as the guiding principles in an atmosphere where the rules of the game are not decided only by the market. A recent corruption scandal revealed that even the Turkish Competition Authority which is tasked with prevention of agreements restricting competition and abuse of dominant position, was not free of corruption allegations. According to news media, an organized gang including the chief of the most sensitive special bureau, an advisor to the head of the institution and the

president of the Competition Lawyers Organization leaked sensitive trade secrets to the interested parties in exchange for high levels of bribes (Haksiz, 2005).

As it will be revealed later there is a general moral degradation problem in Turkish society, and on top of being influenced from the political-economic atmosphere they operate in, businessmen are also affected by a culture of corruption surrounding them.

Media

A free and independent press is vital for the survival of democracies; media not only should assume the role of news transmitter; but, also should carry problems and demands of the society to the public arena, and act as a watchdog to report excesses and abuses of public officials. As it was suggested, the work of the press can be very effective in exposing corruption, as they are particularly well placed, have the investigative power and control the means of distributing the information widely, turning issues into public scandals, and generating a sense of outrage and the need to take action on the part of citizens and also of the government (cited in Landette, 2002).

To perform its public roles successfully, media has to operate without fear or favor; simply put, without freedom and independence it can not act so. Despite Turkish citizens have been able to change their government democratically for the last 55 years due to excessive ideological anxieties of the state political freedoms have always been restricted in changing degrees, in the name of protecting the public order and unity of the nation and the state. Even during the last ten years when the country has stepped up its efforts to join the European Union and has been trying hard to meet the union's ultra-

liberal political criteria, Turkey has been consistently ranked as a partially free country in global freedom indexes (Freedom House, 2004).

Media, as one of the systemic actors, is naturally influenced by this restricted political atmosphere. According to the press freedom index prepared by Reporters Without Borders in 2004, which claims to measure the degree of freedom journalists and news organizations enjoy in the world, , Turkey shared the 113th place with Rwanda among 167 countries. It was 99th among 139 countries in 2002 and 115th among 166 in 2003 (Reporters without Borders, 2004).

When it comes to independency, as it is the case for any other commercial actor, Turkish media is not free from the imperfections of the market it operates within. It is public information that ownership of the press in Turkey is concentrated in the hands of a few commercial families, which are heavily indebted to the government; therefore, media's independence is fundamentally flawed (Finkel, 2000). Turkish journalists argue that because only a handful of large companies dominate the country's mainstream media, opinions and coverage of sensitive political issues are limited (Committee to Protect Journalists[CPI], 2002).

Among them, Dogan (family) group remains the most powerful media force in the country, owns eight newspapers and two television stations and reportedly controls roughly forty percent of advertising revenue and eighty percent of newspaper distribution in Turkey (CPI, 2002).

Remaining media moguls, the Star, Medya and Karamahmet Groups which have owned private TV channels, newspapers, GSM networks, private banks and a variety of other businesses, have been lately weakened by operations against corruption in banks,

most of which were siphoned off by their respective owners at the amount of 32 billion dollars (Sinirsiz, 2004). It was revealed that Sabah and Karamehmet Groups withdrew 3.5 billion dollar and 1.1 billion dollars from their banks by using different methods and never paid back (Turkiyeyi, 2003). However, the record is in Star Group which was owned by powerful Uzan family, with 8.5 billion dollars. According to Sener (2004) who wrote a biography on Uzan family, this is a world record in corruption in banking sector. Since the siphoned off deposits were fully guaranteed by the state, now this receipt has to be paid by the Turkish citizens.

Businessmen are attracted to media ownership for being able to peddle influence in politics with a variety of economic incentives. As the years progressed, press owners became experts at acquiring cheap state land, indemnities on imported machinery and inexpensive credit from state banks (Finkel, 2000).

Following is an excerpt from the explanation of the editor-in-chief of the biggest newspaper in Turkey following the revelations about his involvement with a state minister to help secure industrial incentives for a factory that was owed by his media group, Dogan Medya:

I admit the conversations were mine. I said nothing to give offence or to cause me to feel ashamed. As being the editor-in-chief of Hurriyet, I am a president of the executive board. At the same time I am one of the two of the most senior executive directors of the Dogan Publications Holding Company. Therefore as a director I have an obligation to pursue the business affairs of the group (Finkel, 2000, p.158).

As it is clear, the editor-in-chief does not even seem remorseful about the obvious conflict of interest situation here. On top of suspicious relationships between business, media and politicians, lack of internal checks and balances within the media sector due to

ideological polarization along right and left and Islamist-secular continuum, constant violation of professional and ethical standards such as producing news based on gossip and plain lies, extremely strict hierarchical employment structure in the media with the top executives getting paid incredible salaries while the reporters at the bottom are left almost to starvation are some of the other reasons (TGNA, 2003; Finkel, 2000) why Turkish media fails to meet standards of integrity, independency and honesty; no wonder it is the least trusted institution in the private sector.

Problems in Societal Structure

Demographic Pressures

As it can be seen from Table 14 in the following page, population of Turkey increased 5 times in 73 years. By the second half of 1950s, with growing unemployment in the countryside due to increasing mechanization of agriculture and unfair competition of landlords, millions of people from underdeveloped parts of the land started immigrating to cities where limited job creation was in process owing to the expansion of industrial, commercial and services sectors.

While in 1955 urban population was only twenty-eight percent of the entire population (Erman, 2001, p.121), this number climbed to almost sixty-five percent in the year 2000. Table15 shows the change in population patterns between 1990 and 2000. The numbers on the table 15 suggests that urban population keeps growing at a remarkable annual rate of two point six percent while the population change in rural areas proves to be considerably low.

Table 14

Population Growth in Turkey (1927-2000)

Poll year	Population	Population increase per year ‰
1927	13 648 270	
1935	16 158 018	21.10
1940	17 820 950	19.59
1945	19 790 174	10.59
1950	20 947 188	21.73
1955	24 064 763	27.75
1960	27 754 820	28.53
1965	31 391 421	24.62
1970	35 605 176	25.19
1975	40 347 719	25.00
1980	44 736 957	20.65
1985	50 664 458	24.88
1990	56 473 035	21.71
2000	67 803 927	18.28

(Source: Turkish State Institute of Statistics [TSIS], 2004)

According to TSIS, the fastest annual population growth is observed in the industrialized Marmara region where twenty-six percent of the total population lives and where the biggest city of Turkey, Istanbul is located. Indeed, during the ten year period between 1990 and 2000, population of Istanbul has increased with three point three percent average rate per year, a higher ratio than the average urban growth rate (TSIS, 2004).

Table 15

Change in Turkish Population Patterns: Urban versus Rural (1990-2000)

<i>1990 Poll</i>			<i>2000 Poll</i>			<i>Av. growth rate per year ‰</i>		
Total	Urban	Village	Total	Urban	Village	Total	Urban	Village
56473035	33656275	22816760	67803927	44006274	23797653	18.28	26.81	4.21

(Source: TSIS, 2004)

Problems of Mobility

Like many developing countries industrialization in Turkey occurred at a much slower rate than urbanization (Keles and Danielson, p.31). Cities have not been physically capable of absorbing millions of immigrants; immediately after the exodus started in late 1950s all kinds of housing and infrastructure problems has surfaced. Immigrants, who could not afford to live in inner cities, started building illegal squatters on state-owned lands. Number of squatters expanded from a hundred thousand units in 1950 to 1.25 million in 1983 when almost one quarter of the urban population lived in shanty towns in outskirts of the big cities (Ozler, 2000). By 1995, the number increased to two million squatters and ten million residents, making up approximately thirty-five percent of the urban population (Kongar, p.566) Illegal appropriation of the land was first condoned by the helpless state, and then de jure recognition by successive governments came under populist pressures. Of course after the squatters were built, from transportation to water, from electricity to sewage systems all sorts of humanly needs surfaced. To legitimize their presence on illegally appropriated lands and bring these services into their shanty towns-as well as finding jobs and supporting each other in an alien place-, shanty town dwellers have organized into pressure groups to affect the

public decision making, meaning politicians. The only asset owned by these low-income settlers was their votes, and in exchange for recognition, services and favors in employment, urban villagers sold them without hesitation; that was the beginning of political machines in Turkey. In her study into the dynamics of one of the largest shanty towns in Istanbul, Erder (cited in Kongar, 2003, p.565) compares the problem solution methods of high income in-city residents and low income shanty town population as follows: While high-income residents living in gated communities solve their problems by depending on their own resources, poor segments of the population dwelling in squatters work out theirs by leaning on their ethnic, hometown and relative based solidarity networks and infiltrating into local politics. It should be noted that in parallel with huge increases in shanty town populations, shanty town votes became more and more important in national politics, too. Different from the functioning of political machines, say in American politics, shanty towns' political preferences do not follow a stable pattern. According to the historical analysis of Ozler (2000, p.45), "urban squatters have allied with different political parties based not on a difference in ideology, but their material interests". Effects of immigration on the –non-development of public interest and benefits concepts and on the formation of corrupt networks is detailed in coming civil society section.

Problems of Unemployment

As it was explained in previous section urban population increases at very fast rates; however, speed of job creation for an increasingly working-age population can not keep up with the pace of population growth. Table 16 reflects the official unemployment rates in Turkey for the last ten 13 years:

Table 16

Unemployment in Turkey (1990-2003)

Years	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Unemployment %	8	8.2	8.5	9	8.6	7.6	6.6	6.8	6.9	7.7	6.5	8.4	10.3	10.5

(Source: TSIS, 2005a)

As of February 2005, unemployment rate in the population above 15 years of age was determined as eleven point seven, however this percentage climbs to a striking twenty one point eight percentage among the young population between fifteen and twenty four years of age (TSIS, 2005b).

When we look at the percentage of high school graduates among the total unemployed, it is fifteen point three, while ten point six percent of the unemployed have either finished college or graduate school. In a very recent survey, when respondents were asked to identify the most important social problem in Turkey in 2005, their choice was “unemployment” with a thirty nine point five percentage (ACC, 2005a).

Problems of Education

As it can be seen from Table 17 in the following page, although not at perfect levels, adult literacy rate is considerably high in Turkey and it keeps getting better each year. However, quality of education does not increase at the same pace. First of all, chronic problems of the civil service; low salaries, insufficient infrastructure, budgetary constraints altogether limit the morale and ability of the educators to teach. According to a recent Departmental Head in Ministry of National Education, mean expenditure per

student in European Union where Turkey wants to join is six thousand dollars when it is only 380 dollars per person in Turkey (Egitimde, 2005). Before thinking about what this comparison tells us it should also be taken into consideration that buying power in European Countries is four times stronger than in Turkey (Satin alma, 2004).

Table 17

Adult Literacy Rate in Turkey (1990-2003)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Adult Literacy Rate														
Total (%)	78.4	79.9	82	85	84.4	85.2	85.1	85.3	85.9	86.3	86.4	86.3	87.5	88.3
Male														
(%)	89.8	91.1	92.2	93.5	93.4	94	94	93.9	94.4	94.6	94.5	94.5	95.3	95.7
Female														
(%)	67.4	68.9	72	76.7	75.6	76.6	76.3	76.9	77.6	78.1	78.3	78.2	79.9	81.1

(Source: TSIS, 2005c)

One of the vital actors of the nation creation operation, Ministry of National Education, does not only deal with human resources management of thousands of teachers and principals working in the public primary and high schools system, but also determines what will be taught and how. Obviously, this hierarchical and centralized structure does not promote independent thinking and creativity. According to an article published in the official publication of the Ministry of National Education, curriculums prepared by the Ministry are ineffective in the sense that they promote memorizing and thinking in outdated boxes, fail to trigger the exposure of various aspects of individual merits, fall short of enhancing effective communication skills, independent reasoning, critical thinking and creativity (Cetin, 2004). According to a research that was completed

by White Dot Foundation, the education system based on memorizing is one of the major reasons why the Turkish society produces corrupt individuals: Because, this system pushes people away from production and forces them to cheat starting from younger ages, and, individuals who place demands on the outputs of the system without contributing to production are increasingly turning to quick-rich methods at older ages to meet their demands (Beyaz nokta, 1995). This theory gains more explanatory power when it is thought with the fact that Turkish curriculums are deficient in teaching of values and morals.

Speaking of curriculums, they are very wide in scope; and instead of in-depth treatment of specific issues, students are forced to learn about everything on a superficial basis. According to Kongar (2003), due to the fact that secondary education does not equip individuals with any skills, most of the high school graduates go to universities just because they have nothing better to do. However, from over centralization to financial shortcuts, to limits on academic and administrative independence similar problems exist in the higher education. Although the number of universities increased significantly in the last twenty years, there has not been an increase in the quality of higher education; most of the newer universities are established by respective governments as a response to pressure from the voters in their electoral districts.

In terms of our topic, importance of effective and high quality education lies in its advantageous roles in raising individuals who can think critically so that they could question imperfections of their society and ask for accountability of the politicians and bureaucrats when needed, who are socially active so that they could communicate and associate with other members of the society around collective interests and who have

high morals so that they could develop the necessary internal controls not to engage in corruption. Considering the structural and operational problems it faces, it is difficult to speak of the ability of Turkish educational system to grow individuals of this nature.

Problems of Income Inequality

The income distribution in Turkey between 1963 and 2003 period is summarized in Table 18, in the following page.

Table 18

Income Inequality in Turkey (1990-2003)

	1963	1968	1973	1978	1983	1986	1988	1994	2002
1 st 20 %	4.5	3.0	3.5	2.8	2.6	3.9	3.1	4.9	5.3
2 nd 20 %	8.5	7.0	8.0	7.3	6.9	8.4	9.0	8.6	9.8
3 rd 20 %	11.5	10.0	12.5	13.0	12.6	12.6	12.2	12.6	14.0
4 th 20 %	18.5	20.0	19.5	22.1	21.4	19.2	16.6	19.0	20.8
5 th 20 %	57.0	60.0	56.5	54.7	55.9	55.9	59.1	54.9	50.1

(Source: Kongar, 2003; TSIS, 2005d)

Table 18 is self-explanatory: Income distribution in Turkey is simply not just and balanced and did not get better in time. The best distribution is achieved in 2002, and even then while the poorest twenty percent got only five point three percent of the national income the richest strata took fifty point one of it. Unfair distribution of income deepens the division between haves and have-nots by sowing seeds of enmity against the wealthy, decreases the interpersonal trust and trust against institutions and hurts the legitimacy of the system in the eyes of the general public.

Problems of Civil Society

Civil society has two major political roles in democratic systems. While first one relates to aggregating demands, interests and complaints of the society and transmitting them to the policy making process, second one is concerned about overseeing the government's actions in the name of the public; it acts against government's excesses and abuses that violate rights, benefits and interests of the public. In this section I will explain five reasons why Turkish civil associations can not assume these roles successfully, how these imperfections prevent the public from asking for accountability, and how they breed corruption themselves.

a) Fear from association: According to Ottoman historians legitimization of Ottoman patrimonialism was based upon an organic and hierarchical view of social organization in which order, harmony and equilibrium are to be guaranteed by the sultan's prudent and personal application of distributive justice directly among his individual subjects rather than through intermediary representatives with autonomous rights (p.83, bianchi). Tolerance was at its maxims in the multi-religious, ethnic, and lingual society, but preservation of the order meaning keeping the members of the bureaucracy and the society at their respective places without allowing them to accumulate any kind of political power against the state, the Sultan, was strictly important.

Mardin states that all Ottoman Citizens stood in a direct rather than a mediated relationship to supreme authority and this missing link is what we call civil society (1969, p.279). Absence of this bridge in a society which did not stratify around socio-economic differences explains why interest and pressure groups similar to the ones in Western Europe did not evolve in Ottoman Empire. It should be noted that, the most restrictive

type of structures that prevented formation of alternative power bases existed in mainly Turkish Anatolia, in the heartland of the Empire, where modern Turkey was established; Ottoman rulers were more dependent on local forces in Arabian and European lands.

Modernizing founders of the Turkish Republic most probably wanted to see this vertical relationship between the state and the society changed, because they were aspirant not only for a Western style government but also for a western style society. However, the state of affairs for associations grew from bad to worse during transition from monarchy to republic. Bianchi explains this process as follows:

Their (bureaucrats) pre-occupation with saving the Empire from destruction by its external and internal enemies led to a constant, and often exaggerated, fear of anarchy, rebellion and treason as a leitmotif of modernizing Turkish statecraft. This served to strengthen the traditional cultural and political alienation of the ruling elite from society as military and bureaucratic leaders viewed themselves as the sole disinterested defenders of the public interest in an era of pervasive corruption, privilege seeking, and foreign intervention. As this hardened bureaucratic mentality emerged, the flexible and accommodative nature of traditional Ottoman rule was replaced by an indiscriminate hostility toward all representation of divisive interests-whether based on religion, culture, language, class, or region-as a threat to national unity and the security of the state (1984, p.91).

Until today, associational freedom rights in Turkey have been shadowed by this very fear for national unity and security; guarantees for associational rights were first secured by constitutions and then were limited by statutory and / or by arbitrary measurements. The historical intolerance/skepticism of the state towards civil associations contributed formation of a general feeling of public shyness mixed with fear towards civil organizations. Especially during anti-terrorism campaigns that went on in short intervals since 1970s, associational freedoms were tightened further and large segments of the populace distanced themselves from associations even more. In a recent

situation report prepared by Ankara Chamber of Commerce (2005, p.2) this particular problem is touched upon as follows: “Turkish people are afraid of becoming organized. A bad legacy of terror years, they prefer not to participate in a civilian or democratic mass organization.”

b) Lack of civic culture: Second reason is closely associated with the first one: an underdeveloped civic culture. As Emre Kongar (2001) wonderfully prescribed while promoting to the status of citizen from the status of subject in the Republican period, people who left the public benefit concept to the state in former Ottoman period were only able to discover their individual interests. They could not develop an understanding of “public benefit” which is the source of the necessary infrastructure that a meaningful “individual interest” concept could be developed upon.

c) Financial problems: Consistently bad financial situation of the average citizen technically discourages operations of civic associations. Civil society institutions generally survive on voluntary contributions and from building human resources to construction of necessary technological infrastructures to communicate their messages, they need stable financial resources. In a country where forty five percent of the population is officially calculated to be poor in changing degrees (TSIS, 2005e) significant amounts of donation flowing from citizens to civil associations is not a reasonable expectation.

d) Lack of interpersonal trust: Fourth reason is lack of trust between people. Findings of the World Values Survey in 1996 showed that Turkey shared the bottom of a 43 country list with Brazil in interpersonal trust rates; only ten percent of the surveyed in Turkey endorsed the statement that people can be trusted in general; the worldwide

average was sixty three percent (Inglehart, 1999, p.102). In a separate 2002 survey, which focused on trust among residents of Istanbul, eighty six point seven of the respondents said they did not trust their fellow citizens (Secor and Loughlin, 2003)

In another field research (TIBA, 2002), when the respondents were asked how prevalent they thought the consideration of “laws and regulations can be violated for private benefits” in Turkish society; fifty-five point one percent said “very prevalent”, twenty-four point four “prevalent” and fifteen point seven “somehow prevalent”. Only four point eight percent of the respondents responded as “not prevalent”. Researchers interpreted these findings as follows: “Majority of the surveyed believed that except for themselves, greater part of the society is ready to violate rules and interests of the society for their private interests: This fact points to a deep crisis of trust” (TIBA, 2002, p.20).

Three surveys that are independent of each other give the same result: Turkish people do not trust each other. Although I will return to this topic with special focus on its relationship with the (lack of) civil culture; suffice it to theorize at this point that people will just not get organized for public interest in a society where people do not confide in each other.

e) Politicization of professional associations: In the absence of civic organizations in the Tocquevillian sense, majority of the fragmented political, economic and social demands of the Turkish society have been directed to political parties, creating extensive pressure on the already non-institutionalized political party system. As an indication of this tendency, party membership in Turkey far exceeds membership in other social associations. In Table19, comparison of associability based on the country samples claiming membership in respective organizations in Turkey and four western countries is

provided. Britain, the USA, Germany and France are deliberately selected in this comparison because they are arguably pillars of the Western civilization that Turkey struggles to be a member of for a long time. Comparing Turkey with them can show us how far Turkey managed to resemble them in societal attitudes.

Table 19

Membership to Civil Associations: Turkey versus Western Countries

<i>Country</i>	<i>Religious/ Art</i>	<i>Sport</i>	<i>Culture</i>	<i>Trade union</i>	<i>Political parties</i>	<i>Environment</i>	<i>Professions/ Welfare</i>	<i>Social charity</i>
Britain	16.6	16.9	9.3	14.4	4.9	5.0	9.8	7.1
USA	48.7	20.2	19.7	8.9	14.5	8.3	15.0	9.2
Germany	15.9	32.3	12.0	15.7	7.5	4.6	8.9	7.2
France	6.2	15.7	8.8	5.2	2.7	2.3	5.0	6.6
Turkey	3.7	5.7	3.1	4.8	9.7	1.9	8.6	4.1

(Source: World Values Survey, 1989-1990 and Turkish values survey in 1997 in Kalaycioglu, 2001)

It is clearly seen that with the exception of the USA, Turkey surpasses all in party membership and is beaten by all in other sorts of associations.

Ideological differentiation started in Turkish political system with the foundation of the Republic between the center which has represented modern secular nationalistic values, and periphery which have been bounded with traditional religious attitudes; but, ideological polarization begins with the multi-party period. Since 1950, numbers of political parties on the right-left continuum have been founded (the oldest Republican People's Party [RPP] classified itself a social democratic party later although it has little to do with left. RPP has essentially remained as the defender of the official ideology).

Division between secular-nationalists, and Islamists and ethnic nationalists, between right and left, along with never ending economic problems sharpened the polarization in political arena since then. This partition jumped into the society and the civil organizations in time and Turkey has witnessed foundation of all sorts of legal and illegal associations after certain ideological beliefs. Understandably, these organizations have carried little legitimacy and credibility in the eyes of the people who were placed on different sides of the ideological spectrum. Most of the professional associations such as labor unions, business associations, and student organizations have been polarized in Turkey for a long time, and their pursuit for intra-organizational power and particularistic aims for the benefits of their comrades have overridden their pursuit for the betterment of the general situation of the group they have claimed to represent. For instance one of the biggest labor unions in today's Turkey is DISK, (Revolutionary Labor Unions Confederation) and obviously it has a leftist tendency while there is Hak-Is (Rights of the Labor) which is inclined to be a nationalist-religious union; and Turk-Is, representative of the secular-democratic left. The biggest industrialist/businessmen confederation is TUSIAD (Turkish Industrialist and Businessmen Association) which is formed by secular Istanbul businessmen most of whom were created by the hands of the state, and its biggest rival is MUSIAD (Independent Industrialist and Businessmen Association) which happened to be formed by mostly religious Anatolian entrepreneurs, while TOBB (Turkish Commerce and Stocks Union) has a more statist stand. In universities, student organizations stand along leftist-nationalist and secular-religious ideological divisions and from time to time ideological polarization among students amount to armed conflicts. In Turkey, even human rights organizations are divided; while there is Human Rights

Association which predominantly focuses on repression on Kurdish dissidents and people identify themselves with extreme left, focal point of Mazlum-Der (Repressed People Association) is violation of religious rights such as the religious dressing ban for women in universities and public institutions. Although they claim to be dealing with all human rights violations irrespective of victims' background, because of their widely known narrowly focused agendas their credibility and impartiality is seriously flawed.

f) Strength of amoral networks: In a society where “rule of law” is flawed and serious economic problems persist, absence of trust in institutions and the general society pushes the individuals to lean more on immediate groups for “support”, to “survive” and to “get things done.” These groups may include family, friends, folks from the same hometown, ethnical and religious brotherhoods depending on the socio-economic-cultural atmosphere the individual is placed in.

In today's Turkey (Ministry of Interior, 2003) there are 7990 fellow townsman associations concentrated in major cities. They apply enormous pressure on local and country level politics; from determination of candidates for local and national elections to demands for services for their fellowmen in squatter districts, from asking favors in employment in public sector, to demanding favorable treatment in allocation of permits and credits. According to a field research on 774 Istanbul hometown associations in Istanbul, official foundational aim of sixty-nine percent of these associations is “united action and social solidarity” and eighty-three percent of them does not care to do something for the city they reside in (Hemseriler, 2004); it was the understanding of the surveyors of that study that hometown associations prevent the integration of the immigrants into the city. Indeed, although they seem to be serving an important civil

function in terms of aggregating the interests of the communities they represent and channeling their interests into politics, they prevent formation of a civic culture since they are exclusively focused on their differences from the general public. In this atmosphere, the understanding of “us” and “them” strengthens more and more. Especially in countries like Turkey where economic and political opportunities are low in number, and ethnical consciousness is very much alive, factionalism prepares fertile ground for all sorts of corrupt practices of favoritism. This situation in turn contributes to formation of negative perceptions about the immigrants among the general public and eventually pushes them to form their own solidarity networks to protect their own interests. This process leads to more and more factionalism to an extent where the factions only care about their narrowly focused interests and completely lose their concern for public interest and benefit. After all factions need to take care of their own in the conflict for political and economic power; violating others’ rights comes with the package.

Concept of Amoral Networkism

In his famous “amoral familism” argument, Banfield maintains that amoral familist will maximize the material, short-run advantage of the nuclear family; assume that others will do like wise (1958, p.85). An amoral familist he thinks is somebody “who follows the rule without morality in relation to persons outside the family, one who does not apply standards of right and wrong to his extra familial social behavior (1958, p.85).

Some researchers (Cavalli, 2001) claimed that adoption of such an attitude obviously does not favor cooperation and solidarity, or participation and association in order to pursue common goals; that is, missing is that social fabric to which the values, practices, and institutions of democracy adhere and by which they are fed.

There is a close relationship between amoral familism and ethical egoism concepts. Explaining ethical egoism necessitates a very brief introduction into moral theories which can be divided into two: Teleological and deontological theories. While teleological theories refer to the consequences of an action, and maintain that the rightness or wrongness of an action is determined by the consequences of that action, deontological theories claim that the rightness or wrongness of an action is intrinsic to the act itself (Close and Meier, p.7). Ethical egoism is one school of thought in teleological theories. An ethical egoist holds that the morally correct action is the action that produces the greatest balance of good consequences over bad consequences of him or her (Close and Meier, p.13).

Morality of a society is the total mixture of teleological and deontological approaches adopted by the individuals that forms the society. Although it is impossible to determine for sure which school of thought dominates in a society, but educated guesses are permitted. In my opinion, a unique form of ethical egoism which I will call “amoral networkism” rules in contemporary Turkish society. It is not only about family anymore; as a concept which was developed upon Banfield’s observations of the civic culture in a small agricultural village in post-war Italy, “amoral familism” is a little bit outdated and restrictive. Turkey’s urban population now far exceeds the rural population, economy is much less dependant to agricultural production than it was in the 20th century, so traditional agricultural relations of production where the family has the only central role has much less to say in explaining social relationships of today. I said Turkish version is a unique form of ethical egoism because in contrast to the placement of the individual at

the center in ethical egoism approach; individual's interest in Turkey become meaningful in contrast to where he stands in his relationship with the networks.

Turkish amoral networks are essentially born in urban centers where political, economic, social-psychological demands of citizens naturally increase. How immediate needs of the newly immigrants who shared hometowns contributed to their self-organization, how their organized demands housing, utilities, jobs, education, health etc. were aggregated and channeled into the political process through patronage networks were explained before. It is common knowledge that religious and ethnic self-awarenesses rise in alien and / or unfriendly environments like big cities due to psychological factors, and through wider opportunities of social learning and education city dwellers form identities easier. Lack of an integrating Turkish civic city culture and the state's traditional unwelcoming attitude toward social manifestations of ethnical background and religion, ironically, accelerated both self-identification and self-organizational processes for most urban settlers. Some of these groups have formed internal solidarity networks to maintain their identities and further their collective interests. Some of them have got organized around the idea of toppling the regime by using illegitimate means and some around the objective of correcting the excesses of the state by participating in politics or by infiltrating into bureaucratic mechanisms. Members of the latter group who opted for the strategy of "participation in the system" have used the power to their networks' advantage at the expense of others' rights, whenever they had the opportunity. From the ultra-nationalists to Islamists, from ethnical Kurds to secularist social democrats the practice of getting hold of strategic places in the state mechanism and abusing the office for the ideological networks' interest became a usual practice. In fact, the state's having

an ideological attitude creates die hard fans along two main continuums: Those who claim to protect the state and those who claim to save the state from those protectors. Both groups see each other as the “enemy of the people and the state” and think themselves of as holy saviors. From favoring comrades in all kinds of personnel management operations, to abusing public money and resources to further secretive agendas, corruption of the Turkish ideological amoral networks takes different forms.

Dr. Mahir Kaynak, an academician who used to be a prominent member of the Turkish National Intelligence Service, maintains that as long as the state keeps its ideological attitude, there will always be secretive groups in the state mechanism believing to have the right to defend the taboos of the state’s ideology, and engage in illegal activities by assuming to protect and defend the state. During the long war between Turkish security forces and the Kurdish terrorist organization PKK, allegations regarding to the existence and operation of numbers of illicit organizations that included politicians, police and / or army officers, and organized crime figures in the name of fighting terrorism and protecting the state have found their place in the media. Serious crimes such as drug trafficking, money laundering, loan-sharking, debt-collection, other forms of extortion and extrajudicial killings were often linked to these groups; the infamous so-called Susurluk gang was the most well-known of all. In November 1996, a car accident in the small town of Susurluk exposed a network of corruption. In the car were an ultra-right wing fugitive murderer and drug dealer who was wanted by the Interpol, his former beauty queen mistress, a high-level police chief with a background in special-forces, and a parliamentary deputy who was one of the landlords that sided with the state in its fight with Kurdish terrorist organization PKK. In their car was found huge amounts of cash, false passports, and an arsenal of military grade weapons and silencers. Except for the legislator, all the passengers were killed. The legislator first hid behind his parliamentary immunity shield, then to memory-loss and did not talk about where they were headed with the documents and the guns. In ongoing investigations, an ex-Minister of Interior who is the head of a mainstream right-wing party now, Head of the then Special Forces Department and his 7 officers, an ex-colonel and operative of the National Intelligence Service, two Casino owners, one convicted political murderer with connections to ultra-right underground groups, and a convicted drug trafficker were tried for organizing a criminal enterprise and killing Kurdish businessmen who were claimed to be connected with the PKK, murdering casino owners, and international drug traffickers for not paying extortion money (Hersey, 2000).

Kalaycioglu (2001, p.63) suggests that all Turkish political institutions are effectively penetrated by patronage, including nepotism, favoritism, regional-communal bonds, and religious solidarity links. In this thick atmosphere of patronage, people know that everything is decided behind close doors through personal relationships. In this respect, they do not believe in the effectiveness of unconventional ways of political participation, either.

Table 20 in the following page relates to the comparative protest potential in the same Western civilization countries in Table 19 and Turkey, based on the responses to World Values Survey (1989-1990) and Turkish values survey (1997). Results of two surveys (Adaman and Carkoglu, 2001; International Republican Institute, 2001) into Turkish patronage relationships and political participation of the Turkish youth in politics supports the findings reflected in Table 20. Participation of the youth both in conventional and unconventional politics is very little, the trust level in political actors and institutions of the state are dangerously low and belief in the effectiveness of the personalized relationships are high. Here is an excerpt from the conclusions of the Adaman and Carkoglu's research:

People seem to answer our questions by saying: Find a friend in the government and/or try to form a parochial tie with the people who run the government. Ask if you could do anything for them and/or buy presents for them. However, if you want to get your service, don't bother to protest or apply pressure on government- because that is not the way they will respond to you (2001, p.19).

Table 20

Protest Potential: Turkey versus Western Countries

<i>Country</i>	<i>Petitioning</i>	<i>Boycotts</i>	<i>Legal demonstration</i>	<i>Wildcat strikes</i>	<i>Occupation of buildings</i>
Britain	74.5	13.2	13.6	9.6	2.4
USA	70.1	17.4	15.1	4.4	1.8
Germany	55.1	9.2	19.5	2.1	1.0
France	51.4	11.3	31.2	9.4	7.2
Turkey	13.5	6.3	6.1	2.0	0.5

(Source: World Values Survey (1989-1990) and 1997 Turkish values survey in Kalaycioglu, 2001)

A Culture of Corruption

According to the Turkish leg of World Values Survey, Turkish public was found to be not approving corrupt practices at all (Esmer, 2001, 43). However, because it has been the way to get things done for a long time, the society has internalized corrupt practices. As Aristotle once said, ethics is learned by habit and repetition. Following are some of the popular expressions in Turkish language reflecting people's perceptions about how the system works and how one can protect his/her interests in it:

Expressions that encourage profiteering/opportunistic behavior:

Bal tutan parmagini yalar: He who touches honey licks his finger! (If somebody's in charge of something or possesses an advantage, of course he will carve something out for himself).

Devletin mali deniz, yemeyen domuz: State's property is a sea, whoever doesn't eat is a pig (State's property and money is endless, so if you have the opportunity to get something for yourself and you don't, you are a stupid person).

Su akarken kovani doldur: Fill your bucket as the water runs! (When you have the opportunity, appropriate whatever you are appropriating as fast as you can because you can lose the source anytime).

Benim memurum isini bilir: My public servant knows how to take care of himself! (This was originally told by a former Prime Minister-President when he was questioned about the financial problems of the public officials. Then it became a cynical expression to explain the moral grounds of public sector corruption.

Expressions that discourage questioning of the means:

Gemisini yuruten kaptan: Whoever cruises his/her boat is the captain. (If you can take care of business, means are not that important).

Uzumunu ye bagini sorma: Just eat the grapes and don't ask who owns the vineyard. (Just enjoy whatever advantage you gained, it is not necessary to question how it ended up in your hands).

Expressions that discourage thinking about solutions to social problems including corruption:

Devleti sen mi kurtaracaksın?: Is it your job to save the state (Used for people who brainstorm about solving the country's problems or trying to do his job by the book)?

Devlet nelere para harciyor haberin var mı?: Do you even know what else the state wastes money on (Used for people who questions mismanagement/waste/abuse of the public funds).

These commonly used sayings are indications of a realistic but unethical attitude in running both private and public affairs in the society. When the members of the Parliamentary Commission on Investigation Corruption that was established in 2003 were asked about why corruption can not be fought effectively, one of the reasons they spelled out was “the public were made associates in the business of corruption” (Itinayla, 2005). According to the members of the said commission, it is impossible to fight with corruption in a society who is eager to evade taxation as much as it can, who sees the state as the main source of income, and who wants to get rich as soon as possible (Itinayla, 2005). Indeed, in a population of 70 million only 3.5 millions are registered taxpayers (Itinayla, 2005) and income tax fraud is as pervasive as it gets (Yesil kartli, 2005). Except for sophisticated schemes, there is an everyday tax fraud practice that needs to be told to show how normal it is to steal from the state: Majority of the people openly bargains for cheaper prices in exchange for not receiving sales receipts. The business owner happily agrees because without producing sales receipt, he will not have to declare income at the end of the tax year. For this reason, businesses rarely attach price tags to the products. In this way they can rip the customer off by saying a higher price first and then decrease it after bargaining. The customer leaves happy but the salesman is happier.

Stealing from the state is not an abnormality; fifteen percent of the entire electrical production goes to theft while in some eastern provinces this rate goes up to ninety percent (Kacak, 2004) (Legitimacy level of the state may be lower in these provinces due to the historical tension in the region for ages. This fact could be used as an explanation how stealing from the state is justified by some Kurdish citizens who might

believe they are repressed by the state. Although this explanation might carry an element of truth, according to an alternative popular theory the thieves use this explanation it as an excuse; they are so used to getting free service that they do not want to pay for it now).

Although not necessarily connected with the above mentioned explanation, in a dramatic incident in 2002, an electrical engineer who used to work for the state owned electrical company in the province of Adana was shot to death by assassins hired by the owners of a factory which consistently stole electricity. Investigations revealed that the electrical engineer was killed since he refused to accept bribes, did his job and fined the company. Apparently he paid the price of doing his job with his life (Katil, 2003).

Electric stealing and tax fraud are not only examples of widespread immoral acts of public to defraud the state. It is impossible to list everything here so only following examples are provided for explanatory purposes:

- Last year 6000 farmers declared fraudulent statements about the size of their land for getting subventions from the state (Devleti, 2005),
- Fifty five percent of the working force worked unofficially under an overt agreement between the employed and and the employer (Turkiye, 2004).
- In a recent general control in an Eastern province it was uncovered that almost fifty percent of the people were receiving Medicaid aid based on fraudulent income statements (Bin donum, 2005)
- In another province, 200 people were discovered to have received earthquake aid by faking their property was damaged (Yeni bir, 2004)
- 239 people in a small black eastern province were established to have been withdrawing their dead relatives' pensions by fake documentation (Rizede, 2005).

It should be noted that along with observation of corrupt practices by the political elites for a long time, morality crisis, economic problems, lack of enforcement, low levels of legitimacy that the state enjoys, incomprehension of the “taxation equals to representation” formula, lack of care for the public interest, they all play roles in the legitimization of stealing from the state in the eyes for the public.

As it was explained in underground economy section in detail, extreme demand to pirated goods-which equals to buying stolen material- also contributes to the booty culture. People just eat the grapes and don't ask who owns the vineyard.

There is a serious morality crisis in Turkish society today. The current Ministry of Justice confessed in a recent interview that "Society thinks it goes unpunished whatever you do and we should steal a little bit, too if the administrators are doing it; and, this is the very reason why collective morality came to an end" (Cumhurbaskaninin, 2001). The president of the TI Turkey Chapter maintained that the biggest problem in Turkey's fight with corruption is the moral degeneration of the society (Kalplere, 2005).

An outsider can ask whether Islam, a very collectivist religion in nature with strong notions of caring for others and sees violating other people's rights (not only human rights but also financial interests) as the only sin that would not be forgiven by God, can not play a role in disrupting this vicious cycle of ethical egoism and corruption in a ninety-eight percent Muslim society? The answer is simple: Not really. Except for a few breaks, Islam has been systematically refused to play any kind of public role in the secular state of Turkey. In his history of Islamic societies, Lapidus (Cited in Yavuz, 2003, p.7) says that the Turkish experience is prototypical of these secularized Muslim societies in that it succeeded in disestablishing Islam in public life. Paradoxically enough, the secular state has a Religious Affairs Undersecretaries, but it is chiefly used for keeping religious activity in control; even the texts of Friday sermons that are given by Imams (preachers) are prepared and distributed by this institution. For a religion to be a source of moral source it should be educated; however, in today's Turkish secular educational system, religion does not have a space –not even as an elective-, except for a very dry

religious culture and morality class which does not contain anything more than a history of religions. Before fifteen years old, no Turkish child is allowed to learn how to read the Koran, bible of the Muslims. He can go to the Koran courses designed by the Undersecretaries of Religious Affairs after the age of fifteen. But in this case, either the student's formal education schedule clashes with the schedule of the Koran courses, and of course he chooses the formal education over the Koran course, or the teenager just does not demand to go there after that age due to other businesses of the life.

It should be noted that although ninety-eight percent of Turkish people are adherents of the Islamic faith, even the idea of classification of Turkey as an Islamic country gives state elite the jitters. In response to the US Secretary of State Condoleezza Rice's recent statement concerning the absence of a contradiction between democracy, Islam and the Muslim world, and Turkey being an example to that fact (Remarks, 2005), the Chief of General Staff Hilmi Ozkok, in a statement answered that "Turkey is neither an Islamic state nor an Islamic country. The principle of secularism is the milestone for each and every value that forms the shape of Turkish Republic" (Turkiye Islam, 2005).

Rejecting social manifestations of religion kills a significant source of morality. Due to limitations on freedoms, imperfect market conditions, and incomplete industrialization, positive post-materialistic values such as humanism and peace can not technically serve as an alternative or complimentary moral source, either, because Turkey has not yet passed the industrialization phase. "A perfect nation composed of Turkish people of high character" as I assume to be propagandized by the national-secular ideology, is a myth and does not qualify as a realistic source of morality. Constitutional values would have been another alternative, but the constitution prepared by the military

coup leaders in 1982 does not necessarily reflect a social contract. Apparently, a distorted mixture of materialistic and distorted traditionalistic notions dominates the character of today's Turkish morality.

Revisiting legitimacy

According to Nieburg, "Legitimacy must be won by the success of state institutions in cultivating and meeting expectations, in mediating interests and in aiding the process by which the values of individuals and groups are allocated in the making, enforcement, adjuration, and general observance of the law" (Nieburg, 1969, p.54). More specifically, a democratic political regime, which Turkey claims to be, seeks its legitimacy in the economic welfare and relative socio-economic equality, rule of law, and protection of civil liberties and accountability. Despite trying to meet these minimal standards rigorously for the last eighty two years, it is impossible to say Turkey has considerably been successful in its quest. Except for brief intervals, Turkey has been a country where economic problems have been daunting; where national income has not been distributed fairly; where political freedoms have traditionally been limited; where rule of law has been flawed and corruption has been endemic; where lack of trust toward other individuals and the institutions has been extremely high; where traditional mediators and watchdogs have not functioned freely, independently, fairly and effectively. A political economy of this nature can not be classified as a legitimate regime according to any liberal-democratic standard. Enough is to remind that a political party named "Justice and Development" (Party names refer to ideological inclinations and/or policy priorities in Turkey) was able to come to power after 82 years of the Republic, and on the election night the leader of the JDP, current Prime Minister Tayyip Erdogan, made

it public that their number one priority would be the elimination of 3Ys (yolsuzluk, yoksulluk, yasaklar: meaning corruption, poverty, prohibitions) from Turkish public sphere (Istifa, 2005). JDP government is still a work in progress, so it is early to make assumptions on whether it will be able to keep its promises and institute the legitimacy of the state.

Summary of the Chapter 5

This chapter dealt with issues in Turkish political, economic and social sectors that are presumed to be the sources of corruption. It started with effects of modernization on the state-society relations and associated legitimacy issues in the new Republican system, and continued with explanation of the problems within the political, social and economic areas that initiate, facilitate and reproduce corrupt practices during interaction between the actors of the system. In an attempt to grasp the change, a chronological order was followed.

CHAPTER 6

AN EXPLORATORY MODEL OF SYSTEMIC CORRUPTION

Introduction to Chapter 6

In this final chapter, research aims and steps of the dissertation is summarized; based upon the findings of the case study, the complex systems model of corruption that was constructed in Chapter 2 is modified, variables and their relationship with corruption is redefined and further research direction is identified.

Refining the Variables and Reconstruction of the Model

“What are the causes of corruption?” is the research question of this study and naturally first step in answering it has been an intense review of the relevant literature on the issue. During this process, I have been able to recognize that research related to corruption has been scattered around three key social science disciplines: Political sciences, sociology and economics. While research in each field has provided useful insights into causes of corruption, discipline specific approaches cared less about what other disciplines have brought to the table. As a result, majority of the work on the issue has failed to catch the entire picture; this problem has been particularly acute in studies that question the dynamics of systemic corruption in developing countries.

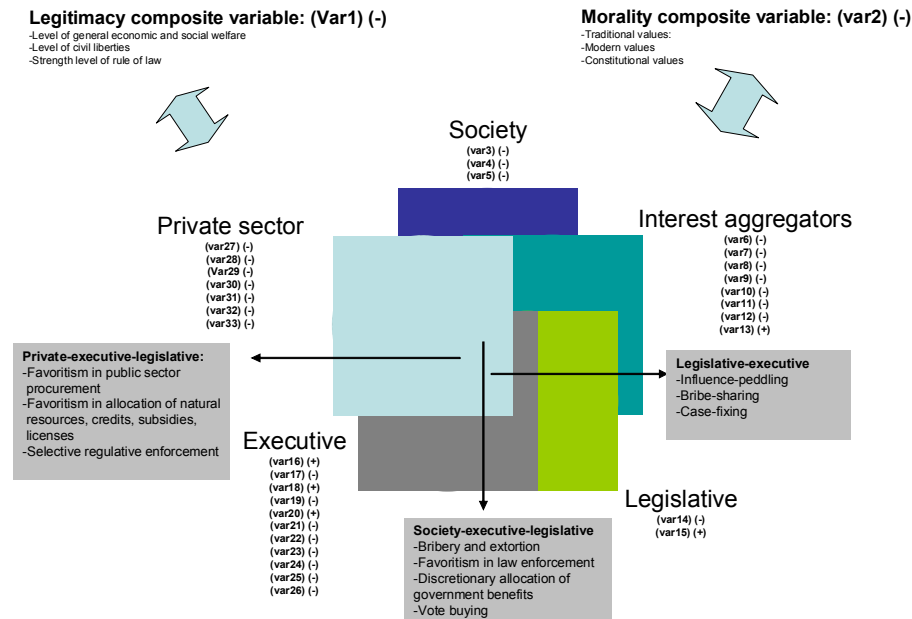
In this dissertation, I have attempted to address this gap by bringing the various variables offered by different disciplines together under a single theoretical model. Corruption is a complex problem, and it is not only extremely difficult to distinguish between causes, consequences, and symptoms of corruption but a great deal of confusion arises from the mixture of them. While corrupt transactions may constitute an abnormal

behavior category at the beginning, repetition of corrupt acts for a longer period of time results in corruption becoming a collective behavior. After that point, corruption serves as a cause to further corruption.

In this intricate atmosphere, I have adopted the complex systems theory as my guiding light. Since this field of science focuses on how mutually interacting parts of a complex system gives rise to the collective behaviors of the system, it fits into the study of systemic corruption.

In my case study chapter, after describing the corruption problem in my Turkish case, I have used the theoretical model that was constructed in previous chapter to explain causes of systemic corruption in Turkey. In line with the guiding principles of complex system theory, I first focused on the emergence of the Turkish complex system. This task required drawing a brief portrayal of the political, economical and social legacy that Turkey inherited from its predecessor Ottoman Empire. Following this section I have started analyzing the political, social and economic variables that were suggested by the model to be found within the structure of the system's actors and to be initiating, facilitating and spreading corrupt practices throughout the system. In line with the fact that the system has been dynamic and have kept evolving, I have tried to capture the change at various levels by providing historical and descriptive statistical time-series data as needed. At the end of my analysis, I have identified fifty one variables as direct and indirect causes of systemic corruption and modified my original model accordingly. Reconstructed model that is informed by my case study is provided in the following figure:

Figure 2. A complex systems model that is reformed by the case study to explain causes of corruption.



This figure is a simplified model of how a political system works in today's world: Society has political, social and cultural demands and interest aggravators, meaning, political parties, civil society organizations and media collect these demands and transmit into the legislative, members of which are elected by the people. Legislative represents the people and is responsive to the demands and complaints of the general society. This responsiveness finds its reflections in law making and specifying how they are applied. The legislative orders executive, the public administration units, to implement what is required by the law: provide goods, services, and enforce the laws. The executive contracts out most of the goods and service provision jobs to the private

sector. Interest aggregators have a secondary role, especially media and civil society organizations, watching the abuses and excesses of the state in the name of the people.

Different types of corruption may arise at the interaction points between the actors of the system. The risk of occurrence of corruption is higher or lower depending on the strength of the following variables:

1-System level variables:

a) Legitimacy of the regime:

If the society's economic and social demands are not met, or not met fairly,

If there are serious limitations on civil liberties,

If the judicial system can not distribute justice fairly and effectively,

Legitimacy of the system in the eyes of the people erodes.

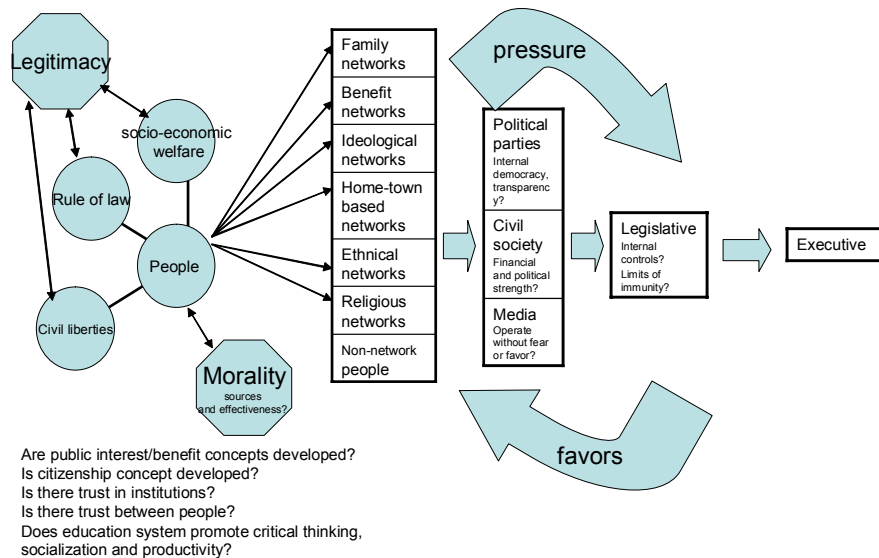
In a political regime, public order and harmony is sustained by the institutions of the system based upon written and unwritten rules of a social contract. In meeting their political, social and economic demands, actors of the system regulate their course of action according to these rules. If the system is not able to cater demands of the populace, the trust level to the system's institutions goes down, rules of the system in the eyes of the people lose their relevance, and social contract gets flawed. In this semi-anarchical atmosphere, instead of the rules of a broken social contract, people tend to follow their own rules which are shaped around protection and maximization of personal interests.

The more this egoistic understanding spreads in the society, the more "public interest" and "public benefit" concepts lose their relevancy. In parallel with this development, separation between public office and resources, and private interests gradually erode; and, profit and interest maximization by some public officials and

politicians through abuse of entrusted authority and resources becomes normal behavior. When it comes to society; de legitimization of the system and erosion of public interest and benefit concepts may contribute formation of a free-rider mentality for some individuals who are willing to keep receiving services while avoiding paying for them. In the absence of trust to the system's ability to protect and further their interests and demands, some people choose to get organized with the people they trust to pursue their aims. Figure 3 in the following page is a graphical representation of the social network formation in low-legitimacy environments.

Depending on the nature of demands and interests, and the specific socio-economical-political atmosphere the individuals are placed in, variety of social networks stretching from pure benefit networks, to ideological, religious, hometown-based and ethnical networks are constructed. In the absence of public interest concept, these networks will solely focus on pursuing narrowly defined interests of their members even if it means violation other people's rights and interests. This practice spreads through the system by social learning and eventually, some of these networks turn into factions and start conflicting with other factions for limited economic resources and political positions of the system. If the legitimate mediators between the state and the society are not working properly, an issue which I will return to later, their exercise of mediation and watchdog roles will be heavily influenced by the interests of these networks, not by the interests of the general public. This process may even end up networks' taking complete control of the mediators. As soon as the network members or the people they manipulate gain a public position, no matter it is in legislative, executive or judicial, they will exclusively abuse it for the benefits of the network members.

Figure 3. Formation of corruption breeding social networks.



Needless to say, via repetition of practices of favoritism by different networks, corruption of this kind becomes a collective behavior in time and decreases the legitimacy of the regime even more. Not only mistrust to the institutions deepens, but also estrangement between the members of different factions` starts and interpersonal distrust within the society goes down. In this situation, in-network solidarity entrenches and favoritism goes up more. It should be noted that if the society in focus do not have a prior sensitivity towards “public interest” concept or do not have a clear understanding of what “taxation and representation” refer to, not only violations of the rights and interests of the non-network people by the network members will be more pervasive, but also chances of people getting together to ask for accountability for the corrupt practices will be considerably low.

In this respect, causality between legitimacy and corruption work both ways and there is a clear reverse relationship between the degree of corruption and legitimacy level. It is theorized that legitimacy level can increase or decrease depending on the following variables:

- Level of general economic and social welfare: Purchasing power, income equality, unemployment rates, housing, education, health.

- Level of civil liberties: Political, associational, and cultural freedoms.

- Strength level of rule of law: Independency of the judiciary from political influences, judicial internal controls, wages of judicial personnel, and budget allocation to the general judicial system.

b) Strength of morality: Even in an environment of ample opportunities and incentives with a little fear for detection and punishment, one thing still can stop individuals from engaging in corrupt practices: Ethical values that promote truthfulness, honesty, integrity and respect for other people's interests and rights. If corruption in general means abusing public office and resources for private or group gain, a person of high ethical values will equal practices such as bribery, extortion, fraud and embezzlement with stealing, robbery and theft; will see all acts of favoritism such as nepotism and cronyism as violations of public confidence, rights and interests. In figure two, morality is placed as a factor in direct relationship with the society, because comprehension of the general morality situation in a society carries special importance to understand the corruption potential of the entire system. To be able to comprehend the morality potential in the society, we should first establish the sources of morality in a system and then estimate how effective they are on shaping the behavior of the people.

Not only morality effects corruption but it is also affected by it: Constant repetition of corrupt acts between actors of the society may create a cultural acceptance and/or tolerance of corruption. I conclude that causality work both ways and there is an inverse relationship between morality level and the degree of corruption. Strength of morality, with its specific meaning here; “ethical components of a systemic culture that discourage corrupt acts” can be determined by focusing on the traditional, modern, and constitutional values.

As a summary, system level variables and their presumed direction of relationship with corruption is provided in Table 21 in the following page.

2-Actor level variables:

a) Society: If the society is not provided a high quality education that provokes critical thinking, socialization and productivity, and promotes positive ethical values and collective thinking, it is probable that the generation will consist of a high number of spongers, free-riders, and immoral, unprincipled and indifferent people. Not only the risk of corrupt individuals coming out of a society like this is high, but also the chances of this society to socialize around collective ideals such as getting organized to ask for accountability of the government’s actions is low.

Speaking of collective action, strength of a civic culture that promotes the idea of people associating to advance the collective interests of the socio-economic group they belong to while being mindful about not violating the general public’s interests and rights, is extremely important in the name of forming and sustaining the internal checks and balances of the society and preventing the tyranny of any faction over the others. It

should be noted that a low level of interpersonal trust will discourage association of people for collective action in the above mentioned form, but will encourage formation of

Table 21

System Level Variables and Their Presumed Direction of Relationship with Corruption

Composite variable of Strength level of legitimacy (+)			Composite variable of Strength level of morality (-)
Quality of the rule of law (Measured by the aggregation of answers to following questions)	Quality of the socio-economic welfare (Measured by the aggregation of answers to following questions)	Quality of the civil liberties (Measured by the aggregation of answers to following questions)	What are the main sources of morality in the system and how effectively they operate? Do traditional (religious, family, ethnical), modern (materialistic, post-materialistic), and constitutional sources of morality promote values such as caring for others, respecting other people's rights and interests, being honest and truthful? How popular these values in the mainstream society?
Are judicial personnel paid enough?	How strong is the purchasing power of the citizens?	How free are people in expressing their thoughts?	
Is the judiciary independent of political influences?	Is the national income distributed fairly between the citizens?	How freely civil associations between people are founded and operated?	
Are internal controls in the judiciary strong?	How high is the unemployment level in the society?	How freely people exercise their religious and cultural rights?	
Is the justice system allocated enough budgets?	Is housing needs of the population met fairly and effectively?		
	Is educational needs of the society is met fairly and effectively?		
	Is health needs of the society is met fairly and effectively?		

networks with narrowly defined interests. It was previously explained how corruption can be traced to the evolution of these networks.

In sum, it can be theorized that there is an inverse relationship between the level of corruption and the level of following variables: Level of educational quality, strength level of civic culture, and the level of interpersonal trust. It should be noted that corruption decays the quality of the first two variables and quantity of the third one; so the relationship between the variables and degree of corruption is mutual.

b) Interest aggregators

Civil society organizations (CSO): Shortly speaking, CSO s play an important mediatory role between the state and the society by aggregating interests of the society and watch dogging government's actions. If they are weak, factional networks take over the role of "aggregation of interests", by exclusively focusing on the interests of their networks, a practice resulting in extensive favoritism and patronage. The more factional networks gain strength, the more corruption they cause in all political institutions from political parties to legislative and bureaucracy. Second consequence of the weakness of civil society organizations lies in the fact that government can have a free hand in abusing its authority in the absence of effective civil controls. If the other mediators, - media and political parties-, are not functioning freely, fairly, independently and effectively this problem grows to be graver. Following variables are thought to be related with the level of corruption inversely: Financial strength level of civil society organizations, and strength level of associational freedoms

Political parties: Ineffective controls on party membership, finances and operations; deficiency in internal democracy due to excessive power concentration in the

persona of political party leaders and his cronies because of unfair in-party election systems that do not allow direct participation and representation of citizens; and closure to the inputs of other civic associations weakens the accountability of political parties to the general public and prevents them to play the mediator role between the state and the society.

As explained above, if the civil society organizations are weak, political parties will only be open to the influences of strong factional networks, shifting their liability from the public to the patronage machines.

It should also be noted that if there are limits on political and cultural liberties (freedom and expression of thought, and exercising religious and cultural beliefs), political parties will not be able to channel politico-cultural demands of the society to the political establishment and lose their intermediary role to covert ideological brotherhoods or terrorist organizations. As it was maintained before, covert ideological brotherhoods do not operate differently from patronage machines. In sum, it is thought that there is an inverse relationship between the level of corruption and the following variables: Level of political party transparency in funding and membership, level of internal democracy in political parties, and the level of political and cultural freedoms.

Media: Media needs to operate without fear and favor to assume its interest aggregator and watchdog roles successfully. If press freedoms are flawed in general, media's ideological and economical priorities are too strong, and if the sector lacks the internal controls that would enforce standards of integrity and honesty due to reasons such as cartelization in the sector, ideological polarization, etc., media can be impartial

and fair neither in reporting news of corruption and abuses of the government nor in reflecting interests and complaints of different socio-economic sectors.

In addition to this, if media cartels have diverse business activities which frequently require their involvement with politicians and bureaucrats, the risk of them getting involved in corruption is too high. In this respect, following variables are thought to be inversely related with the level of corruption: Level of press freedoms, level of cartelization in the sector, and the level of involvement of the media in non-media business sectors (If there is a heavy presence of the state in general economy, causality becomes stronger).

c) Legislative: Legislative naturally carries all imperfections of the political party system. If internal democracy in political parties that the legislators are elected from is flawed then reelection of a legislator is not linked with his performance in carrying the interests of the general public to the national agenda and policy making; but, is generally connected with his success in obeying the orders of the party leadership and in cultivating and feeding successful patronage networks in the society. If internal controls such as parliamentary codes of conduct, conflict of interest regulations, financial disclosure requirements are weakly designed and there is a thick immunity shield protecting legislators from prosecutions, parliamentarians neither feel accountable to the general public for their actions, nor do towards the justice system. In this respect, besides the variables that were already mentioned under the tile of political parties, variables below are thought to be associated with corruption. It should be noted that while the first variable is inversely related with corruption, the causality direction for the second one is positive: Strength level of internal controls, and the level of immunities.

d) Executive: If public officials are poorly paid and their salaries show great differences from one department to another; if their selection, promotion and retirement procedures are not standardized; if they operate in an environment: where public spending is not transparent and audited, where conformity to procedures not the performance is measured to determine success, where bureaucrats have excessive unchecked powers and are protected from prosecutions through immunity shields, where bureaucratic procedures are too complicated, not transparent and not automated, it means there are lots of incentives and opportunities to engage in favoritism, bribery, extortion and embezzlement.

If public service human resources management operations are completely handled by central bureaucratic machines which are handled by political administration and if the political party and legislative systems are extremely politicized, then most bureaucrats, especially the ones at the higher level, feel an urge to be in cozy relationships with politicians to maintain their positions. This understanding opens up different venues for feeding the patronage machines of politicians, especially in the form of favoritism in employment and provision of public contracts. In this system, for bureaucrats in the business of law enforcement, inspection, auditing and controlling intervening in bureaucratic/politician schemes of corruption is obviously not a wise decision. In sum, following variables are thought to be associated with corruption level. Presumed direction of relationship between corruption and the variables are noted respectively:

Centralization level (+), transparency level of information in spending (-), size of the extra-budgetal funds in the overall budget (+), transparency level of information in operations (-), complexity level of regulations (+), standardization level in human

resources operations (-), accountability level (-), automation level of operations (-), level of wages (-), level of fairness in wages across the sector (-), ratio of performance based system of awards over appropriateness (-).

Judicial system: It is impossible to completely disconnect the judicial system from politics in democratic regimes; but, in highly politicized systems the more dependent the legal system to politics is, the more the chances of political influences on the personnel selection, appointment, reward and punishment, and decision making mechanisms are.

Insufficient budget allocation to the justice system causes physical infrastructure problems and produces limited numbers of underpaid judges and prosecutors who have to deal with excessive case load. This situation not only prevents the justice system from working effectively, but also creates incentives and opportunities for the personnel to engage in corrupt transactions. If internal controls are weak or non-operative, that situation opens an extra opportunity space. Determinants of judicial sector quality are placed under the rule of law section of legitimacy variable; because, judicial sector has a central role in the functioning of the system. However for explanatory purposes they are repeated: Level of independency from political influences, level of internal controls, level of wages, and the level of general budget allocated to the judicial system.

e) Private sector: First thing to look at in private sector is natural resource allocation between the actors. Unfair distribution of resources leads to concentration of economic power at numbered hands. Given the money-equals-to-political-power dilemma of democratic representative systems, there comes a big opportunity to manipulate politics in the form of determining which candidate will run for elected positions and what their agenda will be if they got elected. If there is an unhealthy

connection between politics and bureaucracy in the given system, power holders will have a heavy hand on human resources management and operations of the public sector. Thus, the risk of power holders' requesting preferential treatment both from the local bureaucrats and the politicians on both financial and non-financial matters is very high in this picture. If their demands are met, rule of law takes serious blows, and the gap in income and political power distribution gets bigger.

If the state plays multiple roles in the market as an entrepreneur, regulator, licenser and creditor, and the bureaucratic mechanism which oversees these roles in the name of the state suffers from extreme political influence and /or corruption breeding incentives and opportunities exist in its structure, possibility of following public office and resource abuses will be very high: Favoritism in employment at state-owned facilities and distribution of contracts; preferential treatment in credit and natural resource allocations and in provisions of incentive tax returns; insider-training in financial and stock markets; bribery and extortion in licensing and regulation; embezzlement of incentive funds.

If there is a huge underground economy, the regulators might resort to bribery and extortion to let the underground entrepreneurs operate, or they may even take part in their operations. High tax rates and expensive social security payments in a suffering economy might make the business owners as well as the general citizenry resort in tax and employment fraud; these practices not only contributes to the internalization of stealing from the state, but also creates opportunities for regulators to get involved in bribery and extortion. In sum following variables are thought to be related with level of corruption: Level of state presence in private sector, level of state involvement in financial and stock

exchange markets, level of state financial support to private actors, level of monopolization in natural resources allocation, level of monopolization in sectors, level of efficiency of external and internal controls, level of the size of the underground economy in overall economy.

As a summary, actor level variables and their presumed direction of relationship with corruption is provided in Table 21 at page 160-161.

Conclusive Remarks

This dissertation was an attempt to draw an explanatory framework to understand causes of systemic corruption. Although a long list of variables that are thought to be directly or indirectly related with corruption is created; there is too much left to be done, such as:

- a) Establishing the nature of the interdependency between various variables
- b) Establishing the exact nature of the interdependency between corruption and various variables
- c) More detailed explanation of the causal relationships between various variables and corruption by determining their weightiness and exact direction

By all means, to be able to make generalizations more case studies should be completed and their findings should be compared with the findings of this study.

Corruption studies of today are exclusively focused on determining institutional failures that produces incentives and opportunities for public office holders to engage in corrupt practices. According to this approach, reducing the perceived benefits by addressing these gaps while increasing the expected costs will result in deterring the rational men from engaging in corrupt transactions. This is a wonderful prescription, but

without taking into consideration the imperfections of the socio-economic atmosphere that the public officials operate in and this atmosphere's effects on their behavior, this prescription is not sufficient enough to heal a system that is infected by corruption.

Loyalty problems in low-trust atmospheres, influence of networks, lack of civic culture, and gift-giving practices are often mentioned as social pillars of corruption in sociological/anthropological studies; but, what about the morality? Despite all political and economic incentives and opportunities, lack of external controls, and socio-cultural pressures some public servants will just refuse to engage in corruption by risking their careers, reputations and even lives. Often times, there is only one explanation behind the “irrational” behaviors of these servants: high ethical values. It can be logically projected that in a society where most of the individuals have higher levels of ethics, a corruption-resistant culture will automatically flourish.

Table 22

Actor Level Variables and Their Presumed Direction of Relationship with Corruption

Level of educational quality (var3) (-)		Society
Strength level of civic culture (var4) (-)		
Level of interpersonal trust (var5) (-)		
Financial strength level (var6) (-)	Civil society	Interest aggravators
Strength level of assoc. freedoms (var7)(-)		
Level of transparency in funding and membership (var8) (-)	Political parties	
Level of internal democracy (var9) (-)		
Level of political freedoms (var10) (-)		

(table continues)

Table 22 (*continued*).

Level of press freedoms (var11) (-)	Media	
Level of cartelization (var12) (-)		
L. of involve. in non-media (var13)(+)		
Strength level of internal controls (var14) (-)	Legislative	
Level of immunities (var15) (+)		
Centralization level (var16) (+)	Executive	
Transparency level of information in spending (var17) (-)		
Size of the funds that are out of general auditing (var18) (+)		
Transparency level of information in operations (var19) (-)		
Complexity level of bureaucratic regulations (var20) (+)		
Standardization level in human resources operations (var21) (-)		
Accountability level (var22) (-)		
Automation level of operations (var23) (-)		
Level of wages (var24) (-)		
Level of fairness in wages across the sector (var25) (-)		
Ratio of performance based system of awards over appropriateness (var26) (-)		
Level of state presence in private sector (var27) (-)	Private sector	
Level of state involvement in financial and stock exchange markets (var28) (-)		
Level of state financial support to private actors (var29) (-)		
Level of monopolization in natural resources allocation (var30) (-)		
Level of monopolization in business sectors (var31) (-)		
Efficiency level of external and internal controls (var32) (-)		
Level of the size of the underground economy in overall economy (var33)		

Further research is clearly needed in determining which components of a culture make it more corruption-resistant than other cultures and how these components affect individual level decision making. Obviously economic and political conditions play a certain role in shaping the culture, but how do we explain the enormous difference on corruption perceptions between countries that are on the same economic-political development level, such as Mediterranean and Scandinavian Europeans? For instance, although Italians and Norwegians are both rich and liberal, their institutions are equally developed, religion in both societies are freely taught and exercised, Italian system is breeding much more corrupt and organized criminal activity. Interestingly enough, there is enough impressionistic and statistical evidence which suggest that Italians are much more religious than Norwegians. And, Catholicism of Italy is a stricter religion than Protestantism of Norway when it comes to sins and retribution; but still, corrupt acts, which are accepted as sins in both religions are much more pervasive in Italy. So, which component of Norwegian culture helps creation of more ethical individuals and formation of a less corruption-tolerant society? Although, I have tried to explain which factors have contributed to the moral degradation of the Turkish society in my case study, I am aware that explanation of it has required a more grounded approach.

Another imperfection in most of the corruption studies that should be addressed is the tendency to explain corruption from a dyadic exchange perspective where the exchanged value is represented in monetary terms such as bribe giver and taker. The case study in this dissertation has indicated that studying corrupt networks of exchange is equally important, if not more, to understand systemic corruption in some countries. How

do these networks develop; and, build and maintain trust, and sustain the communication between the network members? What favors are exchanged other than money?

I had previously suggested that corruption should have been seen as a local developmental problem. Although my views remained unchanged, corruption's potential ramifications may indeed not be limited with national borders in today's interdependent world. Let me explain: Corruption's roots are traced back to "societies that are politically, economically, and socially imbalanced" and "regimes that suffer from legitimacy problems"; in some countries which suffers from these problems corruption provides limited avenues for interest articulation and demand satisfaction through solidarity and benefit networks while in some others where these avenues are weak or absent, people resort to violent tactics through terrorist networks to express their interests. Huntington once suggested that "the society that has a high capacity for corruption also has a high capacity for violence" (1967, p.63). Indeed, the countries at the bottom of the TI's corruption perceptions' index: Haiti, Nigeria, Chad, Tajikistan, Colombia, Russia, suffer from sporadic political violence for decades. Widespread corruption in oppressive governments of the Middle East is frequently used as an excuse by the fundamentalists why these regimes should be toppled. In his interview with ABC reporter John Miller in 1998, Usame bin Laden responded to a question on what he thought of terrorist accusations about him as follows:

Terrorizing oppressors and criminals and thieves and robbers is necessary for the safety of people and for the protection of their property. There is no doubt in this. Every state and every civilization and culture has to resort to terrorism under certain circumstances for the purpose of abolishing tyranny and corruption (Interview, 1998).

Examples can be multiplied; naturally, it should take vigorous research to prove the link between corruption and violence. However, suffice it to say at this point that unless corruption and its causes in developing countries are seriously addressed, these regimes will carry on producing angry individuals. How do they discharge their resentment and anger? It should not take too much thinking to identify who would be willing to accommodate them first. That's how corruption becomes an international political problem.

Summary of Chapter 6

In this final chapter, research aims and steps of the dissertation was summarized; based upon the findings of the case study, the complex systems model of corruption that was constructed in Chapter 2 was modified; variables and their relationship with corruption is redefined; and further research direction was identified.

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