Tradability of Output and the Current Account: An Empirical Investigation for Europe

Roman Stöllinger
The Vienna Institute for International Economic Studies

ABSTRACT

In this paper we put forward the hypothesis that increasing specialisation in the production of non-tradable output has a negative impact on the current account balance. To test this tradability hypothesis empirically we proceed in two steps. Firstly, we develop a tradability index which captures specialisation patterns with regard to the tradability of output. Secondly, we embed the tradability index into an empirical current account model for the full sample of European countries. We find strong evidence for a positive relationship between the current account balance and the tradability index in both in the short and in the long run. The relationship is stronger for emerging economies in Europe than for developed countries. This finding has an important policy implication: the anxieties about ‘de-industrialisation’ in many parts of Europe seem to be justified because the resulting loss of export capacity increases the risk of external imbalances.

Keywords: Current Account, Tradability Index, Tradable Goods, Structural Change, Value Added Exports.

JEL Classification: F10, F14, F32, F41

1Acknowledgement: Research for this paper was financed by the Jubilee Fund of Oesterreichische National bank (Project No. 15291). Financial support provided by Oesterreichische National bank for this research is gratefully acknowledged. The author would like to thank Vladimir Gilgorov, Mario Holzner, Michael Landesmann, Leon Podkaminer and Robert Stehrer for very insightful discussions. Thanks also goes to the participants at the 7th FIW Research Conference in Vienna, the Conference on Competitiveness, Capital Flows and Structural Reforms in Brno and the 18th Göttinger Workshop Internationale Wirtschaftsbeziehungen for helpful comments and suggestions. The author is particularly indebted to Alexandra Bykova for very valuable research assistance.
1. INTRODUCTION

In this paper we put forward the hypothesis that increasing specialisation in the production of non-tradable output has a negative impact on the current account balance. To test this tradability hypothesis empirically we proceed in two steps. Firstly, we develop a tradability index (TI) which captures specialisation patterns with regard to the tradability of output. Secondly, we embed the tradability index into an empirical current account model for the full sample of European countries. We find strong evidence for a positive relationship between the current account balance and the tradability index in both in the short and in the long run. The relationship is stronger for emerging economies in Europe than for developed countries.

The use of the tradability index we develop for studying the relationship between the production structure and the current account has three main advantages over conventional indicators such as the share of manufacturing in GDP. First of all, instead of focusing only on the manufacturing sector or any other sector that is suspected to be particularly important for the external balance, the TI is a comprehensive measure which reflects a country’s entire economic structure. Therefore the TI is capable of capturing basically all structural phenomena such as de-industrialisation (respectively the lack of industrialisation) or booms in the construction sector (as analysed in Gehringer, 2015). Second, the TI is a more direct way of testing the tradability hypothesis than the value added share of manufacturing which commonly serves as measure for the tradable sector (for a recent example see Ehmer, 2014). This is because the essential distinction in the context of the tradability-current-account-nexus is not between the manufacturing sector and the services sector but between the tradable and the non-tradable sector. Third, the TI avoids applying a dichotomous classification of sectors into tradable and non-tradable sectors (as for example in De Gregorio et al., 1994) which requires the choice of a discretionary threshold. In contrast, the TI incorporates the fact that in reality there is no strict distinction between tradables and non-tradables but rather gradual differences in the tradability of output produced in the various sectors of the economy.

We use the TI for testing econometrically the effect of the tradability of output on the current account position in a truly European-wide context. Our sample comprises 46 European countries which are observed over the period
This means that our sample goes well beyond the euro area which has attracted a lot of interest in the recent current account literature (see e.g. Blanchard and Giavazzi, 2002; Gaulier and Vicard, 2012). A major advantage of a European wide sample is that it results in a sufficiently large number of observations for a cross-country analysis.

The contribution of this paper to the literature is twofold. Firstly, we develop the tradability index which makes use of the World Input-Output Database (WIOD). Secondly, we establish this tradability index as a new determinant of the current account in a European context.

There is no shortage of explanations for the re-occurring current account imbalances. However, the role of an economy’s economic structure on the current account is, however, is far too often neglected. One reason is that in the inter-temporal approach to the current account (Obstfeld and Rogoff, 1996) the current account balance is the result of the saving decision of (inter-temporally) optimising households. This typically leaves little room for trade policies, trade openness or specialisation patterns for influencing the current account.

2. METHODOLOGY

A natural benchmark for the tradability of goods and services is how much they are actually traded (De Gregorio et al., 1994). De Gregorio et al. (1994) consider a sector as tradable if more than 10 percent of total output is exported. We will depart from this approach by switching from a dichotomous classification of sectors into either tradable or non-tradable to a continuous measure of sectors’ tradability. This gradual approach gives due credit to the fact that basically all goods and increasingly also services are potentially tradable though to a different extent. Hence, in our empirical model we will replace the dual distinction between tradable sectors and non-tradable sectors with a continuous ‘tradability score’ specific to each sector.

The tradability score can be obtained from industry level information on value added and value added exports (Johnson and Noguera, 2012). Formally, we

---

2 An alternative approach to capture the tradability of goods (or sectors) is to look at tariffs or trade barriers more generally. The difficulty is that the magnitude of such trade barriers is hard to identify. While the trade costs for merchandise can be estimated with gravity models (see e.g. Anderson and Wincoop, 2004), this approach is harder to implement for services.
arrive at the global tradability score \((TS_i)\) by calculating the ratio between the global sector-level value added exports \((VAX_i)\) and the sector-level value added \((VA_i)\).

\[
TS_i = \frac{\sum_{t=1995}^{T} \sum_{j=1}^{J} VAX_i^j}{\sum_{t=1995}^{T} \sum_{j=1}^{J} VA_i^j}
\]

where the subscript \(t\) indexes time and \(j\) indexes countries. The resulting tradability scores for the 14 sectors are shown in Figure 1. As can be seen the ranking is very much like expected with mining and manufacturing obtaining the highest tradability scores.

**Figure 1: Global tradability scores (TS) of sectors**

Note: TS\(\text{vax}\) = tradability score based on value added exports. TS\(\text{x}\) = tradability score based on gross exports.

Source: WIOD, author’s own calculations.

The global tradability score is the first element in the calculation of the tradability index. To obtain the tradability index, the tradability scores are weighted with each country’s sectoral value added shares, i.e. the sector-specific value added \((VA_{i,t}^j)\) over total value added \((\sum_i VA_{i,t}^j)\). The tradability index is retrieved by summing up the weighted tradability scores over all industries \(i\). Formally, the TI of country \(j\) in any year \(t\) is calculated as:
The fact the tradability index reflects the entire economic structure of each country makes it an interesting summary variable for a study on the relationship between the tradability of output and the current account.

Figure 2 presents the ranking of the 46 countries in the sample according to the value added exports based tradability index. There is quite some variation in the index across countries ranging from 0.278 for Azerbaijan to a mere in 0.131 in Cyprus. Next to Azerbaijan mainly other oil and commodity exporters are found at the top of the ranking. At the bottom of the ranking one finds a number of EU countries which are Cyprus Greece, Luxembourg and France.

3. ECONOMIC SPECIFICATION AND RESULTS

We test the tradability hypothesis by incorporating the TI directly into an empirical current account model. In addition to the tradability index, which is our main variable of interest, the empirical model encompasses a large number of control variables which have been identified by the literature as determinants of the current account. In our choice of control variables we draw heavily on the...

In our long-run version of the model we follow Debelle and Faruqee (1996) by taking the average of all variables over the sample period and run a pure cross-country regression of the form:

\[ ca_j = \alpha + \beta \cdot TI_j + \mathbf{X}_j \cdot \gamma + \varepsilon_c \]

where \( ca_j \) is the current account in per cent of GDP in country \( j \), \( TI_j \) is the tradability index and \( \mathbf{X}_j \) is a vector of control variables. \( \varepsilon \) is the error term and \( j \) is the country index. The tradability hypothesis predicts \( \beta \) to be positive. The results for the model in equation (1) are shown in Table 1.

In our preferred specification which is specification (4) we find that a one percentage point increase in the TI improves the current account balance by 0.73 percentage points. The result is robust across all specifications we estimate.

All coefficients of our control variables are as expected: higher GDP growth tends to create current account deficits (convergence effect), countries which higher per capita income tend to run surpluses (in line with the stages of development theory), positive net asset positions tend to improve the current account (as creditor earn interest on accumulated assets), higher dependency ratios worsen the current account balance (children and old people do not save). What we do not find, however, in the full sample is evidence for the twin deficit hypothesis (no significant coefficient is found for the government balance).

We also estimate the short-term relationship between the tradability of output and the current account position. Given the time series properties of the data, notably the fact that the data is non-stationary and we are unable to detect a co-integration relationship, the short-run model is estimated in first differences. These results should therefore be interpreted as short term effects. The regression equation thus becomes

\[ \Delta ca_{j,t} = \alpha + \beta \cdot \Delta TI_{j,t} + \Delta \mathbf{X}_{j,t} \cdot \gamma + \mu_j + \delta_t + \varepsilon_{j,t} \]
where the subscript $t$ indicates the time index and $\mu_j$ and $\delta_t$ denote country and time effects respectively.

### Table 1: Long term cross-section regression

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Current Account Position in % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td>TiVax</td>
<td>0.6124*</td>
</tr>
<tr>
<td></td>
<td>(0.3302)</td>
</tr>
<tr>
<td>gdp growth</td>
<td>0.9815***</td>
</tr>
<tr>
<td></td>
<td>(0.3310)</td>
</tr>
<tr>
<td>relgdpcap</td>
<td>0.0648***</td>
</tr>
<tr>
<td></td>
<td>(0.0216)</td>
</tr>
<tr>
<td>relgdpcap sq.</td>
<td>0.0027</td>
</tr>
<tr>
<td></td>
<td>(0.0055)</td>
</tr>
<tr>
<td>govbal</td>
<td>0.1756</td>
</tr>
<tr>
<td></td>
<td>(0.1657)</td>
</tr>
<tr>
<td>nfa</td>
<td>0.0488***</td>
</tr>
<tr>
<td></td>
<td>(0.0085)</td>
</tr>
<tr>
<td>dep ratio</td>
<td>-0.0135***</td>
</tr>
<tr>
<td></td>
<td>(0.0038)</td>
</tr>
<tr>
<td>domcred</td>
<td>-0.0033</td>
</tr>
<tr>
<td></td>
<td>(0.0084)</td>
</tr>
<tr>
<td>oil</td>
<td>0.0269</td>
</tr>
<tr>
<td></td>
<td>(0.0216)</td>
</tr>
<tr>
<td>EA MS</td>
<td>-0.0123</td>
</tr>
<tr>
<td></td>
<td>(0.0145)</td>
</tr>
</tbody>
</table>

Observations: 46 46 46 46 46 46

R-squared: 0.0623 0.7592 0.8957 0.9124 0.9177 0.9198

R-squared adj.: 0.0409 0.736 0.880 0.893 0.897 0.897

F-test: 3.441 42.15 102.7 106.8 90.80 76.64

Note: TiVax = tradability index based on value added exports. EA MS=euro area members. Robust standard errors are in parentheses. ***, **, and * indicate statistical significant at the 1%, 5% and 10% level respectively. All regressions are based on actual sample averages used in the regression. All regressions include a constant.

The results are shown in Table 2 for various estimators where our preferred model is the ‘pooled’ model which includes time fixed effects but no country effects. In addition to the econometric arguments in favour of a pooled panel regression approach Chinn and Prasad (2003) as well as Ca’Zorzi et al. (2012) also support the pooled specification because the explanatory variables
capture more of the cross-country variation in the data much of which would potentially be captured by the country effects. Given that the majority of the variability in our data comes from the between dimension (i.e. cross-section) we are also sympathetic with this argument. In the end, however, the choice of estimator has no effect on our results as there are only very minor differences in the coefficients.

**Table 2: Panel regression in first differences**

<table>
<thead>
<tr>
<th>Dependent variable: ΔCurrent Account Position in % of GDP</th>
<th>(1) POOLED</th>
<th>(2) POOLED+</th>
<th>(3) RE</th>
<th>(4) RE+</th>
<th>(5) FE</th>
<th>(6) FE+</th>
<th>(7) XTA</th>
<th>(8) XTA+</th>
</tr>
</thead>
<tbody>
<tr>
<td>ΔTivax</td>
<td>2.8548***</td>
<td>2.9541***</td>
<td>2.8548***</td>
<td>2.9541***</td>
<td>2.8910***</td>
<td>2.9329***</td>
<td>3.0567***</td>
<td>3.1521***</td>
</tr>
<tr>
<td></td>
<td>(0.4532)</td>
<td>(0.5299)</td>
<td>(0.6678)</td>
<td>(0.7880)</td>
<td>(0.6590)</td>
<td>(0.7650)</td>
<td>(0.2548)</td>
<td>(0.2908)</td>
</tr>
<tr>
<td>Δrelgdpcap</td>
<td>-0.1512</td>
<td>-0.1512</td>
<td>-0.2350</td>
<td>-0.1564</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0992)</td>
<td>(0.1213)</td>
<td>(0.1422)</td>
<td>(0.1157)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Δrel gdpcap²</td>
<td>0.0340</td>
<td>0.0340</td>
<td>0.0509</td>
<td>0.0354</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0263)</td>
<td>(0.0329)</td>
<td>(0.0349)</td>
<td>(0.0316)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Δgovbal</td>
<td>-0.0183</td>
<td>-0.0183</td>
<td>-0.0071</td>
<td>-0.0323</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0918)</td>
<td>(0.0898)</td>
<td>(0.0880)</td>
<td>(0.0681)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Δnfa(t-1)</td>
<td>-0.0184***</td>
<td>0.0184***</td>
<td>0.0179***</td>
<td>0.0232***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0059)</td>
<td>(0.0059)</td>
<td>(0.0058)</td>
<td>(0.0071)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Δdep ratio</td>
<td>0.0263</td>
<td>0.0263</td>
<td>0.0419</td>
<td>0.0464</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0286)</td>
<td>(0.0312)</td>
<td>(0.0423)</td>
<td>(0.0418)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Δdom cred</td>
<td>-0.0156**</td>
<td>-0.0156**</td>
<td>-0.0157**</td>
<td>-0.0158*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0064)</td>
<td>(0.0075)</td>
<td>(0.0077)</td>
<td>(0.0084)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Δca(t-1)</td>
<td>-0.0482</td>
<td>-0.0528</td>
<td>-0.0482</td>
<td>-0.0528</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0335)</td>
<td>(0.0370)</td>
<td>(0.0335)</td>
<td>(0.0370)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: POOLED= pooled panel regression; RE= random effects regression; FE=fixed effects regression; XTA=Arellano-Bond fixed effects estimator. Tivax = tradability index based on value added exports. Robust standard errors are in parentheses. ***, **, and * indicate statistical significant at the 1%, 5% and 10% level respectively. All regressions include a constant and time fixed effects.
The most important result is of course the positive and statistically significant coefficient of the tradability index. In the ‘pooled’ model including control variables (specification 2) this coefficient amounts to 2.95 which is about 3 times larger than what was found for the cross-section regression. The reason for this huge coefficient is that the economic structure is a slow moving variable so that short term changes tend to be very small. Therefore a one unit change in the TI, which corresponds to a one percentage point change, would be an extremely large movement.

In general, however, the fit of our short term model for the current account seems to be less good than the long term version. Apart from the tradability index, only changes in the domestic credit and the net foreign asset position are suggested to affect the current account. Regarding the latter, the negative coefficient of the net foreign asset position is a bit of a puzzle. Since switches from being a current account surplus country to being a deficit country or vice versa are relatively rare in our data, one would rather expect that changes in the foreign asset position of the previous year should be positively associated with changes in the current account balance. So at this stage we are unable to offer a plausible explanation for this result. In contrast, the negative sign obtained for the provision of domestic credit is as expected. It reflects the supposition that times of rapid expansion of domestic credit are associated with booms in the housing sector, the financial sector or other non-tradable sectors which will drive up the real exchange rate and thus lead to a deterioration of the current account.

Overall we find a very robust relationship between the tradability of an economy’s output and the current account balance also for the short run although in general our short term model of the current account has less explanatory power.

This baseline result which is in full support of our tradability hypothesis is very robust and also holds

- for almost all subgroups of countries with a stronger tradability-current account nexus found for emerging European countries and
- when we use a variant of the tradability hypothesis based on gross exports instead of value added exports.
In conclusion, we claim to have identified a new important empirical determinant for the current account. This determinant is the tradability index which summarises the tradability of the output a country produces. This result is highly relevant for economic policy and the debate about external imbalances and the phenomenon of de-industrialisation in Europe. The fact that, on the other hand the tradability of output is a key determinant of the current account and on the one hand many European countries are experiencing a structural shift towards services and hence relatively less tradable output increases the risk of external imbalances. At least this is true for countries whose main tradable sector is manufacturing. Though rather intuitive, this structural problem of increasingly service-oriented economies is much too often neglected. One reason is that in the orthodox view the current account is ultimately determined by purely macroeconomic factors, i.e. by the saving decisions by households that are optimising their consumption path over time. In contrast, our empirical results suggest that the tradability of output is an important structural feature of the economy which is highly relevant for the current account balance and external stability.

For the EU our results imply that the increasing diverging structural developments, in particular with regards to manufacturing activities, in the Central European Manufacturing Core (Stehrer and Stöllinger, 2014; IMF, 2013) and the rest of the EU member states must be expected to foster external imbalances within the Union. This calls for a solution which à la long can only consist in a comprehensive reform of the current fiscal framework, either by significantly strengthening the cohesion efforts or by introducing an internal transfer mechanism of some sort.
REFERENCES


Amount of Monetary Incentive for Kidney Donation and its Effects on Donation Quantities

Yavuz Demirdögen
Yıldırım Beyazıt University

ABSTRACT
Renal disease is an ongoing and growing problem around the world and in Turkey. Almost 5% of health expenditures are about kidney patients in Turkey. The amount of patients is increasing every day although the donation rates are not increasing in the same speed. The governments are applying different regimes for closing the gap between supply and demand on kidney. These systems are not accurate to close this gap. Main classification of these techniques is opt - in and opt - out regimes. The cost of dialysis for every patient is higher than the cost of transplantation. The transplanted patient lives 22 years whether dialysis patient lives 14 years. Transplantation is cost –effective than dialysis. It is an obligation to decrease the number of patients in the waiting list. In 2014 there are almost 60,000 kidney disease patients in Turkey and 29,000 of them are ESRD patients. Almost 4200 of them are transplanted in 2014. One of the solutions of closing this difference is to pay monetary incentive to possible living donors. Among the ethical debates on monetarizing the human body, this article is focused on the quantity of monetary incentive that would pay to the possible donors. This amount is the collection of the costs of statistical value of life, death-risk component, quality of life component and value of time. It is the quantity of losses, not the value of a kidney. The quantity differs according to the value of statistical life. Average price for these losses are 8.638 TL.

Keywords: ESRD, Monetary Incentive, Kidney Disease, Kidney Transplantation.

JEL Classification: I110, I150, I180
1. INTRODUCTION

Renal impairment is a disease which is rapidly approaching to be a problem in Turkey and in the world. From the first kidney transplantation surgery till today, supply of kidney is still standing as an unsolved problem. Although this problem is tried to be overcome by peritoneal dialysis and hemodialysis techniques, the disease is not healing; but only being delayed. Since producing a kidney in laboratory conditions or re-functioning an ineffective kidney is impossible, the last solution, which renal impairment patients refer to at the last phase of their disease, is kidney transplantation. There is no cure for End Stage Renal Disease (ESRD) patients other than transplantation.

Curing the disease with the transplantation of a kidney is more effective than holding on the life with dialysis. While the average life year of transplanted patient is 21.6 years, the average life year of dialysis patient is 13.8 years (Harihan et al.:2000). When considered from the costs point of view, the cost of transplantation, even with a rough calculation, is less than the costs of dialysis.\(^3\) If all unrelated costs like transportation, lodging, labor-loss are added to this calculation, one can see the advantage of transplantation.

At this stage, kidney supply problem for transplantation is arising. Different methods are used and tried to overcome this supply problem. The method used in many countries is “Altruistic Donation”. Whether this system differs in content and practice, international data shows that it is unsuccessful (Irodat 2013). Waiting list is growing day by day, but on the other hand donation quantities are stand nearly at the same level. At this point, academicians express that different and effective methods must be implemented.

Main axis of method change proposal is constituting monetary incentive. Matas, who wrote several essays on the subject, published the results of the study group constituted in 2012 for the research about the incentives and legal regulations. (Matas: 2012).

\(^3\)Government pays 158 TL for each dialysis session. Almost 96% of the patients is having dialysis 3 times a week. Cost of dialysis for a patient in a year is: 158x3x52 = 24648 TL. Payment for transplantation is 35000 TL on average. All the costs are paid by government health expenditures.
Applying monetary incentive for organ donation (it can be named as selling kidney) is a subject that has different aspects. One of these aspects is about the fact that organ donation should definitely be based on voluntariness. In America and England, government applied payment on blood donation for a period and a decline at donation rate was seen. Based upon this example, some academicians defend the opinion that if monetary incentive is allowed, donation rates will decline. Conducted surveys have showed that people rather prefer donating their organs instead of selling them (Mohamer&Guella: 2013; Mayrhofer-Reinhartshuber: 2006; Evans: 2003; Leider & Roth: 2010; Bilgel: 2011). But results of these surveys are closely related with the questions and demographic structure of the participants. These surveys have generally been applied in or around the university. It is expected that people who are willing to sell his kidney would be poorer and having financial difficulties. It is possible to have different results if these surveys are applied at places in which low-income group of people live.

Selling kidney has several dimensions. First of all, from whom will the kidney be taken, from a living person or from a cadaver? While if it is a cadaver, not only kidneys but also eye, tissue, heart, lung, liver and other organs could be taken; if it is a living person, only kidney and part of the liver could be transplanted. For this reason, at the center of most researches there is kidney transplantation.

Monetary incentive also has several dimensions. Indirect incentive is one of these methods. The reason why it is “indirect” is that it is not paid directly in cash. The proposals about indirect incentives are concentrated into three groups: tax impulsion; insurance and health expenditure incentives; and reimbursement of expenses. Incentive mechanisms proposing covering health expenses besides tax support are also among proposals (Peters: 1991). Even this kind of incentives have been proposed, they haven’t been applied in America (Pennsylvania and Wisconsin), (Ubel et al.:2000). Again in Pennsylvania, although net payment for funeral and hospital expanses is proposed, they haven’t been applied (Ubel et al.:2000).

Another system proposes direct incentive. Direct incentive is based on making payment in cash to donor or donor’s family. In this type of system, different alternatives are proposed about the quantity and the way of the payment.
Quantity of the payment has become a different subject for discussions. One of the simple ways to identify the quantity is to take the price of kidney in the black market. But the price at the black market differs with respect to middle-men, donor, and recipient and also from country to country. For this reason, considering the price of the black market will not be the correct choice.

Another proposal for the quantity of the payment is the difference between dialysis and transplantation costs. Difference between the cost of dialysis for one year (or a few years) and transplantation costs will directly be paid to the donor (Matas: 2012). The most solid calculation is the one mentioned in Becker and Elias’s article handling monetary incentive in 2007 (Becker & Elias: 2007).

At this paper, the authors make their calculation based upon the donor’s labor-loss, hospital expenditures, lounge, food and beverage costs, monetary equivalence of the impaired quality of life, monetary equivalence of the risk of death during or after the surgery and the statistical value of life basis. In this study, Becker and Elias’s calculations will be adapted to our day and to Turkey.

Another system is paying a net payment that the government determined. This system is already active in the only country that allows the trade of kidney; Iran. In this model that is called the Iranian model, the government or an entity that is authorized by government make a sum of payment; if the donor demands an additional payment, it will be paid by the recipient. If the recipient cannot afford this payment, the remaining amount would be paid by a charitable foundation (Ghods&Savaj: 2006).

Some studies have been conducted about the amount of money that people would be willing to sell their kidney. These studies are generally concentrated on determination of this amount by surveys. However et al categorized the papers of financial support models on social behaviors and summarized their results (Hoeyer et al.:2013). According to this analysis, American people are more consentient to sell organs with respect to European people. The study that is among the rest surveys is the study conducted by Adams, Barnett and Kasermannin 1999. According to this survey, a % 117 increase is foreseen on donation rates with $1000 incentive. If incentive quantities are more than $1000, it would result a little bit more increase but this increase is not radical (Adams et al.:1997). The subject handled at some of the surveys focused on the question: “if there is financial
incentive, will you donate?” rather than the quantity (Mohamed & Guella: 2013; Mayrhofer – Reinhartshuber: 2006).

Another debate is from whom the organ will be taken. Some of the authors defend that the donor must only be cadavers (Robertson: 1999). But researches showed that; even if organs are taken from the entire eligible cadavers, the demand would not be met (Sheey et al.:2003).

Other than these, some other methods to increase the organ donation come to the fore. The other proposal than can be considered in the incentive scope is the small scaled ‘‘encouraging’’ incentives. The primary one of these is making discounts at driving license fees in exchange for tagging as donor in driving licenses. This application does not directly target to increase donation, but aims to increase the donor numbers. This system is actually in practice at Georgia with $7 discount-incentive per person. According to researchers’ results, this type of incentive results in a comparable growth at donor numbers (Jasper et al.:1999; DeJong et al.:1995).

2. KIDNEY TRANSPLANTATION AND DIALYSIS IN TURKEY

From the first kidney transplantation in 1975 (Karaali & Haberal:2005) till today, kidney transplantation in Turkey showed a serious increase in quality and quantity. With the help of the legal regulations, that renewed and updated in time, the quality, speed and security of the transplantation has increased. But, since the opt-in regime is still applied in Turkey, the kidney demand is irretrievable. Every day the number of dialysis patients is increasing everyday but kidney supply is not increasing adequately. Although Turkey takes place on the top on living donor numbers (46,6pmp), it is pretty far behind being the leading country at cadaver donations(5 pmp) and take part at the middle parts of world ranking in the mean( IRODAT 2014). The health expenditures on dialysis and transplantation, exceeds 2% of the health ministry4 (www.saglik.gov.tr). When it is considered that transplantation is more profitable than dialysis for the government, being donor should be encouraged.

---

4Dialysis expenditure per patient multiplied by number of dialysis patients and average expenditure of transplantations are added according to health ministry data. 2014 health ministry budget is used.
Ministry of Health data from 2014 appearing at the web site www.organ.saglik.gov.tr will be used in the following parts of the study. According to these data, number of transplantation in 2014 is 4,263 and patients in the waiting list are 25,337. There is only 1 donor death occurred after transplantation. All of the dialysis and transplantation expenses either for donor or for recipient are paid by Social Insurance System. 59% of dialysis patients are registered to the Social Insurance System.

The data are beginning from the year 2011 at the official website. There are no radical changes in dialysis patients, number of donor and number of transplantations in the given years. In this content, using 2014 data for the proceeding calculations is considered suitable.

3. ECONOMIC ANALYSIS OF MONETARY INCENTIVE

Among the proposals for increasing the transplantation quantity, monetary incentive is being written widely in academic literature in recent years. Becker and Elias are the pioneers about the rational determination of the amount that would be paid (Becker & Elias: 2007). In their calculation for the monetary incentive, they took 3 main matters as principals: the first one is monetary incentive for death risk, the second one is monetary incentive for the healing period and third one is monetary incentive with respect to decreasing life quality.

First of all, the price of the death risk is calculated. Life-loss during the transplant surgery is about 1% in USA. This ratio is about 0.0235% in Turkey (see Appendix). For the calculation the optimal value, Statistical Value of Life (SVL) is needed. There is not any calculated SVL for Turkey. According to World Health Organization (WHO), there exist a calculated SVL for Euro zone which is 2,487,283 Euro and this quantity will be converted to Turkish Lira (TL) and used in his article. The SVL, which is necessary for this type of calculations, must be calculated studiously by Ministry of Health or Turkish Statistical Institute (TSI). However, it is not calculated because of different reasons except for developed countries. In the sensitivity analysis, the most suitable value for the statistical value of life in various amounts will be calculated.

5http://www.heatwalkingcycling.org/index.php?pg=requirements&act=svl&PHPSESSID=q3jkco40bmm8aj7poon2v765o5
The monetary equivalent found depending on the statistical value of human life of the probability of dying during the surgery is approximately 906.41 TL.

As the second component is the value of monetary-loss during the treatment process. The determination is done by calculating the healing period as approximately 4 weeks. Although this period is not fully healing period, it is enough duration to return working in full capacity again. The rest of the period is foreseen as medical treatment. For calculating the money-loss during recovery, the lowest civil servant salary is used and semi-annually salary raise is ignored. Within these constraints, the value of recovery period is approximately 1.951.40 TL.

As the third component, the calculation of the value of change in life quality should be calculated. While doing this calculation, SVL must be multiplied with Quality Adjusted Life Years (QALY). Since there is not any calculated QALY value for Turkey, the quantity of Becker and Elias’ article is used. In the light of this information, the quantity is approximately calculated as 5779.8 TL. The found values are primarily in direct relationship with SVL (Viscusi&Aldy: 2003). Generally, it is calculated for health sector so the amount that is calculated by WHO is used. According to these results, optimum monetary incentive for grafting a donor’s kidney is approximately 8.638 TL.

The cost of transplantation is also needed for proper evaluation. For that reason, 55,000 TL that is the standard payment of the government for transplantation is taken. So, demand percentage change is found as 21.85 %. When the demand function has unit elasticity, it will make 21.85 % effect on transplantation demand.

To calculate the effect of this percentage change on the transplantation amount, total kidney demand in 2014 will be used. While the total demand for kidney was 29,600 in 2014, the number of transplantation was 4263. Number of patients in the waiting list was 25,337 (www. Donor.saglik.gov.tr). In this case, the effect of change on demand will be 6466. So, the amount requested after the change will decrease as to 27,397. The necessary amount will decrease as 16,668 since the demand will lessen in the case of monetary payment is done for the kidney. With a 21.85 % decrease in the demand, whole requested amount of
kidney will be met. In this case, the transplantation number will increase as 27,397. So the increase in demand percentage of kidney after payment to donors will be 485,30%. Theoretically, these increases will be enough to cover all kidney demand.

3.1. Sensitivity Analysis

As indicated at previous sections, the effect of monetary incentive on organ transplantation depends on two factors: the first is the effect of payment for organ to transplantation costs; and the second is the demand elasticity of organ transplantation (Becker & Elias; 2007). In this section the change of demand and transplantation amount with respect to price changes will be analyzed.

Since the statistical value of life appearing in the first column differs according to calculation techniques and sectors, SVL will be used as a variable in the sensitivity analysis. In the second column, risk of death component is held stable. Since it is not different according to person or system, this ratio is taken as 0,0235%. Change in SVL will affect this result.

In the third column, since QALY component is also the same, 0,0014985 is taken as a multiplier. Since this column will also differ according to SVL; changes in this column are the result of the changes in SVL. The monetary equivalence of labor-loss can be seen in the fourth column. The minimum civil servant salary is taken basis for calculation so no change is expected in this column. For this reason the number is held stable.

After all the components are added, it is seen that the price of the kidney ranges between 5.300 TL to 12.000TL. Price elasticity of demand is taken as -1 for kidney transplantation which is corresponding to 527% to 443% change on transplantation amounts. Even the SVL is calculated higher, the change in total transplantation amount stands out as high.

At this stage, the importance of the components rises to the surface. First of all, since the life of human is in question, statistical value of the life must be known for the calculations. The other one, death risk component, shows the monetary incentive given to donor in return for having risk of death during or after the surgery. For calculating this component, the SVL must be known, too. Donor will have a “life-quality” loss because of an organ deficiency. Although this loss
will not be so high to affect the rest of his life substantially, a loss is in question to a certain extent. While this life-quality loss ratio is not explicitly given in Becker and Elias’s article, it is taken from the calculations. Since this ratio is independent from country or values, it is constant. Lastly, since the donor loses “time” for healing, the monetary value of the lost time period must be calculated.

Table 1: Sensitivity Analysis

<table>
<thead>
<tr>
<th>Statistical Value of Life</th>
<th>Death-risk component</th>
<th>Quality of life component</th>
<th>Total kidney value</th>
<th>% change in price</th>
<th>% change in total transplantation amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1928541</td>
<td>453,2</td>
<td>2890</td>
<td>1951,4</td>
<td>5295</td>
<td>9,63</td>
</tr>
<tr>
<td>3101440</td>
<td>728,8</td>
<td>4648</td>
<td>1951,4</td>
<td>7328</td>
<td>13,32</td>
</tr>
<tr>
<td>3857080</td>
<td>906,4</td>
<td>5780</td>
<td>1951,4</td>
<td>8638</td>
<td>15,70</td>
</tr>
<tr>
<td>4652161</td>
<td>1093,3</td>
<td>6971</td>
<td>1951,4</td>
<td>10016</td>
<td>18,21</td>
</tr>
<tr>
<td>5785621</td>
<td>1359,6</td>
<td>8670</td>
<td>1951,4</td>
<td>11981</td>
<td>21,78</td>
</tr>
</tbody>
</table>

When it is considered that the costs of dialysis – even if the highest SVL is taken for calculation – are more expensive than total kidney value, it can be said that giving monetary incentive payment will result in decreasing ending kidney waiting-list patients and also gain in economy will be higher.

The graphic shows the relationship between percentage change in price and percentage change in transplantation with respect to the percentage change in price. As it can be understood from the graphic, while percentage changes are not redundant and rapid, fast decreases in percentage changes of transplantation are observed. As the reason of that, the gap between transplantation needs and transplantation amounts can be suggested. Since there are great differences between actual kidney transplant numbers and kidney requirements, a small percentage change will cause dramatic changes on transplantation amounts. Even in the case that the price increases; kidney amount and transplant amount that
would be demanded (under the assumption that all the demand is met) are still very high. The numbers arisen in this article shows the minimum monetary incentive to be paid in the case the market is set free. Since the prices billed to the receiver in the black market are highly higher than this amount, even the price increases, there will still be (a lot of) buyers.

4. THE BENEFITS OF DECREASING THE WAITING LIST

According to Ministry of Health data, waiting time in the kidney waiting-list is approximately 7 years. It is not certain to find a kidney in this period. Since the majority of the kidney patients are above 60 years, survival of these patients in this waiting period is doubtful. Nonetheless, diabetics and cardiac failure arises together with the kidney failure (Stel et al.: 2012). When the necessity of providing physiological support to the patients is considered, the cost of renal failure disease is further increasing. Besides, these expenditures are not enough to heal the disease.

Decrease in waiting time means that the patients would get healthy again sooner than anticipated. A dialysis patient cannot be fully productive during his/her life and besides always require support and medical care. When considered from this perspective, every dialysis patient is restraining another person to participate in production/labor force. In general, kidney patients are trying to cover the dialysis and treatment expenses by him at the beginning. This results in a wealth loss to some extent.

Extension of waiting time is also a factor affecting the patient’s recovery during and after the transplantation. If the recipient suffers from ESRD for a long time, he/she becomes unavailable for transplantation. Death is a matter of time for these kinds of patients. The extension of waiting time causes a major decrease of the patients’ life quality and causes a significant deterioration. As long as the time passes, the patients as well as his/her beloveds become nervous. So, social welfare loss for this type of patients and their next-of-kin is inevitable.

The difference between supply and demand of kidney is growing day by day. This difference results in extension of waiting time. This extension leads patients to try illegal ways to find kidney. Since this problem cannot be eliminated in a short time, patients have to find different, illegal and unethical ways. The
government does not have solid and quick solutions for ESRD patients. This gap will be fulfilled by kidney black market. It is obvious that, donation system cannot meet the demand. Donation encouraging systems, mechanisms and advertisement policies are not satisfying the needs. On the other hand, ESRD patients are dying day by day and these patients do not have time to wait for a “legal” kidney. Since there is not any governmental control on the market, middlemen have exorbitant gains. Not applying an effective enforcement to the caught buyers, sellers and middlemen can be seen as one of the reasons of not being able to prevent black-marketing. Illegal organizations prefer the countries that have legal loopholes. Turkey was one of the haunt until the re-regulations on the legislation in 2012. Transplantation centers and the competence of transplantation teams are advanced in Turkey. Turkey is competing with U.S., in which the first transplantation occurred and who is applying transplantation in an advanced way.

Illegal transactions are continuing on one side, on the other side people are dying because of the length of the waiting list. The main problem here is because of legal regulations. When the regulations are directed to eliminate the difficulties like Iran, illegal market will vanish, patients will gain their health as well as the money-loss will turn to economy.

Within the donation system, patient would have his health (gain), surgical team and hospital would have its fee (gain) but donor and his family would not get any winnings (loss). The unique gain for donor is the moral satisfaction from saving another’s life. This motivation is not enough most of the time. Although Turkey is ranked as the first on living donation rates around the world, it is on average about deceased kidney donation rates per million capita. By current donation mechanisms, it seems impossible to close this gap. At this stage, it is a must that the authorities change their perspective.

There are some problems about being a donor from the individuals’ perspective. People think that if they will be signed as a donor, their organs will be taken before death or their medical records could be sold to middlemen and they could be “hunted” by them. It must be explained properly and explicitly to the people that these records are private and unattainable by others and their organs cannot be taken before death. On the other hand, for eliminating the religious reasons, there must be a proper and effective integration between Religious Affairs and government.
The studies conducted to increase donation rates finds responses immediately. Encouraging applications done by Ministry of Health in recent years raised the donation rates to some extent. Thanks to campaigns, donation rates had increased 259% between 2007 and 2014. After the legal regulations for increasing donation that was supported by effective and comprehensive advertisement campaigns between 2010 and 2014, donation growth rate was almost 140% (by the end of 2013, 51.6 ppm). Even though these results may seem promising, the vast majority of donations are from living donors and generally close relatives (by the end of 2013, 46.6 ppm). Turkey is ranked as the first on living donation rates. On the other hand, deceased kidney donation ratios are relatively small with respect to European countries (5 ppm). Turkey is well ahead around the world in living donor ratios. The explanation of this result is: the recipients who cannot find a donor from his close vicinity have to wait for a deceased donor but in general, cannot able to get any kidney. Death donation rate is far below than the average of the world. In this context, studies to increase deceased donation rates should be conducted.

Tracking system that is organized by Ministry of Health within the entire country is tracking and allocating is done effectively. Even this tracking system, which is attached to a regulation, has some faults; it is being actively and helpfully. But this system is tracking already registered patients and donors. Possible donors cannot be known. At this point, the main duty is on medical personnel who work at intensive care units and/or emergency units. Employees in charge at these critical units, especially doctors, could be trained to persuade the families to donate the organs of the deceased. Doctors and personnel are usually refraining from asking this type of question. Regular educations are given to the staff of dialysis and transplantation units by Ministry of Health periodically. With attempts about this subject, donation rates could be increased. While this kind of demand does not have any illegal aspect; every study will turn as a benefit from many aspects since this kind of attempt would be an encouragement to save lives.

\[\text{6 For further information please check www.irodat.org registry reports.}\]
\[\text{7 Daily donor tracking system can be seen at the website: https://organ.saglik.gov.tr/web/}\]
5. ENCOURAGING BEING A LIVING DONOR

The effect of monetary incentive on kidney donation rates is analyzed. The quantity of the monetary incentive and the effect of it is investigated. In addition to this, some mechanisms that encourage being a living donor must be settled.

There some reasons to avoid from being a living donor. First of all, being a living donor is scary for most of the people. Living with a deficit organ may cause many problems. However, a missing kidney will not affect the quality of life significantly. Apart from heavy-duty employees and sportsmen, living with single kidney does not constitute a problem. “Kidney failure” defines malfunctioning of both kidneys. For this reason, studies for increasing the donation must explicitly explain that there will be no difference about quality of life after the donation.

One of the drawbacks is about religious concerns. Vast majority of the Turkish people have this concern. “Deceased body must have integrity” is the common consensus. Religious Affairs had given fatwa about organ donation, so there is not any inconvenience. This issue should be expressed at every possible platform by Ministry of Health.

Another concern is about people’s lack of trustworthy towards the system. Individuals think that their medical records can be taken by third parties and can be used to find a matching donor and tracked. It should be clarified that these records are confidential and can only be seen by authorized staff.

Possible donor candidates are afraid of dying during the surgery. In 2014 there is not any recorded death during surgery and only one donor died because of post-surgery complications from 4,263 transplantation. Death risk during this kind of surgery is less than dying because of a car accident. Average death ratio around the world is less than 0,1 %, which is much more than Turkey’s average. For this reason, it should be clearly explained that death risk during the surgery is almost zero.

Broad and comprehensive explanations have to be done while the donor is registered. By clarification of every risks and gains explicitly and completely, there will not be any questions on the head. General knowledge is not clear so there is not any clearance among individuals. Clear information must be given to the registered donors and hesitates must be eliminated. This informative
explanation will create a domino effect and lead the registered donors to persuade non-donors (Thiessen et al.: 2013, Parekh et al.: 2008).

6. CONCLUSION

The calculations done in this article are not related with co-modification of human body. It is aimed to determine the amount of monetary incentive in order to meet the kidney need that is rising day by day. An approach is done about the quantity of the optimum payment amount. The purpose is not buying a kidney but compensating the loss (this loss should be separated as time, health and quality of life) of consenting donors.

The analysis shows that monetary incentive will get excessive gain for both the individuals and also health and insurance system perspective. The amount of the payment that is calculated in the study is less than yearly dialysis costs. For this reason, applying monetary incentive for kidney donation will be advantageous. Legal regulations, ways of payment, quantity and procedure are subject of separate studies. At the studies conducted about kidney donation, it has been seen that people are more eager to donate their kidney instead of selling. On the other hand, different segment of the people consent to donate in return for monetary incentive. By this way, secondary possible donor candidates will be activated and also black market will be blocked.

7. DISCUSSION

“Monetary incentive” could be seen as “selling kidney” by large number of people. The distinction must be clearly understood. Furthermore paying incentives for kidney donation is accompanied by moral debates. The focus of discussion is about “co-modification of human body”.

It is emphasized that if selling kidney will be legalized the sellers will usually be poor people and social distinction will deepen. When the individuals become desperate, they try deriving gains and getting out of the problem without considering if it is legal or illegal. Because of that, black market prefers always poor and uncontrolled countries. Yet, it is not compulsory that the donor is poor. When families are reluctant to donate their deceased family member’s organ, monetary incentive would be persuasive.
Even a monetary incentive system is applied, it is not sure that all of the kidney demand will be covered. Many contestants cannot be “donor” because of their medical incompetence. The main reasons of that is alcohol consumption and genetic disorders.

REFERENCES


Inflation Threshold Effect on Economic Growth in Turkey

Dr. Ömer Esen
Muğ Alparslan University

Dr. Celil Aydın
Muğ Alparslan University

Dr. Recai Aydın
Turkish Police Academy & International University of Sarajevo

ABSTRACT

In this study, the role of inflation threshold effect on economic growth has been investigated for Turkey in the 2002:Q1 - 2015:Q1 period. At the first stage, inflation threshold value has been detected. After that, inflation-economic growth relation has been examined using threshold autoregressive (TAR) model. Results indicate that there is a nonlinear relationship between inflation and growth rate; the threshold for the influence of inflation on economic growth is 8.89 %; and an inflation rate above this threshold has a negative influence on economic growth while an inflation rate below this threshold has a positive influence on economic growth. In this regard, it is important to achieve sustainable growth, which plays a crucial role in increasing the efficiency of implemented monetary policies and assuring stability. Therefore, political and economic decision-makers should not ignore the concept of threshold within the scope of monetary policy while determining the target inflation rate in their efforts to deal with inflation.

Keywords: Inflation Threshold, Economic Growth, Inflation Target, Threshold Autoregressive Model.
1. INTRODUCTION

The primary objective of macroeconomic policies is to ensure a sustainable growth. A sound sustainable growth of an economy depends on its structural characteristics before all. In this regard, a steady and sustainable growth process in a country depends on the quality of macroeconomic structure that does not harm the level of savings, production, and investments (i.e. consumption decisions) and thus growth. The prerequisite for making economic growth steady and strong (i.e. having a sustainable growth process) is creating a sound macroeconomic structure (Fischer, 1993). While it is productivity growth that constitutes the dynamics of sustainable growth, it is the continuation of investments that provides a source for it. A steady growth hinges on a steady production and real investments that are to support production. A sound economic structure and a sustainable economic growth performance are largely related to the level of price stability. A failure in achieving price stability, which refers to an inflation rate low enough not to affect the investment, consumption, and savings decisions of economic decision units, will lead to an uncertainty for economic units, affect prospective decisions, and drive units to indecision about consumption and investment.

The academic literature contains a lot of theoretical studies on the costs of inflation. The clearest effects of inflation manifest themselves at the stage of decision-making by consumers and investors. Uncertainty resulting from hyperinflation leads individuals and companies to turn to risk free ways of making profit to protect themselves from the detrimental effects of inflation rather than making consumption or investment. This reduces investments, the basic input of production growth, and causes a lower economic growth in the long term. Making it difficult for financial markets to make predictions about the future, hyperinflation lessens the efficiency of the credit market and thus the amount of loans to be used. This, in turn, prevents both consumers and producers from taking out long term loans. The uncertainty caused by inflationary environment decreases the competitiveness of economies in the international markets and adversely affects the balance of foreign trade. Moreover, it causes foreign capital inflow into a country to be short-term in general, thereby increasing the fragility of the economy. Long-term direct investments that can promote growth will not prefer this environment.
Inflation is not only an economic problem. It is a balls-up that affects both the society and individuals living in it in many aspects. Hyperinflation both intensifies macroeconomic imbalances and negatively affects distribution of income in countries. Inflation increases impoverishment by harming the low-income segment of the society more. In an inflationary environment, the segment having a possibility to make saving can enjoy high real interest rates whereas the segment having a relatively lower income level cannot do the same, which disrupts income distribution more in the course of time. Hence, it is a must to ensure price stability, which has significant influences on investment and consumption, so that a steady and sustainable growth is achieved. In the end, price stability will bring along economic stability, lead to a high and sustainable growth, and as a result raise the life quality of people (TCMB, 2004: 12).

Price stability contributes to sustainable economic growth and economic welfare by helping uncertainty caused by hyperinflation be eliminated. As a matter of fact, a lot of central banks try to ensure price stability by keeping inflation under control at the present time. In this sense, the effects of inflation on growth have frequently been discussed in the economics literature for many years. Although there are a lot of empirical and theoretical studies investigating the relationship between inflation and growth, no certain trend is observed in these studies in regard to the direction and effects of such relationship. There is a vast literature reporting that inflation has no effect on economic growth (Wai, 1959; Dorrance, 1966; Sidrauski, 1967; Chowdhury, 2002); inflation positively affects economic growth (Mallik and Chowdhury, 2001; Rapach, 2003; Benhabib and Spiegel, 2009); and inflation negatively affects economic growth (Fischer, 1983; Barro, 1995; Valdovinos, 2003).

On the other hand, recent studies have employed some new methods that are based on the assumption that the relationship between inflation and growth is not linear in order to reveal the relationship between the variables more clearly. In general, these new methods suggest that inflation may affect economic growth negatively after a specific threshold value is exceeded. Though different results have been obtained in the studies carried out in this matter, all the studies show that clearer results are obtained when the effects of inflation rates on growth are researched by paying regard to the threshold values in models. Thirlwall and Barton (1971), who were among the firsts to test the inflation-growth relationship, emphasize that inflation positively affects growth, but this relationship turns out to
be negative in countries where inflation rate is over 10%. The research by Fischer (1993) is among the leading studies indicating that the relationship between inflation and growth is not linear. Fischer (1993) argues that low inflation may have positive effects on growth in the long term, but inflation will have negative effects on growth if inflation rate rises. Sarel (1996) states that there is a strong negative relationship between high inflation rates and growth and the break point is 8% in this matter. He does not report any finding indicating that there is a clear negative relationship below this threshold. Bruno and Easterly (1998) claim that there is no relationship between inflation and growth in the long term, and the relationship between the variables is negative only in the periods in which crises resulting in hyperinflation are experienced. Khan and Senhadii (2001) investigated whether there is a non-linear relationship between inflation and growth in industrialized and developing countries and estimated the inflation threshold to be 1-3% for industrialized countries and 7-11% for developing countries. They concluded that an inflation rate over this threshold has a negative effect on economic growth, but has no effect on it below this threshold. In a similar study, Kremer et al. (2013) estimated the inflation threshold value to be 2% for industrialized countries and 17% for non-industrialized countries.

Omay and Kan (2010) conducted a study with the data of six industrialized economies and calculated the threshold value to be 2.52%. In parallel with these results, Gylfason and Herbertsson (2001) found out that an inflation rate exceeding 10-20% on an annual basis negatively affects economic growth. Investigating the relationship for Pakistan economy, Mubarik (2005) determined the threshold value to be 9%. On the other hand, Munir et al. (2009) found the threshold value to be 3.89% for the Malaysian economy. A similar study was carried out by Hasanov (2011) for Azerbaijan, which is a transition economy. In that study, the inflation threshold value was found to be 13%. Vinayagathasan (2013) investigated this relationship for 32 Asian countries and found the threshold value to be 5.43%. It was seen in that study that an inflation rate above threshold value has a negative effect on growth whereas an inflation rate below it does not have any effect at all. Tung and Thanh (2015) calculated the threshold to be 7% in the case of Vietnam. Examining the inflation-economic growth relationship for Turkey through threshold analysis, Akgül and Koç (2008) determined the inflation threshold value to be 10.63%.
Today’s generally accepted view is that hyperinflation is a constraint for growth and has a negative effect on economic growth. This does not mean that stable economy requires zero inflation. Just as a little oil poured into the bicycle chain makes the bicycle work better, low inflation rates may encourage producers and contribute to growth. Here, the threshold value is the minimum inflation limit in which there is price stability and inflation is not likely to affect individuals’ consumption, investment, and savings decisions. If this threshold is determined, the policies to be followed will be set more effectively and higher success will be achieved in the implementation of the policies.

Macroeconomic problems, inflation being in the first place, in Turkey were the main determinants of the economy along with the movements of globalization becoming intense as of the 1980s. In this process, the Turkish economy followed an outward-oriented policy and took important steps for the liberalization of foreign trade, adoption of an industrialization strategy for export, and reconstruction of financial markets. As a complement of the globalization process, international capital movements were completely set free in 1989. In addition, privatization initiatives were accelerated within the framework of the attempt to reconstruct the public sector. All these structural changes were made without creating a competitive environment in goods, money, and capital markets, bringing them into force, and making necessary arrangements (Bayrak and Esen, 2013). Moreover, as the stability of financial markets was disrupted and a growth trend with ups and downs prevailed in Turkey, a series of crucial crises were experienced in the 1990s and especially in November 2000 and February 2001. As a result, the Transition to the Strong Economy Program was launched in April 2001 within the scope of the policies and measures for bringing stability to the economy and having a sustainable growth trend in the post-2001 period (CBRT, 2001). The objectives of this program were to reduce inflation, to achieve fiscal discipline, and to create an appropriate environment for economic growth. After that, the Central Bank of Turkey adopted the “Inflation Targeting” monetary policy strategy in 2002 in order to fight against inflation. The resultant economic and political stability made the Turkish economy go into a steady economic growth trend.

The Implicit Inflation Targeting Regime was applied as monetary policy in Turkey between 2002 and 2005 in order to ensure price stability. As it was thought that prerequisites had been fulfilled by 2006, the Explicit Inflation Targeting Regime was adopted from then on.
The present study seeks to determine whether the Turkish economy can reach its sustainable growth targets while fighting against inflation. In this regard, the purpose of this study is to determine the relationship between inflation and economic growth in the post-2002 period in which structural reform packages were put into practice after it had been realized by the 2000s that the negative economic situation could only be overcome by solving the structural problems in the economy. To this end, a two-regime threshold autoregressive (TAR) model was employed to test whether the magnitude of the inflation rate is important for economic growth. This study is believed to make a great contribution to the literature about the foundations of the economic development in Turkey. Moreover, this study is an attempt to help debates on the relationship between inflation and growth, which mostly do not have sound theoretical and empirical bases in Turkey, be grounded on appropriate bases. This paper firstly discusses the possible effects of inflation on economic growth. Then the theoretical and empirical literature dealing with the relationship between inflation and growth is focused on. After that, the relationship between inflation and growth in the period between 2002 and 2015, in which important changes took place in the quality of economic growth and inflation as a result of the program put into practice by Turkey in 2001, and whether there is any threshold value in this relationship will be examined. Finally, the consistency of the obtained findings with the existing literature will be evaluated.

2. ECONOMETRIC METHODOLOGY AND MODEL

2.1. The Econometric Model

To investigate the relationship between inflation and economic growth, a neoclassical growth model was created based on the model employed by Kremer et al. (2013). This model is demonstrated in Equation (1):

$$\dot{Y} = \delta_0 + \delta_1 \left( \frac{L}{Y} \right) + \delta_2 \hat{L} + \delta_3 \hat{\pi} + \delta_4 \hat{z} + \epsilon_t$$ (1)

In equation (1), $\dot{Y}$ indicates the growth rate of real GDP at $t$ time; $L_t/Y_t$ indicates private gross fixed capital formation as a share of GDP at $t$ time; $L_t$
indicates labor force growth rate at \( t \) time; \( \pi \) indicates inflation rate at \( t \) time; \( z \) indicates control variables; and \( e \) indicates white noise error term.

One of the basic assumptions of the neoclassical growth theory is that countries converge each other. The growth rates of countries vary by the initial state of economy in all models that involve the transition dynamics. The hypothesis that countries converge each other assumes that underdeveloped countries grow faster than developed countries. The basic foundation of hypothesis is the existence of returns decreasing by scale in production (Ramirez and Rondan, 2013:36-37). Therefore, in our model, the former real GDP per capita growth rate values were used as an initial. New model is demonstrated in Equation (2);

\[
\dot{Y} = \delta_0 + \delta_{\text{initial}} + \delta_2 \left( \frac{L}{Y} \right) + \delta_3 L + \delta_4 \pi + \delta_5 z + e
\] (2)

2.2. Methodology

In economies, problems such as economic or political crises emerging in domestic and foreign markets lead to breaks in time series (Akgül and Özdemir, 2012: 91). Breaks may bring about a nonlinear structure in econometric models. That has led to the development of nonlinear models that can represent regime switches (shifts) and estimation methods for these models.

One of the most frequently used methods in estimation of nonlinear models is the Threshold Autoregressive Model (TAR) which was proposed by Tong (1978) and developed by Tsay (1989) and Hansen (1996, 1999, and 2000). The basic feature of this model is its determination of one or more threshold values, thus allowing the estimation of different linear models for different regimes. In this model, the value that indicates the regime switching is threshold, while the variable causing the regime switching is called threshold variable.

The linear model derived from the Equation (2) provides a structure for estimating the impact of inflation on economic growth, but it does not give us information about how the changes in inflation rate affect the relationship between the two variables. This indicates the existence of a nonlinear relationship between economic growth and inflation. The TAR model is one of the approaches used in estimating a nonlinear relationship. It allows determining the existence of
nonlinear relationship between the two variables and revealing the differences in the effect of this relationship on economic growth, if any.

Equation (3) is the two-regime TAR model that investigates the nonlinear relationship between economic growth and inflation (Hansen, 1996):

\[
Y_t = \alpha_0 + \sum_{i=1}^{p} \alpha_i Y_{t-i} + \varepsilon_{1t} I[f(s_{t-d} \leq \theta)]
\]

\[
Y_t = \beta_0 + \sum_{i=1}^{p} \beta_i Y_{t-i} + \varepsilon_{2t} I[f(s_{t-d} > \theta)]
\]

In the model indicated in the Equation (3), \(Y_t\) is the dependent variable; \(s_{t-d}\) is the threshold variable causing the regime switching; \(\theta\) is the threshold value; \(d\) is the delay parameter; \(p\) is the proper delay time; and \(\varepsilon_{1t}\) and \(\varepsilon_{2t}\) are independent and identical random error terms respectively. \(s_{t-d} \leq \theta\) follows an autoregressive process with parameters \(\alpha_0\) and \(\alpha_i\), while \(s_{t-d} > \theta\) follows a different autoregressive process with \(\beta_0\) and \(\beta_i\). The linear model Equation (2) which estimates the effect of inflation on economic growth can be transformed into a two-regime TAR model and expressed as in Equation (4) as follows:

\[
\hat{Y}_t = \left(\delta_{10} + \delta_{11} \text{initial} + \delta_{12} \left(\frac{l_t}{Y_t}\right) + \delta_{13} \hat{L}_t + \delta_{14} \hat{P}_t + \delta_{15} \text{Openness}_t + \delta_{16}\right) I[\pi_{t-d} \leq \theta]
\]

\[
+ \left(\delta_{20} + \delta_{21} \text{initial} + \delta_{22} \left(\frac{l_t}{\hat{Y}_t}\right) + \delta_{23} \hat{L}_t + \delta_{24} \hat{P}_t + \delta_{25} \text{Openness}_t + \delta_{26} \text{Tot}_t\right) I[\pi_{t-d} \leq \theta]
\]

In the Equation (4), \(\hat{Y}_t\) is the dependent variable; \(\pi_t\) is the independent variable; \(\delta_{10}\) and \(\delta_{20}\) are constant parameters; \(l_t/Y_t, \hat{L}_t, \text{Tot}_t, \text{Openness}_t\) and \(\text{Tot}_t\) are control variables; \(l_t(\theta)\) is the indicator function; and \(\varepsilon_t\) is the independent and identical random error term. The indicator function is \(I = 1\) where \(l_t(\theta) = [\pi_{t-d} \leq \theta], \pi_{t-d} \leq \theta d, \text{and}\ I = 0\) otherwise.

In creating the TAR model, Akaike or Schwarz information criterion is used to select the proper delay time \((p)\) of the threshold variable for the linear AR model. Then the delay parameter \((d)\) is selected through a nonlinearity testing separately conducted for each delay and the non-rejection of the null hypothesis
that represents nonlinearity. Then the threshold number and threshold values are determined. Finally, different linear models are constructed for different regimes, and these models are estimated (Akgül and Özdemir: 2012: 92).

The linearity test is conducted by using the statistic \( F(p, d) \) that follows an \( F \) distribution. Following is the Equation (5) involving the formula for the \( F(p, d) \) statistic:

\[
F(p, d) = \frac{(\Sigma \hat{e}_i^2 - \Sigma \hat{e}_i^2)/(p+1)}{\Sigma \hat{e}_i^2/(n-d-b-p-h)} \tag{5}
\]

In the Equation (4), \( \hat{e}_i^2 \) indicates the residual sum of squares (RSS) obtained by using recursive least squares from the autoregressive process arranged as AR\((p)\) for the observation \( n \), while \( \hat{e}_i^2 \) is the RSS derived from the linear regression model by using least squares. \( p \) indicates the proper delay, and \( d \) indicates the delay parameter. \( b \) and \( h \) are computed via \( b = (n/10) + p \) and \( h = p+1-d \) respectively (Tsay, 1989:233). In testing the existence of the threshold value, likelihood ratio (LR) and bootstrap method are used since the threshold value is unknown (Hansen, 2000:582). Equality of coefficients across different regimes in LR testing is tested under a null hypothesis \( \alpha_i = \beta_i i = 0,1,...,p \) of no threshold effect for the Equation (3). The test statistic \( LR_j \) is calculated through the formula in the Equation (6):

\[
LR_j = \frac{\sigma_0 - \sigma_1(\hat{\theta})}{\hat{\sigma}^2} \tag{6}
\]

In the Equation (6), \( \sigma_0 \) and \( \sigma_1 \) are RSS values estimated under the null hypothesis (\( H_0 \)) and the alternative hypothesis (\( H_a \)) respectively. \( \hat{\sigma}^2 \) indicates the variance of error terms. In case of the rejection of the null hypothesis, the new hypothesis for threshold value is \( H_0: \theta = \theta_0 \), and the likelihood statistic \( LR \) in the Equation (6) turns into the one in Equation (7):

\[
LR_2 = \frac{\sigma_1(\hat{\theta}) - \sigma_1(\hat{\theta})}{\sigma_1(\hat{\theta})} \tag{7}
\]

In the Equation (3), the threshold value \( \theta \) is estimated by using ordinary least squares (OLS), and the optimal threshold value is computed via \( \hat{\theta} = \)
arg\min_{\gamma}(\theta) \quad (Hansen, 2000:578). After determining the threshold value, the appropriate TAR model is constructed.

2.3. Data

This study aims to reveal the relationship between inflation and economic growth in Turkey based on the quarterly data of the period from 2002:Q1 to 2015:Q1. To this end, GDP growth rate (\textit{Growth}) is used to measure the growth rate. The independent variable of the model is inflation rate (\(\pi\)). The inflation rate was calculated as the annual percentage change occurring in the consumer price index (CPI). In order to see the influences of other macroeconomic variables associated with inflation on economic growth, the share of gross domestic fixed capital formation in GDP (\textit{InvGr}), labor force growth rate (\textit{LabGr}), the logarithmic value of the share of export and import in GDP in representation of openness (\textit{Openess}), and terms of trade (\textit{Tot}) were used, based on Khan and Senhadji (2001), Drukker et al. (2005), and Kremer et al. (2013), as control variables in the present study.

Data concerning GDP growth rate, the share of gross domestic fixed capital formation in GDP, and labor force were obtained from the data delivery system of the CBRT. Data concerning other variables were obtained from the Federal Reserve System (FED). To eliminate seasonality from the data, the growth rates concerning the variables were calculated in a way to reflect the changes compared to the corresponding quarter of the previous year. Table 1 shows the basic information about the variables.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Explanation</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>\textit{Growth}</td>
<td>Annual growth rate of Gross Domestic Product (Constant 1998 Prices)</td>
<td>%</td>
</tr>
<tr>
<td>\textit{InvGr}</td>
<td>Annual growth rate of Gross Domestic Fixed Capital Formation (Constant 1998 Prices)</td>
<td>%</td>
</tr>
<tr>
<td>\textit{LabGr}</td>
<td>Annual growth rate of Labor Force (Aged 15-65)</td>
<td>%</td>
</tr>
<tr>
<td>\textit{Tot}</td>
<td>The annual percentage change in the terms of trade, where the terms of trade are measured as exports divided by imports</td>
<td>%</td>
</tr>
<tr>
<td>\textit{Openess}</td>
<td>The share of exports plus imports in the GDP</td>
<td>Log</td>
</tr>
<tr>
<td>(\pi)</td>
<td>The annual percentage change of the CPI index</td>
<td>%</td>
</tr>
</tbody>
</table>
3. EMPIRICAL RESULTS

3.1 Testing the Presence of Threshold Effect

The analysis starts with the calculation of some statistics concerning the variables used in the model. The obtained results are given in the Table 2.

**Table 2: Descriptive Statistics**

<table>
<thead>
<tr>
<th></th>
<th>Growth</th>
<th>InvGr</th>
<th>LabGr</th>
<th>Tot</th>
<th>Openes</th>
<th>π</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.687</td>
<td>24.134</td>
<td>1.298</td>
<td>1.007</td>
<td>3.789</td>
<td>11.175</td>
</tr>
<tr>
<td>Std. deviation</td>
<td>5.387</td>
<td>2.243</td>
<td>2.232</td>
<td>10.752</td>
<td>0.162</td>
<td>8.963</td>
</tr>
<tr>
<td>Skewness</td>
<td>-1.589</td>
<td>-0.607</td>
<td>-0.089</td>
<td>-0.010</td>
<td>-3.161</td>
<td>3.016</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>6.692</td>
<td>3.091</td>
<td>2.277</td>
<td>2.813</td>
<td>16.312</td>
<td>12.345</td>
</tr>
<tr>
<td>JarqueBera p-value</td>
<td>0.000</td>
<td>0.319</td>
<td>0.652</td>
<td>0.973</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

As it is seen in the Table 2, the highest value of inflation rate is approximately 53.26%, and its lowest value is 4.25%. The mean value of inflation rate is 11.18%.

The correlation matrix concerning the explanatory variables used in the model is indicated in Table 3. According to the correlation matrix, the highest negative correlation (-0.404) is between Tot and LabGr, the highest positive correlation (0.291) is between π and Tot. Considering other correlation coefficients, they vary between -0.315 and 0.233. This implies a lack of multicollinearity problem between the explanatory variables.

**Table 3: Correlation Matrix**

<table>
<thead>
<tr>
<th></th>
<th>InvGr</th>
<th>LabGr</th>
<th>Tot</th>
<th>Openes</th>
<th>π</th>
</tr>
</thead>
<tbody>
<tr>
<td>InvGr</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LabGr</td>
<td>0.216</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tot</td>
<td>-0.315</td>
<td>-0.404</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Openes</td>
<td>0.247</td>
<td>0.233</td>
<td>0.096</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>π</td>
<td>0.087</td>
<td>-0.047</td>
<td>0.291</td>
<td>0.129</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Augmented Dickey-Fuller stationary testing was conducted to show that the variables used in the model were stationary at level. The testing results are
presented in Table 4. According to the Augmented Dickey-Fuller test statistics, all the variables used in the model are stationary.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Intercept</th>
<th>Trend and Intercept</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>-3.386**</td>
<td>-3.494*</td>
</tr>
<tr>
<td>InvGr</td>
<td>-3.277**</td>
<td>-3.606**</td>
</tr>
<tr>
<td>LabGr</td>
<td>-1.718</td>
<td>-3.600*</td>
</tr>
<tr>
<td>Tot</td>
<td>-3.376**</td>
<td>-3.589**</td>
</tr>
<tr>
<td>Openess</td>
<td>-2.020</td>
<td>-2.688*</td>
</tr>
<tr>
<td>π</td>
<td>-5.092***</td>
<td>-3.606**</td>
</tr>
</tbody>
</table>

***, **, and * indicate significant at 1 per cent, 5 per cent, and 10 percent levels respectively.

After the variables were found to be stationary, the approach proposed by Tsay (1989) was used to reveal the nonlinear structure between inflation and economic growth. Table 5 shows the results of the linearity test for inflation rate depending on different delay parameters.

<table>
<thead>
<tr>
<th>d=1</th>
<th>d=2</th>
<th>d=3</th>
<th>d=4</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-stat</td>
<td>18.052</td>
<td>13.156</td>
<td>13.156</td>
</tr>
<tr>
<td>p-value</td>
<td>0.020</td>
<td>0.040</td>
<td>0.050</td>
</tr>
</tbody>
</table>

According to the probability and f-statistic values given in the Table 5, linearity was most strongly rejected for π in the first delay. Therefore, the delay parameter (d) for π was determined to be 1. The findings show that inflation rate implies a regime switching one period in advance. In that case, the threshold value for inflation is π_{t-1}.

The next step of the analysis was to find out whether there was a threshold value causing regime switch in the series concerning inflation, and if so, to determine the threshold number and value. The approach proposed by Hansen (1996, 2000) was used in determining and estimating the threshold value leading
to regime switching. The LR statistics estimated via RATS 8.0 and Matlab 7.0.4 as well as the threshold value concerning these statistics are presented in Table 6 for \( \pi_{t-1} \). LR statistics were obtained using 5000 bootstrap replications.

### Table 6: Threshold Test Results

<table>
<thead>
<tr>
<th>Threshold variable: ( \pi_{t-1} )</th>
<th>Threshold value</th>
<th>LR</th>
<th>Bootstrap p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st threshold ( H_0: \text{Eşikdeğer yokturst} )</td>
<td>8.89 %</td>
<td>18.052</td>
<td>0.020</td>
</tr>
<tr>
<td>2nd threshold ( H_0: \text{Bireşikdeğerivardır} )</td>
<td>-</td>
<td>2.079</td>
<td>0.721</td>
</tr>
</tbody>
</table>

According to the Table 6, for inflation, delay parameter was found to be \( d=1 \); LR statistic was found to be 18.052; and bootstrap probability value was found to be 0.020. At the 5% significance level, the null hypothesis \( H_0 \) that the series has no threshold value was rejected for inflation. Another hypothesis was constructed to test the existence of a second threshold value. LR statistic was found to be 2.079, and bootstrap probability value was found to be 0.721. At the 5% significance level, the null hypothesis \( H_0 \) that the series has a threshold value was not rejected, and it was concluded that the series had one threshold effect. At the end of the analysis, the relationship between inflation and economic growth was found to be nonlinear, and the threshold value was found to be 8.89% for inflation. This finding of the study is consistent with the inflation suggested for developing countries by Khan and Senhadji (2001) (11-12 %); Akgül and Koç (10.63 %); and Akgül and Özdemir (2012) (monthly 1.26%).

### 3.2. The Relationship between Inflation and Economic Growth

TAR model was estimated to determine whether the effect of inflation on economic growth differs above and below the threshold value and to identify the direction of such effect. The TAR model displaying the relationship between inflation and economic growth below and above the inflation threshold value was obtained based on the equation no (4). The Table 7 below presents the estimation results concerning the two-regime TAR model revealing the relationship between inflation and economic growth below and above the threshold.
Table 7: Regression Results (*Dependent variable: Growth*)

<table>
<thead>
<tr>
<th>Threshold value ($\pi_{t,1}$)</th>
<th>Linear model</th>
<th>Regime (1) $\leq 8.89%$</th>
<th>Regime (2) $&gt;8.89%$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>InvGr</strong></td>
<td><strong>0.549</strong></td>
<td><strong>0.398</strong></td>
<td>0.672</td>
</tr>
<tr>
<td></td>
<td>(0.268)</td>
<td>(0.223)</td>
<td>(0.354)</td>
</tr>
<tr>
<td><strong>LabGr</strong></td>
<td><strong>0.687</strong></td>
<td><strong>0.742</strong>*</td>
<td>0.074</td>
</tr>
<tr>
<td></td>
<td>(0.281)</td>
<td>(0.226)</td>
<td>(0.361)</td>
</tr>
<tr>
<td><strong>Tot</strong></td>
<td><strong>-0.272</strong>*</td>
<td><strong>-0.181</strong>*</td>
<td><strong>-0.652</strong>*</td>
</tr>
<tr>
<td></td>
<td>(0.063)</td>
<td>(0.057)</td>
<td>(0.078)</td>
</tr>
<tr>
<td><strong>Openness</strong></td>
<td>2.616</td>
<td>1.170</td>
<td>69.672***</td>
</tr>
<tr>
<td></td>
<td>(3.628)</td>
<td>(2.694)</td>
<td>(12.010)</td>
</tr>
<tr>
<td><strong>II</strong></td>
<td>1.891</td>
<td>1.886</td>
<td>-9.384*</td>
</tr>
<tr>
<td></td>
<td>(2.648)</td>
<td>(2.320)</td>
<td>(4.276)</td>
</tr>
<tr>
<td><strong>Initial</strong></td>
<td>-5.305</td>
<td>-10.476**</td>
<td>-19.680**</td>
</tr>
<tr>
<td></td>
<td>(4.853)</td>
<td>(4.252)</td>
<td>(7.490)</td>
</tr>
<tr>
<td><strong>Constant</strong></td>
<td>66.638</td>
<td>164.284**</td>
<td>82.848</td>
</tr>
<tr>
<td></td>
<td>(83.662)</td>
<td>(73.588)</td>
<td>(104.974)</td>
</tr>
<tr>
<td><strong>Obs.</strong></td>
<td>37</td>
<td>25</td>
<td>12</td>
</tr>
<tr>
<td>R(^2)</td>
<td>0.71</td>
<td>0.78</td>
<td>0.97</td>
</tr>
</tbody>
</table>

***, **, and * indicate significance at 1 percent, 5 percent, and 10 percent levels respectively. Estimation period is 2002:Q1 to 2015:Q1. Values in parentheses are standard errors.

The linear model in the Table 7 shows the linear relationship between inflation and economic growth. Regime 1 and regime 2 demonstrate the relationship between inflation and economic growth when inflation is below the threshold and when inflation is above the threshold respectively. The linear model results indicate that there is a positive relationship between inflation and economic growth that is insignificant at 5% significance level. According to the regime 1 presenting the situation when the inflation is below the threshold value, there is a statistically insignificant positive relationship between inflation and economic growth when the inflation is below 8.89%. The fact that the relationship below the threshold value is insignificant means that a low inflation rate that does not affect the investment, consumption, and savings decisions of economic decision makers does not have a restrictive effect on growth or is not important for growth. On the other hand, according to the regime 2 presenting the situation when the inflation rate is above the threshold value, there is a statistically significant negative relationship between inflation and economic growth at 10% significance level. In other words, even if an inflation rate below the threshold value has a positive effect, though a statistically insignificant one, on economic growth, an inflation rate above the threshold value affects it negatively. When the regime coefficients
are considered, it is seen that the effect of inflation rate on economic growth is stronger in the regime where the inflation rate is above the threshold value.

All in all, the findings concerning the estimated model can be summarized as follows; The analysis of the 2002:Q1-2015:Q1 period shows that the regime shift in the series about inflation rate can be foreseen one period in advance. In other words, the shift to occur in inflation rate gives its sign one period in advance. The inflation-economic growth relationship is not linear, follows a one-threshold and two-regime course, and varies below and above the threshold value; inflation has an insignificant positive effect on economic growth below the threshold value; and inflation has a significant negative effect on economic growth above the threshold value.

4. CONCLUSION

Macroeconomic problems, inflation being in the first place, in Turkey were the main determinants of the economy along with the movements of globalization becoming intense as of the 1980s. In this process, all the structural changes were made without creating a competitive environment in goods, money, and capital markets, bringing them into force, and making necessary arrangements. Moreover, as the stability of financial markets was disrupted and a growth trend with ups and downs prevailed in Turkey, a series of crucial crises were experienced in Turkey in the 2000s. As a result, the Transition to the Strong Economy Program was launched in April 2001 within the scope of the policies and measures for bringing stability to the economy and having a sustainable growth trend in the post-2001 period. After that, the money authority of Turkey adopted the inflation targeting regime as a monetary policy strategy in 2002 in order to fight against inflation. The resultant economic and political stability made the Turkish economy go into a steady economic growth trend. In this regard, this study aimed to reveal the relationship between inflation and growth in the period involving 2002 and the years following it in which inflation targeting was adopted as a monetary policy strategy. Moreover, this study was an attempt to help debates on the relationship between inflation and growth, which mostly do not have sound theoretical and empirical bases in Turkey, be grounded on appropriate bases.

The present study sought to determine whether the Turkish economy can reach its sustainable growth targets while fighting against inflation. Accordingly,
the non-linear relationship between inflation rate and economic growth and the role of the inflation threshold value in this relationship were examined for Turkey in the 2002:Q1-2015:Q1 period. To this end, the TAR model proposed by Tong (1978) and developed by Tsay (1989) and Hansen (1996, 1999, and 2000) was used. The obtained findings involve evidences showing that there is a non-linear relationship between inflation and economic growth in Turkey in the long term. The estimated critical value was calculated to be 8.89%. It was found out that the effect of inflation rate on economic growth differs below and above the calculated threshold value. It was determined that an inflation rate above the threshold value has a significant restrictive effect on economic growth. However, no finding was obtained to indicate a clear negative relationship below the threshold value. These results imply that a low inflation rate that does not affect the investment, consumption, and savings decisions of economic decision makers does not have significant negative effects on growth. This study suggests that the negative effects of low inflation on growth may decrease in the long term, but such effects may turn into negative as inflation rate rises. This highlights the importance of the Central Bank’s sustaining its determined attitude in the fight against inflation. Hence, it can be said that when inflation is above a specific threshold value, the fight of the Central Bank against inflation will not shrink real production in the long term, rather will promote growth and employment thanks to the falls in inflation.

REFERENCES


Bayrak, M., & Esen, Ö. (2013). Examining the policies in Turkey that have been implemented during the structural reform process from the standpoint of growth-unemployment. International Journal of Economics and Finance, 5(6), 134-150. http://dx.doi.org/10.5539/ijef.v5n6p134


Hansen, B. E. (1196). “Inference when a nuisance parameter is not identified under the null hypothesis”. Econometrica: Journal of the econometric society, pp. 413-430.


The Relationship between Organizational Cynicism and Burnout: A Field Research in Health Sector

Kemalettin Eryeşil
Selçuk University

Mehtap Öztürk
Selçuk University

ABSTRACT

Organizational Cynicism can be defined as the negative attitude of an employee towards the organization he/she is working for. On the other hand, the burnout is defined as, emotional exhaustion, depersonalization and a low feeling of personal accomplishment, which the business people in intense relationship with other people as a requirement of his/her job face. The aim of this study is to determine the relationships between the burnout levels and organizational cynicism of the individuals working at health institutions, where service for the people is in the forefront. Accordingly, a field research based on survey method was conducted on the employees of a health institution operating in the province of Konya. The findings of the research show that there is a positive statistically significant relationship between organizational cynicism and burnout.

Keywords: Burnout, Cynicism, Organizational Cynicism, Healthcare Management.

JEL Classification: J23 D23
1. INTRODUCTION

Organizational cynicism is employees’ belief that organizations lack ethical integrity and principles such as justice, honesty and sincerity are sacrificed for organizational benefits. Over the years, researchers have become more interested on issues relating to organizational cynicism. The concept of cynicism has become the subject of various disciplines in social sciences like philosophy, religion, political science, sociology, management, and psychology (İnce and Turan, 2011: 105). In addition, burnout to be a significant topic of interest for researchers of organizational behavior and human resource management. In the literature, studies handling cynicism and burnout together are few. And it is possible to say that in the studies that have been made so far, burnout phenomenon has been handled in individual base and cynicism phenomenon has been handled in administrative base (Fettahlioğlu, 2015: 179). Therefore, this research would like to investigate the relationships between organizational cynicism and burnout. Revealing the relation about mentioned variables will contribute both to the theory since there is no similar study in the field. Within this frame, hypotheses were formed first in this study by drawing organizational framework about variables contained by the study, then the application made for testing the hypotheses took place.

2. LITERATURE REVIEW

2.1. Organizational Cynicism

The word of cynicism has been derived from the words of “Zynîsmus” formerly and “Kynîsmus” later on. Nietzsche also used cynicism as “Cynîsmus” in the 19th century. In the English literature this word is used as “Cynicism” (Shea, 2009: 2). Cynicism is an attitude of being pessimistic about secret and undisclosed purposes of people and explaining the events in a disappointed way; a tendency of caring about the others and managing the business just as a tool for protecting and improving their benefits (Moutner, 1997: 119; Tokgöz and Yılmaz, 2008: 285). Anderson and Bateman (1997) named a person as “cynical” who believes in that people solely look after their own interests and value their own interests above everything and accepts everyone as self-seeker accordingly and named the thought describing this situation as “cynicism” (Anderson and Bateman, 1997: 449-469; Altnöz et al, 2011: 289). Besides definitions explaining cynicism as a personal
property and feeling of individual, in many researches cynicism is defined as a negative attitude towards changing environmental factors (Anderson and Bateman, 1997: 450). Individuals can show these negative attitudes towards their organization as well as changes in their environment. In this respect, the concept of organizational cynicism is developed. Organizational cynicism is negative attitude of the individual to the organization (Dean et al, 1998: 345). This negative attitude comes up with the emergence of the faith of lack of integrity towards the organization in which person works (Abraham, 2000: 270).

Although many definitions were produced about cynicism, one of the most commonly used definitions is that of Dean et al. (1998). According to Dean et al. (1998), the concept of organizational cynicism is negative attitudes that employee develops about his/her organization that employ him/her and these attitudes are handled in three dimensions (Dean et al, 1998: 345).

According to the cognitive dimension of organization cynicism, individuals showing cynical attitudes have some certain beliefs. Accordingly, organizations lack a solid understanding of organizational principles and official rules are ignored by employees. In these organizations, there are no such criteria as honesty, sincerity and justice. Relations are carried out depending on the individual interest and there is no confidence in the other employees in the organization (Balıkçıoğlu, 2013: 23).

The affective dimension is the second dimension of organizational cynicism. This dimension of the organizational cynicism involves strong emotional reactions such as disrespect, anger, annoyance and embarrassment (Yüksel, 2015: 16). For example, cynical employees can feel anger and indignation towards their organization and they can hold in disrespect their organizations (Ahmadı, 2014: 25).

According to the behavioral dimension, individuals having cynical attitudes make pessimistic predictions about the future events within the organization. They can act in a negative way and most of the time they can behave in a way that humiliate the other people (Kalağan, 2009: 48). In this dimension, these cynical people use humour and sarcastic humour to express their cynical attitudes. Thus, with their cynical attitudes, these people can mock with the
organizational purposes, can rewrite their job descriptions and can make insulting comments (Bedük et al., 2015: 21).

2.2. Burnout Syndrome

Burnout syndrome has been first examined in the clinical trials and it has been defined as the situation of being exhausted because of wear, fatigue, power and energy loss or unaddressed requests over the domestic resources of the employee by Freudenberger in 1974 for the first time (Roy, et al., 2010:191; Yıldırım, et al., 2012:332; Uluköy, 2014: 214).

With that Maslach (1982) considered the burnout syndrome as a social problem (Maslach and Goldberg, 1998: 64), since it reflected the real experiences of people in business life; it became a concept that is begun to be examined in the organizational literature. From this point of view, burnout syndrome is defined as a long termed reaction against the chronic, emotional, and interpersonal stress resources in business environment (Maslach and Goldberg, 1998: 64).

In the literature, burnout is studied in three dimensions as emotional (fatigue) burnout, depersonalization and a sense of low personal accomplishment (Maslach and Jackson, 1984:134; Çelik et al, 2011:181).

Emotional exhaustion is defined as exhaustion of individual’s emotions and feelings toward the other people (Leiter and Maslach, 1988: 297; Bruce, 2009: 58; Yıldırım and İçerli, 2010:124). Depersonalization is defined as that the individual feels lack of emotion toward the people (Bruce, 2009: 58); his/her negative and inflexible attitudes toward the people he/she serves; that he/she becomes unreactive to the job (Budak and Sürgevil, 2005: 96); and that he/she behaves to the people like an object, says insolent words to the people, exhibits an indifferent and mocker attitude (Yıldırım and İçerli, 2010: 124). Reduced personal accomplishment represents the dimension of evaluating the own achievement of person and it means the decrease at the level of the sufficiency and efficiency in the business of individual (Maslach and Goldberg, 1998: 64).

Depending on the experienced burnout, it is seen that negative results in individual and organizational contexts emerge. Living chronic health problems, sense of tiredness and fatigue, sleep disorder, excessive weight gain and loss, and
as a way to cope with burnout, extreme use of caffeine, cigarette, alcohol and tranquilizer, being more prone to accidents and injury, feeling hostility, fear and concern, increase in the problems in social relations are among the individual results of burnout. Besides this, decrease in the employee performance, increase in the absenteeism, increase in the conflict in the workplace, decrease in the work quality, fall in job satisfaction, increase in labor turnover are among the negative results that burnout reveals in the organizational context (Çetin et al, 2011: 63).

3. RESEARCH METHODOLOGY

In this section of the study, information will be given about the aim, hypotheses, and findings of study realized by using the method of survey. In addition, whether or not the results obtained in the study were statistically significant will be assessed and whether or not the hypotheses are confirmed will be tested. The aim of study is to determine the levels of organizational cynicism and burnout of the employees of a health institute being active in a health sector in the province Konya. In the direction of this aim, the hypotheses developed in the scope of study were put in order as follows.

Hypothesis 1: “There is a statistically significant relationship between the level of organizational cynicism and emotional exhaustion of health staff”.

Hypothesis 2: “There is a statistically significant relationship between the level of organizational cynicism and depersonalization of health staff”.

Hypothesis 3: “There is a statistically significant relationship between the level of organizational cynicism and reduced personal achievement of health staff”.

In the study, in order to determine the levels of burnout, “Scale of Burnout”, developed by Maslach and Jackson (1981) and adapted to Turkish by Ergin (1992); and in order to determine the levels of organizational cynicism, “Scale of Organizational Cynicism” Brandes et al. (1999) used in their studies.

23% of those participating in the study is male, and 46% female. The mean age of participants is about 25.5 and the youngest participator is 21 years old and the oldest participator is 52 years old. When the total working duration of the
participants in the agency is analyzed, 48.4% of employees’ working life of is 1-3
years. 32.3% of them are the second position in quantity with 4-7 years of
experience. While 16% have 12 years and above experience, the 3.2% have 8-11
years experience.

Table 1: Internal Consistency Analysis Results of the Scales

<table>
<thead>
<tr>
<th>Scales</th>
<th>Cronbach’s Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Cynicism</td>
<td>0.703</td>
</tr>
<tr>
<td>Burnout</td>
<td>0.843</td>
</tr>
</tbody>
</table>

The scale of organizational cynicism’ Cronbach’s alpha (α) is 0.703 and
the scale of burnout is 0.843. It was precipitated that the scales were confident at
high degree (0.60>α>0.80).

Table 2: Descriptive Statistics of Scales

<table>
<thead>
<tr>
<th>Scales</th>
<th>Mean</th>
<th>St. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional Exhaustion</td>
<td>4.19</td>
<td>0.91</td>
</tr>
<tr>
<td>Depersonalization</td>
<td>3.71</td>
<td>1.07</td>
</tr>
<tr>
<td>Reduced Personal Achievement</td>
<td>3.90</td>
<td>0.87</td>
</tr>
<tr>
<td>Organizational Cynicism</td>
<td>3.86</td>
<td>0.82</td>
</tr>
</tbody>
</table>

Notes: (i) n=246. (ii) In the scale, 1 is in the meaning of “I definitely disagree” and 5, in
the meaning of “I definitely agree”. (iii) According to two way Anova Test of Friedman,
χ²=1938.00; p<0.001; the results are statistically significant.

When Table 2 is examined, it can be said that the answers of participants
associated with each dimension predominantly range in the high level. In other
words, the level of organizational cynicism is high. While the scores of the
dimension of burnout which is emotional exhaustion, depersonalization and
reduced personal achievement are at high level in the context of scale. This case
can be evaluated in such a way that employees reflect their genuine emotions to
their patients in the working environment.

According to the results of correlation analysis, it was identified that there
was a positive and statistically significant relationship (r=0.732, p<0.01) between
organizational cynicism and emotional exhaustion. In addition, it was identified a
positive directional and statistically significant relationship (r=0.799, p<0.01)
between organizational cynicism and depersonalization. Moreover, it was identified a positive directional and statistically significant relationship ($r=0.601$, $p<0.01$) between organizational cynicism and reduced personal achievement.

### Table 3: Correlation Analysis

<table>
<thead>
<tr>
<th>Scales</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Cynicism</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional Exhaustion</td>
<td>0.573</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depersonalization</td>
<td>0.427</td>
<td>0.700</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced Personal Achievement</td>
<td>0.679</td>
<td>0.777</td>
<td>0.748</td>
<td>1</td>
</tr>
<tr>
<td>(4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: **$p<.001$, *$p<.05$.**

### Table 4: Multiple Regression Analysis Results

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>$R^2$</th>
<th>Independent Variable</th>
<th>Beta</th>
<th>Std. Error</th>
<th>t</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Cynicism</td>
<td>0.451</td>
<td>Constant</td>
<td>0.198</td>
<td>0.412</td>
<td>0.481</td>
<td>52.386*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Emotional Exhaustion</td>
<td>0.223</td>
<td>0.14</td>
<td>3.235</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Depersonalization</td>
<td>0.239</td>
<td>0.104</td>
<td>4.079</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reduced Personal</td>
<td>0.265</td>
<td>0.117</td>
<td>3.115</td>
<td></td>
</tr>
<tr>
<td>Achievement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: **$p<.001$, *$p<.05$.**

When the results of regression analysis were examine that organizational cynicism has an effect on emotional exhaustion and the levels of emotional exhaustion accounted for the variance on organizational cynicism in the rate of 22.3%. Organizational cynicism has an effect on the depersonalization and the levels of depersonalization accounted for the variance on organizational cynicism in the rate of 23.9%. Organizational cynicism has an effect on the reduced personal achievement and the levels of reduced personal achievement accounted for the variance on organizational cynicism in the rate of 26.5%. In addition it was
concluded that the model put forward was statistically significant (p<0.05). In this direction H₁, H₂ and H₃ hypotheses were accepted.

4. CONCLUSION

In this study, the relationships between the organizational cynicism and burnout levels of the employees of health institute were scrutinized. According to the results of the study, it was determined that while the levels of organizational cynicism of the employees were in the high level and also their levels of burnout are high level. The burnout was assessed in three sub-dimensions and it was determined that there was statistically significant relationship between these sub-dimensions and organizational cynicism, also assessed in three sub-dimensions. It was concluded that there was a positive directional and statistically significant relationship between emotional exhaustion and organizational cynicism. There was a positive directional and statistically significant relationship between depersonalization and organizational cynicism. There was a positive directional and statistically significant relationship between reduced personal achievement and organizational cynicism. When the relationship between burnout and organizational cynicism was examined, according to the results of study, it was determined that there was a statistically significant relationship between the level of burnout and organizational cynicism of health staff. In addition, in the scope of study, it was identified that the levels of burnout of the individuals working in health institute affected their levels of organizational cynicism. In this context, that the further studies, due to some limitation in health sector, are carried out in the different sector in different sample size can be suggested in terms of generalizability of the study.

REFERENCES


Bruce, S.P.(2009). Recognizing Stress and Avoiding Burnout, Currents in Pharmacy Teaching and Learning, 1, 57–64.


Problematic Areas of the Services Offered by Local Governments and the Factors Effective on the Level of Public Satisfaction with Local Services: The Case of Antalya

Dr. Ali Şahin
Selçuk University

Yasin Taşpınar
Selçuk University

ABSTRACT

The subject of this study, which aims to make general determinations through the case of Konyaaltı in Antalya, is to find out which of the services offered by local governments involve malfunctions, and which factors have impact on the citizens’ level satisfaction with those services. In the study it will be tried to determine the order of importance of factors to impact citizen satisfaction with the services offered by the local governments, as well. Citizen satisfaction is very important for the local administrators, who intend to make the candidates of their political party win the next election as well as to achieve citizen satisfaction using the limited resources the local governments have. Therefore, giving some idea to the decision-makers of the local governments about the investments on which service area should be preferred or the efforts on which factors have better potential of satisfaction constitutes one of the main objectives of this study. Another objective of the study is to determine which services carried out by the local governments cause complaints about poor quality or dissatisfaction. In this study, the data obtained from a field study will be analysed the findings will be shared, after dealing with the literature about the subject and creating a basic conceptual framework.
1. INTRODUCTION

Local governments provide services for the citizens' benefit. The services provided by the local governments are the common field of the citizens' and the local administrators, who are elected by them. The quality of the services determines the current and future quality of the relationship between them. The better services will lead to the higher level of satisfaction and the more votes and support for the mayor and his/her party. The citizen profile changes with the changing profile of the global society. Citizen demands are not only politic or egocentric today; they are also social, environmental, equalitarian, global etc. In other words, the current local people are affected not only by local issues and news-sources, but also by the global ones.

The citizens of our day want the services provided to them to be quality enough. The understanding of "what the public institutions offer is consumed by the citizens" is no longer valid. It has been inevitably supplanted by the approach of "provision in accordance with the demands of the citizens" (Ardiç, Yüksel and Çevik, 2004, 64). The services offered should match with the ones demanded in terms of both name and quality. Otherwise, the aim of optimal usage of the limited public resources will not be achieved, and the neo-liberal plans will collapse. Therefore, the citizens, who are the central value of the new world order and the service approach, should be taken into consideration.

Such an approach will help the administrators make much more accurate decisions in terms of what to do and in which order. That prophecy will increase the legitimacy of the authority, as well as citizen satisfaction. If the decision makers know what the most demanded service and the acceptable quality for those services is, it will be easier for them to organise their service channels. The citizens are active parts of local government services and they should be considered as customers rather than passive individuals. They have own experiences and can learn those of other people very easily. In this regard, the citizens' experiences about the services and the behaviour of the local government staff affect their level of satisfaction with the local government.

In this study the citizens' level of satisfaction with the services provided by the local governments will be observed through a field study conducted in Konyaalti in Antalya. The citizens, who are older than 18 and live in the
neighbourhoods of Konyaaltı, are the sample of this study. It has been tried to determine their satisfaction with the services provided by the Municipality of Konyaaltı, their thoughts about the behaviour of the staff working for the Municipality, and the problems they perceive in Konyaaltı. The results of the study are expected to shed light on the experiences of the citizens about the local services and their expectations from the municipalities.

The first section of the study is about local governments. In the section a general framework about the local governments will be put forward through the literature. The second section involves local services provided by the local governments. Then the concept of satisfactions and the factors to affect citizen satisfaction will be discussed. The last section of the study is about the field study conducted in Konyaaltı-Antalya. It is our hope for the findings to provide some idea for the decision makers, whose field of work is about the local services.

2. LOCAL GOVERNMENTS

Globalisation and the rapid developments in the field of information and communication technologies have led to changes in every field of life. Those changes have caused some changes in the relationships of the citizens and the governments. That has made the field of public administration face a dramatic change. The states have become smaller but more powerful, while the citizens became more active than in the past (Şahin, 2014). In this regard, the social structures, institutions and the principles have been revised in the information society age. The field of the state has been restricted and the decisive and practical powers of the state have been transferred to multiple actors, due to decentralisation principle (Öke and Say, 2002: 96).

The reason for the existence of local governments, which are constitutional institutions under legal order, is serving for citizens' common goods and local needs, inside a determined area. Local governments form a significant part of the economical and political system. They decide which local services are required, and citizen satisfaction is achieved through the services provided (Bölükbaşı and Yıldırın, 2010: 227). The common characteristics of the local governments are (Şengül, 2014: 12-14):
Geographical Area: Any local government has authority and responsibility inside an area, which is determined by the constitution and laws.

Legal Personality: Local governments, which operate on behalf of a society rather than one person and may become defendant or counter-plaintiff in courts, have legal personalities separate from the central government.

Elected Local Bodies: The organs of the local governments are separate from the central administration and they come into office after an election.

Local Services: The services provided by the local governments are different from those of the central public administration, and they are laid down by the laws.

Local Staff: The staffs employed in the local governments have authorities in and responsibilities about the local area and the local society.

Assets: Local governments have their own movable and immovable properties, which are public or private before the law, due to their legal personality.

Local Autonomy: Local governments are autonomous to a certain degree, in terms of determining their policies and implementing them.

The local governments having the characteristics above are responsible for the public services to be provided in a specific area. Local governments are administrative units that are closest to the citizens and they are primarily responsible for their local needs (Akyıldız, 2012: 4422). Therefore increasing citizen satisfaction is very important for their relationship (Şahin and Taşpınar, 2014: 18).

3. LOCAL SERVICES

Public service may be defined as the various constant and regular public benefit activities, which are realised by the state or by the private enterprises under control of the state (Bozlağan, 2004: 122; Gözler, 2008: 203; Göküş, 2010: 196; Şahin ve Bayarakçı, 2011: 68). On the other hand, the dimension of scale is significant, in terms of efficient and effective service provision. In other words; while the bodies responsible for provision of public services get smaller, the ease of determining the needs and expectations of the local society increases, as well.
That advantage gives the opportunity to satisfy the citizens, by customising the public services for those local people (Eryılmaz, 2011: 148).

The preferences of the citizens about the local services will certainly increase the level of satisfaction of the citizens (Göküş and Alptürker, 2011: 123). However, it is a known fact that it is difficult to conduct the whole public services at the centre. Some of the services should be provided by local authorities, while some are directed from the national centre (Negiz, 2007: 37). The efficiency of the services may be provided through conducting the services having local characteristics in the closest place to the consumers of those services. On the other hand, it should not be ignored that some services require to be directed by the central authority due to their impartibility, while some of them involve the advantages of local provision (Şahin, Göküş and Özdemiray, 2013; 770; Alptürker, Şahin and Taşpinar, 2015: 4).

4. CITIZEN SATISFACTION

SERVQUAL is one of the means of service quality measurement. The scale regards experiences under 10 different dimensions and determines the perceived service quality through those experiences with the organization. The 10 dimensions involve: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing the customer, and tangibles (Parasuraman Zeithaml and Berry., 1985: 47). On the other hand, Sevimli (2006: 18) puts forward the factors to effect citizen satisfaction under 4 groups. Accordingly; experiences provide past information to be compared to the current service. Personal characteristics determine the personal standards for satisfaction. Situational effect factors improve the relationship between the service demander and provider. Verbal communication is the information derived from the environment (Sevimli 2016: 18).

Factors such as; values, satisfaction with services, image and trustworthiness of the local administrators interact with the expectations of the citizens. The factors to have an effect on citizen satisfaction with local services may be explained as follows (Nigro: 2012: 37-38):

✓ Citizens' expectations: represent the reference level expected by the citizens on personal issues, growth of the city and country.
Perception on the value of the municipal rates: is the relationship between the municipal taxes for the services provided and the quality of those public services.

Local leadership image: refers to the brand image of the local governments’ leader and the services provided, in terms of charisma and action, from the viewpoint of citizen-consumer of the local government.

Satisfaction citizen: is the attitude or psychological state of the citizen who receives services provided by government, and his/her experience with the service and/or product.

Local leadership loyalty: represents the ability of local leadership and his/her team in keeping loyal to the citizens about their goals and initiatives.

Perception of local management service quality: is the key component to determine customer satisfaction with the way of service provision. Citizen satisfaction has a significant relationship with this factor.

5. FIELD STUDY

Being the closest public administration unit to the citizens, local governments have the responsibility of citizen satisfaction as well as the authority to organize local public services. Their efforts for restructuring in line with the aim of improving their services should not be ignored (Kurgun, Özdemir, Kurgun and Bakıcı, 2008: 31). In this regard this study has the subject of measuring the perception of the citizens about those efforts. Through the findings achieved from the field study, it will be tried to make some observations on the issue of perceived quality and problematic areas of local public services.

5.1. Method and Sample

The universe of the study consists of the citizens living in Konyaaltı Sub-provincial Municipality of Antalya Metropolitan Municipality. The participants were included in the sample according to simple random sampling method, according to which each individual involved in the universe have equal chance to be in the sample (Ural and Kılıç, 2005: 32).

In the field study questionnaire method was used. A questionnaire for including closed-end questions was prepared and it was restructured according to
the determinations made after conducting it over a smaller-scale sample. In August 2013, 4750 questionnaire forms were given to the participants and duly filled 4580 forms were analysed. The analysis was made statistically using the SPSS (Statistical Package for Social Sciences) 16.0 software.

5.2. FINDINGS

In this part of the study the findings of the study will be given. The answers given to the closed-ended questions have been analysed using various statistical analysis methods. The first part of the questionnaire is about the demographical characteristics of the participants. The results are given below.

Table 1: Demographic Characteristics of the Participants

<table>
<thead>
<tr>
<th>Neighbourhood</th>
<th>N %</th>
<th>ABF 929</th>
<th>Neighbourhood</th>
<th>N %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akkuyu</td>
<td>100 2.2</td>
<td></td>
<td>Suiçecek</td>
<td>20 0.4</td>
</tr>
<tr>
<td>Altınkum</td>
<td>300 6.6</td>
<td></td>
<td>Toros</td>
<td>310 6.8</td>
</tr>
<tr>
<td>Arapsuyu</td>
<td>236 5.2</td>
<td></td>
<td>Uluç</td>
<td>212 4.6</td>
</tr>
<tr>
<td>Aydınlık</td>
<td>36 0.8</td>
<td></td>
<td>Uncalı</td>
<td>387 8.4</td>
</tr>
<tr>
<td>Çakırlar</td>
<td>54 1.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Çamlıbel</td>
<td>20 0.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dağ</td>
<td>20 0.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doğan</td>
<td>26 0.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gökçam</td>
<td>18 0.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gürsu</td>
<td>431 9.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hurma</td>
<td>412 9.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Karatepe</td>
<td>36 0.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kır</td>
<td>25 0.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kuşkavachi</td>
<td>96 2.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liman</td>
<td>443 9.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Molla Yusuf</td>
<td>232 5.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Öğretmenleri</td>
<td>319 7.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pınarbaşı</td>
<td>238 5.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sarısu</td>
<td>64 1.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Siteler</td>
<td>525 11.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>3651</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>N %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>2309 49.6</td>
</tr>
<tr>
<td>Male</td>
<td>2271 50.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>N %</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-29</td>
<td>1374 30.0</td>
</tr>
<tr>
<td>30-43</td>
<td>1612 35.2</td>
</tr>
<tr>
<td>44-55</td>
<td>1012 22.1</td>
</tr>
<tr>
<td>56+</td>
<td>582 12.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>N %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate</td>
<td>41 0.9</td>
</tr>
<tr>
<td>Literate</td>
<td>55 1.2</td>
</tr>
<tr>
<td>Primary</td>
<td>623 13.6</td>
</tr>
<tr>
<td>Secondary</td>
<td>366 8.0</td>
</tr>
<tr>
<td>High</td>
<td>1988 43.4</td>
</tr>
<tr>
<td>University</td>
<td>1507 32.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th>N %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>1168 25.5</td>
</tr>
<tr>
<td>Middle</td>
<td>2890 63.1</td>
</tr>
<tr>
<td>High</td>
<td>522 11.4</td>
</tr>
</tbody>
</table>

The questionnaire forms were distributed to the neighbourhoods, taking the population living in those parts of Konyaalti into consideration. The most crowded neighbourhood is Siteler and 525 (11.5 percent) of the questionnaire
forms belong to the participants living there. Approximately one fifth of the participants are workers at private sector and the other larger groups of participants according to profession are retired individuals and housewives. The number of women among the participants is 38 less than that of men. The proportions of men and women in the sample are 50.4% and 49.6% respectively. Nearly Two third of the participants are under the age of 44. Vast majority of the participants (3.495) have an education level over secondary school. More than half of the participants have a middle-level income, while 25.5% of them have low levels of income.

**Figure 1: Self Definition of the Participants on the Political Spectrum**

The greatest group of the participants define themselves on the left side of the political spectrum. That is compatible with the results of the previous political elections in the city centre of Antalya. On the other hand, the rates of the participants defining themselves on the right wing and in the central area of the political spectrum are 16.2% and 15.7%, respectively.
Figure 2: Visit to the Municipality? & Level of Satisfaction with the Services?

Approximately half of the participants had visited the Konyaaltı Sub-provincial Municipality, at least once. 12.3 percent of the participants had been very satisfied with the services provided for them. The satisfied and partly satisfied citizens have close rates and the proportions of both of the groups are approximately one third of the participants. Total proportion of the participants, who are not satisfied or dissatisfied with the services of the municipality, is 21.9%. In other words, the participants are satisfied with the municipality, in general.

Figure 3: Service Competence? & If Not, Why?

- No Reply: 38.8%
- Yes: 33.0%
- Partially: 18.5%
- No: 9.7%
- Misbehavior/Inability of the Staff: 25.4%
- Too Much Bureaucracy/Malicious Slowdown: 11.3%
- Financial Issues: 8.7%
- Communication Problems: 12.6%
- Too Much Procedure: 24.0%
- Attitudes of the Leaders: 18.6%
More than half of the participants, who stated their views about the competence of the services provided by Municipality of Konyaaltı, think that the services are competent. 18.5% of them think the services to be partly competent, while 9.7% of them perceive the services to be incompetent. Among the ones, who do not find the municipal services sufficient, 25.4% state the reason of that incompetency to be inability of misbehaviour of the staff. That is important in terms of improving the services, because that problem may be resolved without too much effort, through training or motivating the staff. The other popular reason is too much procedure been exposed to. That is one of the common problems of public administration. The cause of that complaint may also be the staff, as well. The other popular replies are leaders’ attitudes and communication problems. In addition the reason having the lowest rate (8.7%) is financial issues. The result shows that the citizens do not think that the municipalities need money, they rather think the municipalities to need better administration.

**Figure 4: Satisfaction with the Staff & Problems with Them**

Most of the participants having replied the question are satisfied with the staff of the municipality. On the other hand, the most popular causes for their dissatisfaction with the staff are grouchiness, discrimination, lack of alternative solutions and communication problems. Most of the issues are not very deep
problems, and they are compatible with the problems with the municipality. On the other hand, especially the issue of discrimination should be treated. If the problem arises in terms of race, gender or ethnicity, it may cause various so difficult problems to resolve. The other problems may be discussed with the staff and they may be made a partner of the solution. Motivation is the solution of many problems arising between the citizens and the public staff. Additionally, if the least popular problems are considered, it is seen that a few of the participants think the staff to be rude or impolite towards them.

Table 2: Problems of Konyaaltı

<table>
<thead>
<tr>
<th>Problems</th>
<th>N</th>
<th>%</th>
<th>Problems</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure/Drain</td>
<td>434</td>
<td>12.4</td>
<td>Clean Drinking Water</td>
<td>105</td>
<td>3.0</td>
</tr>
<tr>
<td>Heavy Traffic</td>
<td>294</td>
<td>8.4</td>
<td>Street Animals</td>
<td>105</td>
<td>3.0</td>
</tr>
<tr>
<td>Electricity</td>
<td>252</td>
<td>7.2</td>
<td>Parking Area</td>
<td>102</td>
<td>2.9</td>
</tr>
<tr>
<td>Rubbish/Cleaning</td>
<td>235</td>
<td>6.7</td>
<td>Pest Control</td>
<td>98</td>
<td>2.8</td>
</tr>
<tr>
<td>Unplanned Urbanization</td>
<td>231</td>
<td>6.6</td>
<td>Lack of Marketplace</td>
<td>91</td>
<td>2.6</td>
</tr>
<tr>
<td>Security/Burglary</td>
<td>172</td>
<td>4.9</td>
<td>Tourism/Information</td>
<td>88</td>
<td>2.5</td>
</tr>
<tr>
<td>Green-Field/Park/Playground</td>
<td>144</td>
<td>4.1</td>
<td>Natural/Historical Environment Care</td>
<td>81</td>
<td>2.3</td>
</tr>
<tr>
<td>Poverty/Unemployment</td>
<td>137</td>
<td>3.9</td>
<td>Health Services</td>
<td>74</td>
<td>2.1</td>
</tr>
<tr>
<td>Social Areas/Activities</td>
<td>130</td>
<td>3.7</td>
<td>Housing</td>
<td>74</td>
<td>2.1</td>
</tr>
<tr>
<td>Roads/Paving</td>
<td>126</td>
<td>3.6</td>
<td>Air Pollution</td>
<td>74</td>
<td>2.1</td>
</tr>
<tr>
<td>Transportation</td>
<td>123</td>
<td>3.5</td>
<td>Elderly and Disabled Care</td>
<td>46</td>
<td>1.3</td>
</tr>
<tr>
<td>Streets/Sidewalks</td>
<td>116</td>
<td>3.3</td>
<td>Marketplace and Manufacture Control</td>
<td>42</td>
<td>1.2</td>
</tr>
<tr>
<td>Lighting System</td>
<td>105</td>
<td>3.0</td>
<td>Lack of Sanctuary for Some Groups</td>
<td>35</td>
<td>1.0</td>
</tr>
</tbody>
</table>

The most common problems of Konyaaltı are infrastructure, heavy traffic, electricity, cleaning, unplanned urbanization, security, lack of green-fields and poverty/unemployment. It should be noted that the authority and responsibility of the sub-provincial provinces are so limited about the issues of traffic, electricity, security and poverty/employment. The Sub-provincial Municipality of Konyaaltı may take initiative about those problems and may produce some project to promote the activities of the relevant institutions, as well. On the other hand the problem of infrastructure, cleaning, unplanned urbanization and lack of green fields are significant issues to cope with, for a touristic city such as Antalya. Although the rates of the problems of elderly/disabled care and lack of sanctuary
for some minorities are low; they are not less important than any of other issues. First, democracy is pluralist rather than majoritarian. The rights of the minorities are as important as those of the majority. Second, the rate of those problems among the whole is normally low, due to the relatively low rate of disabled people and religious minorities within the society. Therefore, those problems -especially in Antalya- should be dealt as soon as possible.

Table 3: Problems According to Neighbourhoods

<table>
<thead>
<tr>
<th>Neighbourhood</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akkuyu</td>
<td>15.2</td>
<td></td>
</tr>
<tr>
<td>Altinkum</td>
<td>15.7</td>
<td></td>
</tr>
<tr>
<td>Arapsuyu</td>
<td>15.8</td>
<td></td>
</tr>
<tr>
<td>Aydınlik</td>
<td>38.9</td>
<td></td>
</tr>
<tr>
<td>Çakırlar</td>
<td>15.8</td>
<td></td>
</tr>
<tr>
<td>Çamlıbel</td>
<td>15.8</td>
<td></td>
</tr>
<tr>
<td>Dağ</td>
<td>18.8</td>
<td></td>
</tr>
<tr>
<td>Doyran</td>
<td>23.8</td>
<td></td>
</tr>
<tr>
<td>Gökçam</td>
<td>33.3</td>
<td></td>
</tr>
<tr>
<td>Gürsu</td>
<td>17.5</td>
<td></td>
</tr>
<tr>
<td>Hurma</td>
<td>18.2</td>
<td></td>
</tr>
<tr>
<td>Karatepe</td>
<td>30.0</td>
<td></td>
</tr>
<tr>
<td>Kir</td>
<td>38.9</td>
<td></td>
</tr>
<tr>
<td>Kuşkavagı</td>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td>Liman</td>
<td>20.4</td>
<td></td>
</tr>
<tr>
<td>Molla Yusuf</td>
<td>13.3</td>
<td></td>
</tr>
<tr>
<td>Öğretmenevleri</td>
<td>12.5</td>
<td></td>
</tr>
<tr>
<td>Pınarbaşı</td>
<td>22.5</td>
<td></td>
</tr>
<tr>
<td>Sarısu</td>
<td>25.0</td>
<td></td>
</tr>
<tr>
<td>Siteler</td>
<td>16.5</td>
<td></td>
</tr>
<tr>
<td>Suçiçek</td>
<td>15.2</td>
<td></td>
</tr>
<tr>
<td>Toros</td>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td>Uluç</td>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td>Uncalı</td>
<td>21.0</td>
<td></td>
</tr>
</tbody>
</table>

The most popular problems of the neighbourhoods are given in the table above. Infrastructure is the most common problem of the participants living in Akkuyu, Liman, Sarısu and Suçiçek; while the problem of transportation is the most common issue in Altinkum, Pınarbaşı, Siteler and Uncalı, and roads and paving is the most common one in Dağ, Doyran and Molla Yusuf. An interesting result is chambering problem of Arapsuyu and Kuşkavagı. It is thought that the participants know that is a problem of police. In this regard, the citizens living in those neighbourhoods are seen to be so suffered because of the problem that, they
had written that problem under the heading of “others”, although there is no option as “chambering” in the questionnaire form. Therefore the local -and if needed central- authorities should deal with the issue.

**Figure 5: Citizen Demand for Projects**

The last analysis is about the projects demanded from the Sub-provincial Municipality of Konyaaltı. The participants want to see a local government producing projects to resolve their problems. The most demanded projects should be for decreasing unemployment, preventing chambering, improving infrastructure, health protection and increasing green-field projects. The other two popular headings are about traffic and transportation. Traffic is seen to be one of the most important problems of Konyaaltı. The local governments need to do something about the issue, and if possible in cooperation with the people living there.

**6. CONCLUSION**

The services provided by the local governments should be quality enough for the citizens to support the local administrators and vote for their parties in the future. The changing citizen profile evolves through one interested in social,
environmental, equalitarian, global issues. The new citizens ask for better services. If the services offered do not match with the ones demanded by the citizens in name and quality, the aim of optimal usage of the limited public resources will not be achieved, and the neo-liberal plans will collapse.

The new technologies should be used in order to satisfy the citizens, who have the central position in the new world order. The states have to improve their structures and methods by taking decentralisation as the basis. Their aim has to be doing their best for serving the citizens’ common benefits and needs, within the determined geographical area. However that effort will not guarantee the citizen satisfaction, there is no other way for achieving that aim and legitimacy of the local authority.

In this study the findings of a field study conducted in Konyaaltı is discussed. The results were derived through analysing the data of the questionnaire forms. Statistical analysis was made using SPSS 16.0 software. The findings are summarised below:

- Most of the participants define themselves on the left side of the political spectrum.
- The participants are satisfied with the municipality, in general.
- More than half of the participants think that the services provided by the Sub-provincial Municipality of Konyaaltı are competent.
- The most common problems with municipality in general are inability or misbehaviour of the staff and too much procedure.
- Most of the participants, who replied the question about the staff, are satisfied with the public staff working at the Sub-provincial Municipality of Konyaaltı.
- The most common problems about the staff are grouchiness, discrimination, lack of alternative solutions and communication problems.
- The staff is not so commonly seen to be impolite or rude towards citizens.
- The problems of Konyaaltı are seen to be infrastructure, heavy traffic, electricity, cleaning, unplanned urbanization and security.
- Elderly/Disabled people and the religious minorities have some problems to be dealt by the local government authorities, as well.
Some of the problems are common for some neighbourhoods and especially problems about infrastructure and transportation are common for various ones.

The participants think that the local government should produce some projects about decreasing unemployment, preventing chambering and improving infrastructure.

REFERENCES


An Evaluation of Fashion Involvement: A Study on Generations X and Y

Dr. Hatice Aydn
Muş Alparslan University

ABSTRACT

This study deals with the influence of materialism on fashion involvement and of fashion involvement on mavenism, purchase decision involvement and recreational involvement. The data were collected via face-to-face survey method. The surveys were administered through convenience sampling method to generation X and Y members separately. Structural equation modeling was used to test generation X and Y models. At the end of the study, it was seen that generation Y are more materialist, involved in fashion and recreational shopping, and share their views of fashion products with others more. In addition, it was found out that the centrality materialism of generation X do not have any significant influence on their fashion involvement and their fashion involvement does not have any significant influence on their recreational shopping involvement whereas the success materialism of generation Y members do not have significant influence on fashion involvement.

Keywords: Materialism, Fashion Involvement, Purchase Involvement, Recreational Shopping, Mavenism.
1. INTRODUCTION

Materialism refers to one’s belief that material things lead a person to happiness and social advancement (Parker et al., 2009). Nowadays, there is an over-commercialized or materialist youth market that has emerged due to the influence of materialist society (Allison, 2009). People fall under the influence of materialism at early ages and keep going on under this influence in the upcoming years. The result is a youth market wearing well-known brands, making up reasons or excuses for consumption, and keeping up with the latest fashion. Some of the consumers in this market purchase material things to take pleasure from life and be successful and place them in the center of their lives (Çopur, 2011: 2). Therefore, one of the concepts that influences purchase decisions and product preferences is fashion. Fashion is a concept referring to the change in one’s mentality in social and cultural terms as well as consumption and purchase behaviors. It also constitutes the change in the dynamic of the consumer’s life. The change in the life styles of consumers may differ from one generation to the next. With the influence of the change in life styles, there may be differences in consumers’ materialism, fashion involvement, recreational shopping involvement, purchase decision involvement, and mavenism tendencies (Barletta, 2006). The differences between generations make marketers draw all their attention to generation Y while they also believe that they should keep up with the generation X as well. The demographic structure of Turkey indicates that generation Y, needs to be taken into account more. However, generation X will constitute an important consumption mass (Yüzbaşoğlu, 2012).

Therefore, this study aims at dealing with the influence of materialism on fashion involvement and fashion involvement on mavenism, purchasing and recreational involvement, and from the aspect of generations X and Y. The study is comprised of two sections. The first section includes theoretical information. The second section includes the survey study and its results.

2. THEORETICAL FRAMEWORK

2.1. Materialism

Materialism is a concept about the importance of the things possessed by people for their lives (Ryan and Dziurawiec, 2001: 185). It appears in three forms,
as centrality, happiness, and success materialism. Centrality materialism is a lifestyle in which a person puts any object at the center of life (Daun, 1983). Happiness materialism is a personal trait that considers certain objects as providers of happiness. Success materialism refers to the consideration of any object as an indicator of success (Du Bois, 1955: 1235).

2.2. Fashion Involvement

Involvement refers to consumer perceptions regarding brands, products, advertisements and purchasing decision. It often appears in the form of fashion involvement (O’Cass, 2000: 48; O’cass, 2004: 878). There are three type of involvement; fashion product, purchasing decision and recreational involvement. Fashion product involvement is the indicator of the relationship between an individual and objects (Martin, 1988: 8). It refers to the situation in which a product has an important role in consumer’s life (Mittal and Lee, 1989: 370). Purchasing involvement is the interest paid by the consumer to fulfil the purchasing decision (Mittal and Lee, 1989: 371). This involvement is influential on brand preference, and it explains the consumer behaviors. Involvement within the context of recreation refers to the pleasure felt by the consumer while shopping in his free time without feeling the need to purchase. Primary purpose of shopping is to feel pleasure (Bellenger and Korgaonkar, 1980; Ohanian and Tashchian, 2011).

2.3. Mavenism

Mavens constitute a special consumer group who have good command of products, stores, and market and share this knowledge with other consumers. Particularly the young consumer mass uses mobile communication devices, which makes marketers consider these consumer masses that spread all kinds of business details or news on social media (Feich and Price, 1987: 85).

2.4. Generations X and Y in Consumer Culture

Generation refers to a group of people born within a specific period (Williams and Page, 2011: 2-8). Current marketers take Generation “Y” into account most while they cannot give up on Generation “X”. Therefore, these two generations were included in this study. Each generation has its own specific traits, value of judgements, and attitudes (Lower, 2008: 81). Generation X is comprised
of consumers born between the years 1965 and 1980. This is the first generation purchasing a product not only because of its functionality but due to the emotional connection they establish with the brand. The members of this generation behave not only with their logics but also with their emotions. Generation Y is comprised of the consumers born between the years 1981 and 2000. This group includes consumers who are addicted to shopping, can make their own decisions, and consider consumption as a kind of entertaining game (İzmirlioğlu, 2008: 53). Generation Y keeps up with the latest fashion (Saroja et al., 2015: 113) while X has interest in fashion as well (Andrew and Pentecost, 2010: 45).

The generation studies are mainly conducted on the US consumption culture. It poses a curiosity to what extent the studies conducted in other cultures are true for Turkey since the influence of social, historical, economic, and political events on each country is different. There are some studies regarding the attitudes and values of generations in other cultures in last years (Andrews and Pentecost, 2010; William and Page, 2011; Bednall et al., 2012; Saroja, 2015). Though the limited number of studies dealing with the attitudes and values of generations in Turkey has recently been on the rise (Alınaçık, 2012; Yılmaz, 2013; Sarı et al., 2014; Gürbüz, 2015). Moreover, lack of studies dealing with generation comparisons based on fashion involvement, materialism, and mavenism points to the need to conduct more studies particularly in the case of Turkey. Some recent studies that are in close association with the issue are presented. O’Cass (2004), Chan et al. (2006), and Koparal and Çalık (2015) analyzed the relationship between fashion involvement, materialism, age, and motivation. They revealed that individuals with higher materialism tendencies, ages, and symbolic motivations are more interested in fashion products and purchasing fashion products. Ocass and Choy (2008), Sullivan and Heitmeyer (2008), Noble et al. (2009), Bakewell and Mitchel (2009), and Hourigan and Bougoure (2011) explored the influence of involvement of generation Y and revealed that fashion involvement has an influence on their attitudes, recreational shopping, purchasing involvement, and mavenism. Parment (2013) compared generation Y and baby boomers and revealed that baby boomers are more involved in automobiles while generation Y is more involved in clothes and food. As it is obvious from the literature, there is no comprehensive study comparing the relationships between these variables in terms of generations. The studies are generally from diverse cultures and focus on a single generation.
3. AN EVALUATION OF FASHION INVOLVEMENT: A STUDY ON GENERATIONS X AND Y

3.1. Methodology

The expectations, experiences, life styles, and demographic characteristics of generations differ from one another. However, the differences between generations vary from one culture to another (Gürbüz, 2015: 40). These differences diversify consumer behavior as well. The purpose of this study is to reveal how the fashion involvements of consumers for different generations differ from each other in terms of involvement, mavenism, and materialism. A considerable amount of Turkish population is included in generation Y though it is generation X, the middle and advanced aged people, which stand out when it comes to economic power. This is because the income level of young population has not reached the expected level yet. Therefore, marketers do not have the chance to completely give up on generation X. Moreover, generation Y is a difficult consumer mass bringing along great changes to the market structures (American Demographics, 2002-2003:1). Based on the idea that they make up a considerable amount of the consumers, this study is an attempt to compare the fashion involvement inputs and outputs of generation X and Y. So, the scope of the study covers consumers from generations X and Y residing in Istanbul. The respondents were asked to reply questions based on their general sense of fashion. The sampling method employed in this study is convenience sampling. 400 survey forms for X and 400 for Y generations were administered within a confidence interval of 95% and an error margin of 5%. The questions in the survey fall into two groups. The first group is comprised of questions regarding materialism, mavenism, and fashion involvement while the latter group is about demographic characteristics. After the elimination of survey forms, 385 survey forms for “Y Generation” and 389 forms for “X Generation” were taken into account.

Materialism scale was adapted from the study conducted by Richins and Dawson 1992; recreation involvement scale was from Guiry’s (2006); mavenism scale was from Hourigan and Bougoure’s (2011); and fashion involvement and purchasing decision involvement scale was from O’Cass A. (2001). The variables were measured via a 5 point Likert-type scale (5=I strongly agree; 1=I strongly disagree). The data were analyzed using SPSS 16.0 and Lisrel 8.7 statistics programs. Descriptive statistics, confirmatory factor analysis, and structural...
equation modelling analysis were employed.

3.2. Research Model and Hypotheses

Materialist people believe that possessed things will provide insight about individuals to others reflecting their individual qualifications (Richins, 1994). Therefore, it is believed that materialism has an important role in developing fashion involvement (Browne and Kaldenberg, 1997: 32). Different levels of materialism influence involvement. With higher levels of materialism, people may consider a fashion product as the source of happiness and success putting them at the center of their lives (Richins and Dawson, 1992).

H\textsubscript{1}: Success materialism has an influence on fashion involvement.

H\textsubscript{2}: Happiness materialism has an influence on fashion involvement.

H\textsubscript{3}: Centrality materialism has an influence on fashion involvement.

Consumers who keep up with fashion, are innovative, or are fashion leaders take pleasure from shopping (Hourigan and Bougoure, 2001). The shopping which they do to keep up with the fashion is for being informed about new products and developments. This type of shopping is not associated with a specific purchasing, rather it is only for the sake of collecting information. Fashion follower consumers consider this shopping as a kind of entertainment or leisure activity (Yavuz et al., 2015: 39).

H\textsubscript{4}: Fashion involvement has an influence on recreational shopping involvement.

Purchasing decision involvement refers to a consumer’s degree of involvement in purchasing decision (Ocass, 2000a: 558). Product purchasing involvement requires consumers to evaluate many alternatives or product categories before making the purchasing decision. Fashion involvement facilitates purchasing decision in this process (Browne and Kaldenberg, 1997).

H\textsubscript{5}: Fashion product involvement has an influence on purchase involvement.

Mavens are people with high levels of interest in the market (Smith and Brister, 1994). By involving in fashion, these people accelerate adaptation to new
products (Stokburger and Hoyer, 2009). Therefore, people with high levels of fashion involvement are also mavens for market, and they like sharing product, brand, and store details with others.

H₆: Fashion involvement has an influence on mavenism.

Research models for generations are as shown in Figure 1 and Figure 2 (In appendix).

3.3. Data Analysis

3.3.1. The Demographic Characteristics of the Respondents

The demographic characteristics of respondents are as shown in Table 1.

<table>
<thead>
<tr>
<th>Table 1: Demographic Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
</tr>
<tr>
<td>Secondary/ high school</td>
</tr>
<tr>
<td>Undergraduate</td>
</tr>
<tr>
<td>Master</td>
</tr>
<tr>
<td>Job</td>
</tr>
<tr>
<td>Student</td>
</tr>
<tr>
<td>Civil Servant</td>
</tr>
<tr>
<td>Retired</td>
</tr>
<tr>
<td>Self-employment</td>
</tr>
<tr>
<td>Housewife</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

3.3.2. Testing Materialism, Mavenism and Involvement Scales of Generation Y

Based on modifications, 3 variables were removed from “success”, 2 from “happiness”, 4 from “centrality” materialism; 2 from “mavenism”; 3 from “fashion”; 3 variables from “purchasing decision”, and 2 from the “recreational” involvement. Fit values are shown in Table 2 and 3.
Table 2: The Fit Values of Materialism and Mavenism Scales

<table>
<thead>
<tr>
<th>Goodness-of-Fit Index Values</th>
<th>Acceptable Fit</th>
<th>Before Modification</th>
<th>After Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Success</td>
<td>Happiness</td>
<td>Centrality</td>
</tr>
<tr>
<td></td>
<td>Materialism</td>
<td>Materialism</td>
<td>Materialism</td>
</tr>
<tr>
<td></td>
<td>257.93</td>
<td>22.09</td>
<td>188.93</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>X²/df</td>
<td>1.5</td>
<td>28.65</td>
<td>4.41</td>
</tr>
<tr>
<td>GFI</td>
<td>0.90 ≤ GFI ≤ 0.95</td>
<td>0.82</td>
<td>0.81</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.85 ≤ AGFI ≤ 0.90</td>
<td>0.57</td>
<td>0.44</td>
</tr>
<tr>
<td>SRMR</td>
<td>0.05 ≤ SRMR ≤ 0.10</td>
<td>0.12</td>
<td>0.18</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.05 ≤ RMSEA ≤ 0.08</td>
<td>0.268</td>
<td>0.335</td>
</tr>
<tr>
<td>CFI</td>
<td>0.95 ≤ CFI ≤ 0.97</td>
<td>0.68</td>
<td>0.66</td>
</tr>
<tr>
<td>NFI</td>
<td>0.90 ≤ NFI ≤ 0.95</td>
<td>0.68</td>
<td>0.66</td>
</tr>
</tbody>
</table>

Table 3: Involvement Types Model Fit Values

<table>
<thead>
<tr>
<th>Goodness-of-Fit Index Values</th>
<th>Before Modification</th>
<th>After Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Fashion Involvement</td>
<td>Purchase Involvement</td>
</tr>
<tr>
<td></td>
<td>414.16</td>
<td>74.32</td>
</tr>
<tr>
<td></td>
<td>(df)</td>
<td>20</td>
</tr>
<tr>
<td>X²/df</td>
<td>20.70</td>
<td>2.12</td>
</tr>
<tr>
<td>GFI</td>
<td>0.79</td>
<td>0.96</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.62</td>
<td>0.94</td>
</tr>
<tr>
<td>SRMR</td>
<td>0.11</td>
<td>0.026</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.227</td>
<td>0.054</td>
</tr>
<tr>
<td>CFI</td>
<td>0.77</td>
<td>0.98</td>
</tr>
<tr>
<td>NFI</td>
<td>0.76</td>
<td>0.98</td>
</tr>
<tr>
<td>NNFI=TLI</td>
<td>0.76</td>
<td>0.98</td>
</tr>
</tbody>
</table>

3.3.3. Testing the Materialism and Mavenism Scales for Generation X

After modifications, 3 variables were removed from “success”, 2 from “happiness”, 3 from “centrality” materialism; 3 from “mavenism”; 3 from “fashion”, 5 from “purchasing”, and 2 from “recreational” involvement. Fit values are shown in Table 4 and Table 5.
Table 4: Model Fit Values of Materialism and Mavenism Scales

<table>
<thead>
<tr>
<th>Goodness-of-Fit Index</th>
<th>Before Modification</th>
<th>After Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>( X^2 )</td>
<td>142.31</td>
<td>226.08</td>
</tr>
<tr>
<td>( (df) )</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>( X^2/df )</td>
<td>15.81</td>
<td>45.21</td>
</tr>
<tr>
<td>GFI</td>
<td>0.89</td>
<td>0.81</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.75</td>
<td>0.43</td>
</tr>
<tr>
<td>SRMR</td>
<td>0.18</td>
<td>0.18</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.195</td>
<td>0.338</td>
</tr>
<tr>
<td>CFI</td>
<td>0.61</td>
<td>0.66</td>
</tr>
<tr>
<td>NNFI=TLI</td>
<td>0.77</td>
<td>0.31</td>
</tr>
<tr>
<td>NFI</td>
<td>0.76</td>
<td>0.65</td>
</tr>
</tbody>
</table>

Table 5: Model Fit Values of Involvement Types

<table>
<thead>
<tr>
<th>Goodness-of-Fit Index</th>
<th>Before Modification</th>
<th>After Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>( X^2 )</td>
<td>418.20</td>
<td>103.23</td>
</tr>
<tr>
<td>( (df) )</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>( X^2/df )</td>
<td>20.91</td>
<td>2.94</td>
</tr>
<tr>
<td>GFI</td>
<td>0.79</td>
<td>0.95</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.62</td>
<td>0.92</td>
</tr>
<tr>
<td>SRMR</td>
<td>0.11</td>
<td>0.026</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.227</td>
<td>0.071</td>
</tr>
<tr>
<td>CFI</td>
<td>0.78</td>
<td>0.97</td>
</tr>
<tr>
<td>NNFI=TLI</td>
<td>0.69</td>
<td>0.97</td>
</tr>
<tr>
<td>NFI</td>
<td>0.77</td>
<td>0.96</td>
</tr>
</tbody>
</table>
3.3.4. The Relationships in the Fashion Involvement Model

The research models were tested via path analysis. The model of generation Y suggested a modification for happiness materialism, the variable of “I would be happier if I were able to purchase more” was excluded. Results are shown in Table 6, Table 7, and Table 8 for both models.

### Table 6: Model Fit Values

<table>
<thead>
<tr>
<th>Goodness-of-Fit Index Values</th>
<th>Y Generation Before Modification</th>
<th>Y Generation After Modification</th>
<th>X Generation Before and After Modification</th>
<th>Acceptable Fit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$X^2$</td>
<td>823.88</td>
<td>626.65</td>
<td>550.70</td>
<td></td>
</tr>
<tr>
<td>(df)</td>
<td>341</td>
<td>315</td>
<td>290</td>
<td></td>
</tr>
<tr>
<td>$X^2$/df</td>
<td>2.41</td>
<td>1.98</td>
<td>1.89</td>
<td>1-5</td>
</tr>
<tr>
<td>GFI</td>
<td>0.87</td>
<td>0.89</td>
<td>0.90</td>
<td>0.90 ≤ GFI ≤ 0.95</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.84</td>
<td>0.87</td>
<td>0.88</td>
<td>0.85 ≤ AGFI ≤ 0.90</td>
</tr>
<tr>
<td>SRMR</td>
<td>0.078</td>
<td>0.064</td>
<td>0.053</td>
<td>0.05 ≤ SRMR ≤ 0.10</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.061</td>
<td>0.051</td>
<td>0.048</td>
<td>0.05 ≤ RMSEA ≤ 0.08</td>
</tr>
<tr>
<td>CFI</td>
<td>0.89</td>
<td>0.94</td>
<td>0.90</td>
<td>0.95 ≤ CFI ≤ 0.97</td>
</tr>
<tr>
<td>NNFI=TLI</td>
<td>0.88</td>
<td>0.94</td>
<td>0.94</td>
<td>0.95 ≤ NNFI ≤ 0.97</td>
</tr>
<tr>
<td>NFI</td>
<td>0.85</td>
<td>0.90</td>
<td>0.94</td>
<td>0.90 ≤ NFI ≤ 0.95</td>
</tr>
</tbody>
</table>

As shown in the Table 9, for generation Y, happiness and centrality materialism have a positively significant influence on fashion involvement, and fashion involvement has a positively significant influence on mavenism, purchasing decision and recreational involvement. However, the influence of success materialism on fashion involvement is not significant. Therefore, $H_2$, $H_3$, $H_4$, $H_5$, and $H_6$ hypotheses were supported while $H_1$ was not supported. For generation X, happiness and success materialism have a positively significant influence on fashion involvement, and fashion involvement has a positively significant influence on mavenism and purchasing decision involvement whereas centrality materialism does not have any significant influence on fashion involvement, and fashion involvement does not have any significant influence on recreational involvement. Therefore, $H_1$, $H_2$, $H_5$, and $H_6$ were supported while $H_3$ and $H_4$ were not supported. The path diagrams are shown in Figure 2 and Figure 3 (In Appendix).
Table 7: The Values of the Model Variables Regarding Generation Y

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standard Value</th>
<th>R²</th>
<th>Error Variance</th>
<th>T Value</th>
<th>Structure Validity</th>
<th>Variance Validity</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Success Materialism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I don't place much emphasis on the amount of material objects people own as a sign of success.</td>
<td>0.81</td>
<td>0.65</td>
<td>0.51</td>
<td>16.0</td>
<td>0.74</td>
<td>0.50</td>
<td>0.76</td>
</tr>
<tr>
<td>I like to own things that impress people.</td>
<td>0.63</td>
<td>0.40</td>
<td>0.86</td>
<td>12.2</td>
<td>0.81</td>
<td>0.65</td>
<td></td>
</tr>
<tr>
<td>I admire people who own expensive homes, cars, and clothes.</td>
<td>0.73</td>
<td>0.54</td>
<td>0.56</td>
<td>14.4</td>
<td>0.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centrality Materialism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I enjoy spending money on things that aren't practical.</td>
<td>0.86</td>
<td>0.75</td>
<td>0.28</td>
<td>19.2</td>
<td>0.81</td>
<td>0.59</td>
<td>0.90</td>
</tr>
<tr>
<td>Buying things gives me a lot of pleasure</td>
<td>0.82</td>
<td>0.67</td>
<td>0.33</td>
<td>18.0</td>
<td>0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like a lot of luxury in my life.</td>
<td>0.72</td>
<td>0.52</td>
<td>0.56</td>
<td>15.3</td>
<td>0.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Happiness Materialism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My life would be better if I owned certain things I don't have.</td>
<td>0.89</td>
<td>0.65</td>
<td>0.32</td>
<td>17.1</td>
<td>0.85</td>
<td>0.74</td>
<td>0.88</td>
</tr>
<tr>
<td>It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.</td>
<td>0.83</td>
<td>0.40</td>
<td>0.46</td>
<td>16.1</td>
<td>0.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mavenism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like introduction new brands and product to my friends</td>
<td>0.91</td>
<td>0.82</td>
<td>0.27</td>
<td>6.43</td>
<td>0.87</td>
<td>0.64</td>
<td>0.88</td>
</tr>
<tr>
<td>People ask me for information about product, shops or sales</td>
<td>0.84</td>
<td>0.70</td>
<td>0.48</td>
<td>20.4</td>
<td>0.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If someone asked where to get the best on several types of product I could tell him or her where to shop</td>
<td>0.77</td>
<td>0.59</td>
<td>0.68</td>
<td>18.0</td>
<td>0.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My friends think of me as a good source of information when it comes to new product or sales.</td>
<td>0.68</td>
<td>0.46</td>
<td>0.88</td>
<td>15.0</td>
<td>0.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fashion Product Involvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I pay a lot of attention to Fashion Clothing</td>
<td>0.75</td>
<td>0.56</td>
<td>0.47</td>
<td>11.4</td>
<td>0.84</td>
<td>0.52</td>
<td>0.85</td>
</tr>
<tr>
<td>Fashion Clothing is important to me</td>
<td>0.73</td>
<td>0.53</td>
<td>0.49</td>
<td>13.9</td>
<td>0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fashion Clothing is an important part of my life.</td>
<td>0.81</td>
<td>0.66</td>
<td>0.40</td>
<td>15.5</td>
<td>0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would say Fashion Clothing is central to my identity as a person</td>
<td>0.70</td>
<td>0.49</td>
<td>0.70</td>
<td>13.3</td>
<td>0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am very much involved in/with Fashion Clothing</td>
<td>0.60</td>
<td>0.36</td>
<td>0.80</td>
<td>11.3</td>
<td>0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fashion Product Purchase Involvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.93</td>
</tr>
<tr>
<td></td>
<td>0.93</td>
<td>0.66</td>
<td>0.94</td>
<td>0.84</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Changing and increasing demands of consumers make it difficult for marketers to understand and meet their demands. In this sense, trying to discover generations makes marketers acquire a different perspective and leads to the development of more successful marketing strategies. One of such strategies is to categorize consumers according to their generations. Since generations are highly important for marketers, this study deals with the relationships between fashion involvement, materialism, mavenism, recreation, and purchasing decision involvement within the context of generation “X” and “Y”. According to the results, the fashion involvement of generation Y is influenced by materialism more. They consider their properties as the source of happiness and put them at the center of their lives. However, they do not consider properties as the source of success. In addition, it was realized that fashion involvement transforms into purchasing and recreational involvement after a while. They also share their knowledge regarding fashion with the people around them. Consumers from generation X consider their properties as the source of success and happiness; however, they do not attach so much importance to them to put them at the center of their lives. It was determined that their fashion involvement transforms into purchasing involvement. The results are consistent with the results in the literature.

### 4. CONCLUSION

<table>
<thead>
<tr>
<th>The purchase of Fashion Clothing is important to me</th>
<th>0.85</th>
<th>0.71</th>
<th>0.53</th>
<th>11.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>I like being involved in making purchases of Fashion Clothing</td>
<td>0.84</td>
<td>0.70</td>
<td>0.61</td>
<td>20.7</td>
</tr>
<tr>
<td>I attach great importance to purchasing Fashion Clothing</td>
<td>0.90</td>
<td>0.82</td>
<td>0.35</td>
<td>23.6</td>
</tr>
<tr>
<td>I place great value in making the right decision when it comes to Fashion Clothing</td>
<td>0.83</td>
<td>0.68</td>
<td>0.65</td>
<td>20.2</td>
</tr>
<tr>
<td>I think a lot about my choices when it comes to Fashion Clothing</td>
<td>0.79</td>
<td>0.63</td>
<td>0.71</td>
<td>19.0</td>
</tr>
<tr>
<td>Purchasing Fashion Clothing is significant to me</td>
<td>0.78</td>
<td>0.60</td>
<td>0.63</td>
<td>18.3</td>
</tr>
<tr>
<td>Making a purchase decision for Fashion Clothing requires a lot of thought</td>
<td>0.73</td>
<td>0.53</td>
<td>0.66</td>
<td>16.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recreational Involvement</th>
<th>0.84</th>
<th>0.65</th>
<th>0.91</th>
</tr>
</thead>
<tbody>
<tr>
<td>If I was not able to go shopping, I would feel that a part of me is missing.</td>
<td>0.82</td>
<td>0.67</td>
<td>0.65</td>
</tr>
<tr>
<td>Shopping is important for my self-definition</td>
<td>0.80</td>
<td>0.64</td>
<td>0.78</td>
</tr>
<tr>
<td>Shopping enables me to realize my aspirations.</td>
<td>0.80</td>
<td>0.65</td>
<td>0.58</td>
</tr>
</tbody>
</table>
Table 8: The Values of the Model Variables Regarding Generation X

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standard Value</th>
<th>R²</th>
<th>Error Variance</th>
<th>T Value</th>
<th>Structure Validity</th>
<th>Variance Validity</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Success Materialism</td>
<td>0.81</td>
<td>0.59</td>
<td>0.89</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I admire people who own expensive homes, cars, and clothes.</td>
<td>0.73</td>
<td>0.54</td>
<td>0.66</td>
<td>15.95</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some of the most important achievements in life include acquiring material possessions.</td>
<td>0.72</td>
<td>0.51</td>
<td>0.33</td>
<td>15.42</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The things I own say a lot about how well I'm doing in life.</td>
<td>0.86</td>
<td>0.74</td>
<td>0.68</td>
<td>19.87</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centrality Materialism</td>
<td>0.84</td>
<td>0.57</td>
<td>0.85</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I usually buy only the things I need.</td>
<td>0.72</td>
<td>0.52</td>
<td>0.68</td>
<td>15.58</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I try to keep my life simple, as far as possessions are concerned.</td>
<td>0.72</td>
<td>0.55</td>
<td>0.71</td>
<td>15.64</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I put less emphasis on material things than most people I know.</td>
<td>0.84</td>
<td>0.71</td>
<td>0.37</td>
<td>19.49</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Happiness Materialism</td>
<td>0.84</td>
<td>0.64</td>
<td>0.86</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have all the things I really need to enjoy life.</td>
<td>0.68</td>
<td>0.46</td>
<td>0.80</td>
<td>14.22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I'd be happier if I could afford to buy more things.</td>
<td>0.84</td>
<td>0.71</td>
<td>0.45</td>
<td>18.79</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.</td>
<td>0.87</td>
<td>0.75</td>
<td>0.37</td>
<td>19.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mavenism</td>
<td>0.82</td>
<td>0.61</td>
<td>0.84</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like introduction new brands and product to my friends</td>
<td>0.82</td>
<td>0.67</td>
<td>0.50</td>
<td>7.92</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People ask me for information about product, shops or sales</td>
<td>0.76</td>
<td>0.73</td>
<td>0.41</td>
<td>15.19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If someone asked where to get the best on several types of product I could tell him or her where to shop</td>
<td>0.71</td>
<td>0.50</td>
<td>0.74</td>
<td>13.80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fashion Product Involvement</td>
<td>0.87</td>
<td>0.57</td>
<td>0.87</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I pay a lot of attention to Fashion Clothing</td>
<td>0.76</td>
<td>0.52</td>
<td>0.47</td>
<td>11.60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fashion Clothing is important to me</td>
<td>0.75</td>
<td>0.57</td>
<td>0.47</td>
<td>14.60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fashion Clothing is an important part of my life.</td>
<td>0.83</td>
<td>0.56</td>
<td>0.37</td>
<td>16.32</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would say Fashion Clothing is central to my identity as a person</td>
<td>0.70</td>
<td>0.69</td>
<td>0.70</td>
<td>13.66</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am very much involved in with Fashion Clothing</td>
<td>0.75</td>
<td>0.49</td>
<td>0.49</td>
<td>14.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fashion Product Purchase Involvement</td>
<td>0.90</td>
<td>0.66</td>
<td>0.92</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like being involved in making purchases of Fashion Clothing</td>
<td>0.76</td>
<td>0.52</td>
<td>0.47</td>
<td>11.60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I think a lot about my choices when it comes to Fashion Clothing</td>
<td>0.75</td>
<td>0.57</td>
<td>0.47</td>
<td>14.60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The purchase of Fashion Clothing is important to me</td>
<td>0.83</td>
<td>0.56</td>
<td>0.37</td>
<td>16.32</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Making a purchase decision for Fashion Clothing requires a lot of thought</td>
<td>0.70</td>
<td>0.69</td>
<td>0.70</td>
<td>13.66</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing Fashion Clothing is significant to me</td>
<td>0.75</td>
<td>0.49</td>
<td>0.49</td>
<td>14.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreational Involvement</td>
<td>0.74</td>
<td>0.50</td>
<td>0.73</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shopping affirms my values.</td>
<td>0.86</td>
<td>0.74</td>
<td>0.26</td>
<td>3.21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shopping contributes to my self-esteem.</td>
<td>0.73</td>
<td>0.55</td>
<td>0.48</td>
<td>7.32</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shopping enables me to realize my aspirations.</td>
<td>0.49</td>
<td>0.24</td>
<td>0.98</td>
<td>12.65</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To Eğri and Ralston (2004), the success values of generation X are higher than generation Y. It is also reported that as the age increases, materialist tendencies change, leading to the identification of material possessions with success and happiness (Chan et al., 2006). To Gürbüz (2015), the sense of not wasting time is higher in generation X. Stevens et al. (2005) claim that generation Y has higher recreational involvement since they grew up with more recreational
possibilities. In addition, for generation Y having a life nested in technology, technology is a lifestyle, and due to their electronic communications, their fashion involvement is higher than the members of generation X (Miller and Washington, 2011: 174). Therefore, these consumers behave in a more mavenist way. This is because it is claimed that individuals interested in fashion product groups will have a higher tendency to make a research about all kinds of information concerning fashion products and are likely more mavenist (Hourigan and Bougoure, 2012: 130).

Table 9: The Relationship Results of the Study

<table>
<thead>
<tr>
<th>Relationships</th>
<th>Y Generation</th>
<th></th>
<th></th>
<th></th>
<th>X Generation</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Standard Value</td>
<td>$R^2$</td>
<td>Error Variance</td>
<td>$T$ Value</td>
<td>Standard Value</td>
<td>$R^2$</td>
<td>Error Variance</td>
<td>$T$ Value</td>
</tr>
<tr>
<td>Success Materialism - Fashion Involvement</td>
<td>-0.06</td>
<td>0.31</td>
<td>0.69</td>
<td>-0.94</td>
<td>0.31</td>
<td>0.35</td>
<td>0.65</td>
<td>2.27</td>
</tr>
<tr>
<td>Happiness Materialism - Fashion Involvement</td>
<td>0.52</td>
<td>0.31</td>
<td>0.66</td>
<td>8.76</td>
<td>0.40</td>
<td>0.35</td>
<td>0.65</td>
<td>6.88</td>
</tr>
<tr>
<td>Centrality Materialism - Fashion Involvement</td>
<td>0.19</td>
<td>0.31</td>
<td>0.69</td>
<td>3.01</td>
<td>0.02</td>
<td>0.35</td>
<td>0.65</td>
<td>0.13</td>
</tr>
<tr>
<td>Fashion Involvement - Recreational Involvement</td>
<td>0.63</td>
<td>0.39</td>
<td>0.61</td>
<td>10.22</td>
<td>0.03</td>
<td>0.01</td>
<td>1.00</td>
<td>0.54</td>
</tr>
<tr>
<td>Fashion Involvement - Purchase Decision Involvement</td>
<td>0.67</td>
<td>0.44</td>
<td>0.56</td>
<td>11.46</td>
<td>0.65</td>
<td>0.42</td>
<td>0.58</td>
<td>11.52</td>
</tr>
<tr>
<td>Fashion Involvement - Mavenism</td>
<td>0.27</td>
<td>0.07</td>
<td>0.93</td>
<td>4.76</td>
<td>0.23</td>
<td>0.06</td>
<td>0.95</td>
<td>3.91</td>
</tr>
</tbody>
</table>

5. RECOMMENDATION AND LIMITATION

Taking the results into account, some recommendations are given to the literature, businesses, and future studies below. Dealing with generations will help better understand the differences between marketing strategies for different consumer groups. Thus, this study is expected to help marketing researchers understand that one of the factors leading to recreational involvement is fashion involvement. The understanding of the fact that consumers are involved in fashion also due to their materialist emotions will help marketing researchers to take into account materialist purchasing in fashion involvement. Fashion products are rapidly accepted and spread among the generation Y. Therefore, this study once again reminds businesses that an important consumer group for them to take into account while making fashion designs is generation “Y”. Moreover, generation Y
consumers constitute an influential group for generation Z consumers since they are the descendants of the current fashion-involved people. Therefore, taking into account the traits of generation Y will provide information about potential consumers when it comes to fashion involvement. In addition, this study revealed that fashion involvement is more common among people with high materialist tendencies. People with high materialist tendencies try to make their materialist properties their life styles and consider them as ways leading to happiness and success. In this sense, businesses positioning their products and brands against fashion should try to keep in mind that there are consumers who prefer their products just to possess a variety of things and be happy about them and should try to meet their demands. Mavenists make up an influential commercial marketing group for adaptation to new products. These individuals, who have high fashion involvement, share information about fashion products, brands, and stores with others. Understanding mavenism will help fashion product businesses or retailers to access this important type of consumers. Different cultures may yield different results about fashion involvement in different products and consumer groups. It can be studied in terms of other cultures and product groups and on the basis of gender. It is acknowledged that consumers who keep up with the fashion with a sense of materialism are opinion leaders and constitute an important market group, which needs to be taken into account (O’cass, 2001:49). Previous generations may influence next generations in terms of fashion. Therefore, the fashion involvements of other generations (particularly generation Z) may be analyzed. One of the limitations of the present study is that it was carried out only on X and Y generations. Another limitation of the study is that the results were not evaluated in terms of fashion involvement of a specific brand or product groups. It was handled in terms of generations’ general fashion involvement.

REFERENCES


Sarı, Ö. G. S., Bozkurt, Ö. Ç., & Kalkan, A. The Impact of Social Media on Purchasing Behavior of Y-Generation.


APPENDIX:

Terms in Models: MM=Happiness Materialism, TM=Centrality Materialism, BM=Success Materialism, MV=Mavenism, Mod=Fashion Involvement, ST=Purchase Involvement, EG=Recreational Involvement

Figure 1: Generation Y

Figure 2: Generation X
Is Deming’s Quality Management a Democratic Form of Taylorism?

Dr. Sıtkı Çorbacıoğlu
Eskişehir Osmangazi University

ABSTRACT

Scientific management, also known as Taylorism was founded by Frederic W. Taylor, a foreman later received a mechanical engineering diploma. His principles of management considered as the foundation of the modern management was published in his book “The Principles of Scientific Management” in 1911. Taylorism was influential both in private and public sector first in the USA than in the most parts of the world. Taylor, working on the factory floor was well aware of the problems of inefficiency. To increase efficiency and productivity Taylor scientifically studied the each element of work and discovered the best way of doing any task; scientifically selected and trained workers so that they could be hired for jobs that they were capable of; and closely monitored and evaluated the performance of the workers through close supervision and a strict reward system. Many theories were put forward to design more effective work environments. One of these theories is Total Quality management. Total Quality Management (TQM) was developed in Japan by Edwards Deming based on the Walter Shewhart’s statistical process control. Like Taylor’s ideas, TQM spread to the most of the world following Japanese Industrial Miracle. Although look difference at the first glance, TQM also involves developing quality standards to eliminate inefficiency and increase customer satisfaction through Deming’s 14 principles and its Plan-Do-Check-Act cycle which is a continuous cycle that maximizes productivity and quality. Although, the standardization and its implementation are core issues in TQM, these functions are not done by foremen or industrial engineers but workers through quality circles. The paper discusses the similarities and differences in both theory based on the writings of Taylor and Deming. Results indicate that despite of some similarities, it is hard to describe Deming’s quality approach as another form of Neo-Taylorism.

Keywords: Taylorism, Scientific Management, Total Quality Management, Edwards Deming, Frederic W. Taylor.

JEL Classification: L2, L3
1. INTRODUCTION

Total quality management approach has harsh criticism from some authors as being a new edition of classical Tayloristic approach (Boje and Winsor, 1993; Tompkins, 2005). According to the critics, employee empowerment through the quality teams or circles are just illusions hiding the truth of re-rationalization of production processes through central planning and standardizations. According to this view employees feel empowered so that they turned to be the instruments of planned change from the top.

The application of total quality management may create conflicting results in different work-settings. However, this paper focusses on the comparison of both theorists approach based on their books, Principles of Scientific Management by Frederic W. Taylor and Out of Crisis by W. Edwards Deming. The findings indicate similarities as well as major differences between two different approaches.

2. TAYLORISM AND ON THE FOUNDATIONSOF MODERN MANAGEMENT

2.1. The New Roles for the Managers and Workers

Taylorism also known as scientific management is a breakthrough in management since it is the first modern management theory. Despite this statement, we are also aware of essays on management much before the introduction of Taylorism by its founder, Frederic W. Taylor. Socrates, the ancient Greek philosopher defended generic management in 450s BC (Shafritz et al.,2011). There were also pieces that mentioned an important elements of Taylorism such as division of labor and task specialization, before Taylorism. The founder of Economics, Adam Simith in 1776 as well as Charles Babbage in 1832 wrote on and suggested the division of labor and task specialization for improving productivity (Shafritz et al.,2011; Tompkins, 2005).

It is also a fact that many great civilizations and states such as Persian, Roman, Arab-Islamic, Ottoman, Roman, Chinese, and British could not be achieved without management and organization of people, resources, and armies.
Moreover, the emergence of industrialization in late 1760 shifted the center of production process from agrarian and handicraft business to factories with machinery (Encyclopedia Britannica, 2016). The new production process required bringing many employees under one roof and getting them working effectively, efficiently, and productivity. As a result, when Taylor was just a worker, *machine shop laborer*, in Midvale Steel Works in 1878, the industrial revolution and the factory system was about 120 years old.

From the machine shop laborer, he rapidly promoted to managerial positions and finally became the chief *engineer of works* in the Midvale Steel Works, therefore; he learned about the success and failures of machine productions system that had been in place since the industrial revolution. What Taylor did was actually creating a management system that boosted effectiveness, efficiency and productivity. He benefited from the past experience and used some methods or techniques, and developed many new ones based on the science. His difference was the development of new management doctrine, a management system. His success was amazing in the sense that his system increased the productivity as much as 300 to 400 percent.

2.2. Taylorism as a Management System

As opposed to some harsh criticism against Taylorism, Taylor attempted to maximize the benefits of both workers and factory owners and achieve workplace peace (Taylor, 2007). Taylor in his book “Principles of Scientific Management” rejected the traditional work practices in which workers decided the volume and method of doing any task. According to the traditional system, it was workers who decide the amount of output therefore the profitability of the firm. The traditional system resulted in soldiering of workers and significantly limited the effectiveness, efficiency, and productivity.

Taylor Suggested new roles for the managers and workers as follows (Taylor, 2007):

- Scientific analysis of the tasks of any job
- Scientific selection, training, and development of workers
- Close cooperation between managers and workers for the implementation of scientific principles regarding the work to be done
A fair distribution of work load between workers and managers through new roles defined by Taylorism.

As we see from the principles above, Taylorism drastically changed the work roles in comparison to the ones in the traditional work environment. The new job design limits the responsibility of workers to managers to carry the orders of the managers. They are not allowed to decide what and how to do in any task. Managers, on the other hand, are responsible from scientifically discovering the work standards and best ways for the workers.

Once the work standards and best way is decided, ensuring the worker and job fit is another critical responsibility of managers. While suggesting so, Taylor was also developing one of the functions of modern human resource management. This principle is critical in the sense that managers cannot assign works to workers anymore but workers to works.

Although Taylor designed a machine like organization structure and place workers as kind of cogs of a machine, he was well aware of the human nature and psychology. Machines could not resist but human beings can find ways to sabotage the system. The union and management conflicts since the emergence of the factories were the reality of American work environments. Therefore, the development of a cooperative work environment, as the responsibility of management and managers, was crucial.

Taylor thought that an important mean to achieve this goal was increasing the wealth of the workers and shareholders at the same time, as stated earlier at the beginning of the subsection. Taylor’s motto was a fair day’s pay for a fair day’s work. He aimed to establish a balance between the effort and the reward. Taylorism requires an ordinary worker work and paid more than the worker of a traditional company. As Taylor’s workers create more value through the principles of science, they earn much more money than a traditional worker. Taylor’s conversation with worker Schmidt is a good example of this exchange (Taylor, 2007, sf.28-29). Taylor convinced Schmidt to earn about 60 percent more salary in exchange of carrying 47 to 48 tons of pig iron instead of 12, 5 ton. As Schmidt made $1, 85 a day instead of $1, 15, the productivity increased about 400 percent. However, the result was not just related to the hardwork of Schmidt but the science of carrying pig iron.
2.3. The Elements of a Tayloristic System

Taylor strongly argued that the success of its approach depends on whether an organization adopts it as a system or not. Taylor strongly argued that the adoption of the system not some techniques or elements of the system.

Taylorism involved five components such as systemization of production process, systemization of tools, standardization of work, wage incentive system, and functional foremanship (Thompkins, 2005).

- **Systemization of the production process**: An important success of Taylorism was the continuous flow of work in and in between departments without any halt in the production system. As a result, workers, machines, supplies, and departments were reorganized and closely controlled by managers to ensure timely and efficient production process.
- **Systemization of tools**: When we talk about Taylorism, we focus on how people are treated like the cogs of the machine. For Taylor, everything should be in an order. According to the Taylor, right amounts and quality of tools must be available to machinists at the right time. It’s also important to note that the standard work, tools must be standardized.
- **Standardization of work**: As seen in the worker Schmidt example, the productivity is critically related with how the workers do a task. This was the essence of Taylorism’s changing roles between workers and management. Managers with the help of researchers must find the best way for any task and make sure that the task for any job is done accordingly, therefore; the communications and close control of the worker were critical for the implementation.
- **Wage incentive system**: Taylor was well-aware of the psychological and workplace related reasons of soldiering to limit the outputs in factories. He determined a strict wage system to pay fairly in return to the increases in productivity. The system required; first setting high standards for any given task. Second, hiring or transferring right people, Schmidts, to achieve the standards. Third, paying them clearly more than traditional workers, in other words share the added value with workers to some extent, as long as they achieve the daily standards.
- **Functional Foremanship**: The tight controls were very critical for the accurate functioning of the Tayloristic system in a production facility. Taylor believed
that one foreman could not produce the deserved practice for the very
different aspects of the work so that he suggested employing eight foremen to
work with the workers. Four of them such as gang boss, speed boss, repair
boss, and the inspector were closely monitoring the workers, while others,
routing clerk, instruction card clerk, time and cost clerk, and shop
disciplinarian, were responsible with the implementation and communications
of the production plan (Tompkins, 2005). Tayloristic system was interesting
in the sense that even the first fours supervisors who were giving previously
prepared written orders to workers were monitored.

2.4. Taylorism’s Implicit Theory of Organizational Effectiveness

Tompkins (2005) derived six concepts from Taylorism’s four principles
regarding the changing roles of workers and managers under Taylorism. These
four concepts are important for this study and others since it lays the foundation
for the comparison of Taylorism’s management and organization approach with
other theories developed later on in the next 100 years. These six concepts are task
specialization, work standardization, economic rewards, performance
measurement, and centralized planning and control.

As explained at the beginning of the paper, Taylor was not the first person
who invented the division of labor and specialization on tasks; however Taylor
incorporated pretty-much what was available since the industrial revolution in to
his new doctrine, or the management system. The work standardization took the
form of the “the best way of doing anything in a factory” through scientifically
setting clear standards for everybody including workers and foremen. As also
explained in the previous sub-section Taylor’s rewarding system was based on
clear and standards, kind of a rigid piece pay rate system. Taylor was a pioneer for
developing the modern performance management system in which both the
individual and organizational performance was evaluated (Tompkins, 2005). The
individual effort and its comparison with the set standards was closely noted,
communicated and therefore monitored by the “time and cost clerks”. Finally,
almost absolute centralization was the main theme in Taylorism and the essence of
his theory. The workers and even foremen were cogs of the machine. The one best
way of doing any task was researched, decided and implemented. All the planning
and decision-making was centralized. In this sense, another defender of
centralization principle, Henry Fayol was less strict on the centralization since he left a room for the intensity of it depending on the quality of managers, workers and the conditions regarding an organization (Fayol, 2008).

3. EDWARD DEMING’S TOTAL QUALITY MANAGEMENT

Relaying on Walter Shewhart’s concept of statistical process control (Tompkins, 2005), total quality management was developed by an American, W. Edwards Deming in Japan. Deming was born in 1900 when Frederic W. Taylor was work was about to retire from active factory work life at Bethlehem Steel Corporation where his theory of management matured through notable experiments (Britannica, 2016). Edwards Deming was a mathematician who developed a special interest in statistics. As Mary Walton explains in a biographic note on Edwards Deming (1998), that Taylorism was dominant in the American industry and there was not any significant demand for a quality system on which Deming was an expert. The most important reason for it was the uncompleted American dominance in automobile and home appliances in world markets following World War II. At the same time, Japan had lost most of its industry with very poor economic and social conditions and was very motivated to rebuild a new one. Starting in 1950, Deeming started working with Japanese engineers and manufacturers to improve bad quality Japanese goods. There, he developed his total quality management approach which would be discovered by American NBC television and then by business leaders (Walton, 1998). Deming was aware of the limits of statistical control therefore proposed his 14 principles to reorganize the management and seven deadly diseases to avoid.

3.1. Deming’s Fourteen Points and Seven Diseases

Deming’s fourteen points that reorganizes management are as follows (Deming, 2014):

- Create a unity of purpose for improving products and services: Deming called companies to have a long term focus which was not the case for many (Deming, 2014). The long term focus should be specifically on innovation, research and education, continuous improvement of products and services, and maintenance of equipment, machinery, and furniture (Walton, 1998).
• Adopt the new philosophy: With the new philosophy Deming, direct the attention of business leaders to Japanese management style based on quality (2014). New standards, reliable and smooth operations that eliminate mistakes, defects poor workmanship, bad materials, poor training and uninformed as well as fearful workers are needed (Walton, 1998).

• Stop relying on control for achieving quality: Deming argues that quality cannot be achieved by routine control of products but by improving the production processes (2014). According to him 100% control of products mean that a company admits the bad quality of production processes and produced products. Mass control is ineffective, expensive, and unimproved processes (Walton, 1998).

• Increase quality instead of awarding business on price tag: According to Deming, price does not mean much without a measure of quality being purchased (Walton, 1998). Disregard for the quality in purchasing supplies decrease the quality of inputs purchased and increase the costs (Deming, 2014).

• Improve production and service system for increasing quality and productivity thus lowering costs: Quality must be incorporated into planning and design of the production process (Deming, 2014). Improvement of the production and service systems should be continuous. But it is not just limited to the manufacturing and services delivery but also to purchasing, transportation, engineering, maintenance, sales, personnel, training, and accounting (Walton, 1998).

• Institute on job training: Training must be restructured from the scratch. From the inputs to the delivery of goods to the customers, workers must know about the company (Deming, 2014). Workers must not left to the training of other workers, left alone with the machines, or relay on unintelligible written instructions (Walton, 1998).

• Institute Leadership: The focus of the management should not be control but leading. According to Deming, instead of the control of the production targets, leadership must be instituted (Deming, 2014). To do so management must remove the barriers to get a worker to be proud of his job and get better know about the work done in the processes rather than counting the outcomes (Walton, 1998).
• Remove fear so that people can work effectively for the company: Deming argues that modern employees are too submissive in the sense that they hesitate to put input into the system, since they are afraid of possible negative results. This results in a lack of or significantly reduced problem-solving capacity (Walton, 1998). If fear to make mistakes can be eliminated, workers can contribute to the quality and productivity.

• Create teams of people from different areas by tearing down departmental barriers: Deming points out an important problem of traditional organizations, the coordination of different functions or departments so that they can talk to each other to avoid problems. If they are left alone, each department attempts to achieve its best while the other cannot keep up with it. As the marketing department can have many orders, the manufacturing department may not have sufficient capacity to reply (Walton, 1998).

• Eliminate slogans, advices, and targets for increasing productivity which depends on the system: Deming suggests that any kind of slogans, warning signs or targets are counterproductive. Instead of warning people about an oil leak, do not let oil leak. Without a proper system in place from raw materials to proper functioning machinery, the slogans and targets are empty arguments that do not change anything (Walton, 1998).

• Replace numerical quotes and management by objectives with leadership: Deming argues that quotes result in low morale, low quality and game playing by the workers and managers. When people reach their quotes, they can stop working. Ones that do not reach it lose her motivation. Managers can hide the over quotes production for the rainy days (Walton, 1998). The most important thing is encouraging employees to contribute avoiding waste and increase productivity through enhanced feeling of loyalty and pride (Walton, 1998).

• Remove barriers to pride for workers, managers, and engineers: Workers are pretty much aware of the importance of the acceptance by the market place (Walton, 1998). They know about the problems going on in many aspects of the production processes. But they feel left alone with problems with insufficient attention of managers. While relations with workers are not nurtured the targets without concern for quality are the main focus of the managers. This result in a commodity like treatment of workers (Walton, 1998).
• Institute a vigorous program of education and development: Hiring right employees not sufficient. Employees need to acquire new knowledge and new skills to deal with the new materials and new methods of production (Walton, 1998). According to Deming, this critical for ensuring the success of long-term planning.

• Have commitment of everybody at the company for achieving the transformation: Deeming expects the action from the top management for the implementation of the previous thirteen principles through adoption of new philosophy, seminars and challenge against the traditional ways of management (Deming, 2014). He proposes the *Shewhart Circle* that includes planning, doing, checking, and acting phases (Walton, 1998). Planning involves deciding on what changes to make; doing means a small scale application; checking relates to evaluation of the small scale application, and; acting means introducing a large scale application of positively tested change plan in the organization.

Along with the 14 essential points, Deming also provided a list of seven deadly diseases that inhibit quality, increase costs, and thus decrease the productivity. This seven deadly diseases are as follows: lack of consistency of purpose; emphasis on short term profits, evaluation of performance, merit rating, or annual review of performance; running a company on visible figures alone; excessive medical costs, and excessive costs of warranty (Walton, 1998). These principles are closely related with a lack of planning and long term focus, negative effects of performance measurement, focus on numbers rather than quality, increasing cost due to employee health problems and bad quality products.

4. THE SIMILARITIES AND DIFFERENCES BETWEEN TAYLORISM AND DEMING’S QUALITY APPROACH: IS IT ANOTHER FORM OF DEMOCRATIC TAYLORISM?

The below comparisons are based on the elements of the Tayloristic system explained earlier in the paper.

4.1. Systemization of Production Process

Both Taylor and Deming developed their approaches in regard of the production (or service) system at the factory. They asked the practitioners to use
his whole system not a part of it. Similarly Deming is concerned with an effectively working system that could produce quality in each aspect of the industry value chain from raw materials to the delivery of products to the customer. However, as Taylor’s focused on effectiveness, efficiency, and productivity, Deming’s main focus was on the quality standards. Deming thinks that focus on efficiency ends up with low quality products and services therefore increased costs. If the focus was quality, efficiency and productivity would be achieved. Both also focused on the flow of work between departments. However, it is critical to note that Deming’s quality system did not attempt to integrate the departments but also the customers and suppliers since the quality could not be achieved without their contribution.

4.2. Systemization of Tools

Taylor insisted on the well-functioning tools that are available in required quantity and quality at the right place. Without an order in the equipment used, the production process could not continuously and efficiently work as a result of halts. Deming also gave importance to the equipment, tools and machinery to be used. His quality approach involved a good maintenance and upgrade of tools, equipment and machinery to avoid defective products and halts in the production system.

4.3. Standardization of Work

Standardization of tasks through finding the best ways was one of the most critical aspects of Taylorism. Every aspects of any task was analyzed by the researchers and once adopted was implemented by the managers. However, these standards had short term focus that included steps to achieve previously determined quotes and targets. Deming’s has a different approach; it focused on the quality standards with a long term focus. Moreover, these standards were determined by teams of workers. As a result, Deming twisted the roles played by the managers and workers in determination of the standards. Moreover, for Deming, craftsmanship was critical. Employees’ work definitions were not very narrowly defined to create meaningful jobs that could satisfy them.
4.4. Wage Incentive System

Taylorism introduced a piece pay rate system based on the clearly defined quotes, numerical standards for the production of standard products. If an employee had a slight variation from his target, his daily pay would be significantly decreased. The rationale of the system was based on working with the right person. If a person could not reach his targets, he would be economically forced to switch to another job. Deming was totally against such pay system. Actually, he was against the individual performance measurement. According to him, such an application is one of the important reasons for bad quality and inefficiency. Deming focused on rewarding the team performance. The rewards for the employee performance depended on the contribution of a team’s to quality such as decreasing cost and eliminating waste as well as increasing customer satisfaction. An essential point in his approach was also his pressure on employee pride. Therefore, the intrinsic rewards were also critical in the quality approach.

4.5. The Functional Foremanship

The functional foremanship is a key to Taylorism. Taylor insisted on an elaborated control system in which workers supervised by eight different foremen. Actually, in this system foremen controlling the workers were under the control of other foremen. Deming was totally against the close supervision that created fear and tight controls. Deming’s focus was on relying on people’s pride. Instead, Deming relied on statistical process controls to continuously improve the work processes through the inputs from workers. The important point here is that the workers were not just input providers but also the change agents that determine the new quality standards to be employed by themselves.

CONCLUSION

Modern Management theory and its practices has been developing since the rise of factories in the Western World. Taylorism is the first modern management theory that have affected many other theories developed in the last 100 years. Deming’s quality approach has certainly some points involved from Taylorism. However, the philosophy or the doctrine of the quality approach based on Deming’s writings are critically different than Taylorism.
Total quality management is democratic and empowered employees to make decisions. However, this is not the only difference. The spirit and the culture of both systems are critically different. The organization culture guru Edgar Schein (2010) states that the hidden values underlie the behaviors and the performance of organizations. The culture of Taylorism and quality approach is critically different. As maximization of the efficiency is the central value in Taylorism, quality is the overarching value that manages the system in Deming’s quality approach.

While both give importance on planning and productivity, the essence of both functions are quality in Deeming’s approach. Planning is for improving quality of which productivity is the result.

As Taylorism focus on an organization’s production process and integration of departments, quality approach puts customer needs and the relations with the suppliers at the center for continuous improvement of quality.

Training of the employees are critical for both systems. Training of employees involves teaching the best way step by step in Taylorism, while it means increasing the capacity of workers not just implementation of quality standards but also continuous improvement of quality at organizational level.

Taylorism scientifically and narrowly defines tasks for a job. It does not only exclude employee inputs but treat employees as the cogs of a machine. Employees develop quality standards through quality circles by the help of Stewart Circle, and take charge in the implementation and enforcement process in the Deming’s quality approach. Moreover, as quality approach satisfies the higher order needs of employees such socialization, self-respect and self-actualization, Taylorism has no intention of doing that.
REFERENCES


EU and Competition Policies

Hikmet Salahaddin Gezici
Selçuk University

Yasin Taşpınar
Selçuk University

ABSTRACT

In 1953, the European Coal and Steel Community was established by 6 countries, and then the European adventure began with the Treaty of Rome, which was signed in 1957 and established the European Economic Community (EEC). Economic cooperation reached its highest level on January 1, 2002, when the 12 member states replaced their national currencies with Euro. If we look at the European Union today, the union with 28 member states confronts us as the most advanced model of economic integration in the world. Such as the basic texts that form the base of European Union and determine the direction of economic integration point out: mainly it is targeted to achieve free movement of goods, labour and money from one member state to another. The Union aims the trade inside to process such as an internal market, under the legal framework, so establishing a common market is also aimed. The free market economy has been adopted in order to achieve that goal. The primary requirement for enabling operation of a free market economy is suggested as competition of the actors of economy under equal terms. The purpose of competition policy, which appears as the basic instrument of free market economy, is to prevent contracts, decisions and practices that limit the competition in the market, to avoid the enterprises, which dominate a sector, from misusing those opportunities; to hinder the states dispose the competition by means of its economic instruments; and to make the state ensure protection of competition in the free market through performing the required regulations and supervisions. Regarding all those comments, the main issue that this work will focus on is to highlight how the EU shapes the competition policies, which are among the main actors of the integration of the union aiming effective use of the resources of the member states and achievement of highest level of social welfare for them, and the main dynamics of the implementations put forward in that regard. In this framework, a set of examples of the implementations conducted in EU in the context of competition will be given, and the importance of competition policies will be emphasised.

Keywords: European Union, Competition Policies, Free Market Economy.

JEL Classification: F55, F12, L11
1. INTRODUCTION

The policies implemented during the establishment of the European Union and later are built over three main objectives. Those objectives are; maintaining peace between member states, realizing economic integration and performing political integration. The first two of the three objectives, which formed a source for establishment of the European Union, were realised although crises were faced (economic crises of Greece, Spain and Portugal) occasionally, and intensive effort is made for the third one - political integration. The issue, which this paper will focus on, is the competition policy that is one of the main actors for economic integration of the EU having the goal of highest level of social welfare through efficient use of the resources of the member states.

When one looks briefly at the history of today's EU, it is seen that the European Coal-Steel Association was established by 6 countries in 1953, and then the foundations of the European Union was laid in 1957 when the Treaty of Rome, which established the European Economic Community (EEC), was signed. Economic integration of the European Union began with the establishment the free trade areas, got mature with the customs union in 1963, and passed to a more advanced stage with the completed single market between the member states in 1993. The most advanced stage of the of the economic integration of the EU was shaped through realising the Economic and Monetary Union, which involves making the Euro the single currency instead of the national currencies of 12 member states after 1 January, 2002. When the European Union is observed today, it is seen to be the most advanced model of economic integration over the world, with 27 members. The properly functioning of the European Union with such a wide capacity of economic and financial transactions; undoubtedly depends on the formation and implementation of the competition policies, which are the primary regulators of economic integration.

As pointed out in the main texts that has founded The European Union and directed its economic integration, it is intended to make the Union such as an internal market, where the goods, labour and the money moves freely between the member countries, and trade may be done within the relevant legal framework. Therefore it is aimed to create a common market. The free market economy has been adopted in order to achieve this goal.
However there are many sources of inspiration, the free market economy, the first theoretical framework of which is shaped in the “The Wealth of Nations” of Adam Smith in 1776, is the form of economy; where the economical activities may be carried out under full competition conditions, there is no state intervention, the supply and demand principle is decisive, and it functions in the framework of its own dynamics. The proper functioning of the free market economy depends on the actors of economy to be able to compete on equal terms.

2. COMPETITION POLICY

One should look at the definition of the concept of competition for understanding competition policy. The concept of competition, with its most common use, means people’s effort and race to do something better than their opponents. When competition is mentioned in terms of trade, is the race between the firms seeking to gain customers by the goods produced, according to the definition of UK Competition Commission. And the economic competitive mechanism is running the competitive process again a politically motivated economic system (Williams, 2005: 25-26). In another definition of the concept of competition, the phrase of “race in order to maximize gain between the opponents operating in the same area” is used (Demir & Acar, 2005: 347).

The reason for competition to be the principal actor in the free market economy, may be explained through the impossibility of a perfect competition market; where any demanding actors may do transactions freely and easily, there are infinite numbers of buyers and suppliers, all the goods and services involved are homogeneous, and all the actors inside the market mechanism are informed enough to make rational decisions. In real life, it unlikely to talk about an economical system, where there is no regulations and practices for competition and the conditions for perfect competition already exists without regulation (Ateş, 2008: 48; Rodger & MacCulloch, 2009: 11; Gardner, 2000: 4; Albors-Llorens, 2002: 1).

Competitiveness, which is accepted to be the keystone of market economy, refers to letting the consumer have highly efficient goods and services at law cost and high quality, by allowing supply and demand independently meet under market conditions and through usage of society's scarce resources in the most efficient way. Presence of competition enables the actors involved in
economy to make a contribution to the international competitiveness of the country, while it gives them the chance to make innovations using high technology. When all those benefits are considered, competition is seen to play a very important role in economic growth and development (Competition Authority: 10).

As result of the collapse of the Soviet Union, and the convergence of the Eastern Bloc countries to the liberal countries and their adoption of free market economy, the model has become the dominant economic order in the world economy. Some of the companies operating in the market are occasionally seen to carry out activities preventing competition contrary to the order of the market economy. In such cases, the state is expected to play its supervisory role over the market and produce legislations and policies in that framework, in order to ensure functioning of the market under conditions perfect competition (State Planning Organization (SPO), 2007: 1-3). Surely there are not only economic concerns for the policy-making of the states in terms of competition law. Various societal expectations and concerns play role on the emergence and survival of competition policies evolving up to today. For example, while building the policies and laws for competition in the USA, where the first steps regarding free market were taken, concerns about social life, such as preventing the small companies from being harmed by the larger ones, establishing justice and avoiding political inequalities had a key role rather than the concerns about effectiveness and efficiency. On the other hand in the EU, the main aim of the regulations and policies on competition involves integration of the member states’ markets with each other and taking an important step in achieving the political integration (Atiyas, 2000: 25).

It is not possible to limit the competition policies to the competition law, as well. Competition law is seen as one component of competition policies. In narrow sense, competition policy refers to the implementation of rules of competition law and the policies to be used in that implementation; while in broader sense, it involves the policy instruments to be used by the state in order to create perfect competition in the market (Ersin, 2004: 36). According to another definition in that context; competition policy is the combination of the policies believed to be effective in reducing and preventing the social welfare losses that may arise in an imperfect competition environment (Atiyas, 2000: 25).
Competition laws and policies have become widely used tools to monitor and regulate market mechanisms. In more than a hundred countries, there are currently competitive legislations. Developing countries have strived to create a competitive environment through their competition policies in the markets, which are monopolies and competition is broadly limited. On the other hand, international organizations have made serious efforts for making the free market be able to dominate the world economy, as well. The OECD's major aids given to the countries, which have never had competition laws (especially Eastern Europe, some Asian countries and Latin America), and to the ones, which had adopted competitive laws before but still try to improve those laws, may be an example in that context (Jenny, 2000: 20-21).

The current problems of competition and monopolization are seen to be endemic to the free market economy approach and the processes to cause that approach. When the history of the competition policies is observed; the first laws on monopolies are seen to have emerged in Babylonia 4000 years ago. It was tried to overcome that problem in the Ancient Babylonia, by using several state interventions, which strengthened competition by preventing monopoly or adversely strengthened monopoly by limiting competition9 (Machlup, 1952: 181).

The first restrictive trade agreement known to be examined by the English Courts under the general law is the “Dyer Case” in 1414. After that case, similar cases were settled by the English Courts, during decades. Within that process a gradual progression was provided by the courts though creating precedents about competition. In the following period, those precedents (case laws) transformed into law principles and provided a judicial basis for competition laws (Papadopoulos, 2010: 7-10). While the Continental Europe were not concerned in the regulations on competition, according to some researchers (Papadopoulos, 2010: 7-10) The Act on Prevention and Suppression of Cartels in Canada towards the end of 19th Century, and according to some others (Kovacic, 2008: 1) The Sherman Act10 of the USA led the way to the modern competition law. However the first regulation on competition is controversial the Sherman Act enacted by the USA is the most famous and the most stable one in practical terms (Papadopoulos,

---

9 The chronological historical process of competition policies takes place in “The Political Economy of Monopoly: Business, Labor and Government Policies” of Machlup (pp. 185-186).
10 The process leading to the Sherman Act is analysed in detail by Ali İlıçık in “Emergence of The Sherman Anti-Trust Law” (Sherman AntitrustYasasının Ortaya Çıkışı).
2010: 7-10; Kovacic, 2008: 1). The USA has pioneered the world with their Sherman Act in the field of competition (Swaine, 2011: 3). Looking ahead to today, we see now that many states have the laws and policies on competition.

2.1. The Benefits of Competition Policies

The benefits to emerge in an economical system in case of ensuring competition are as follows (The Competition Authority, 2009: 1-6):

- The costs and the prices get lower,
- The alternatives of products and service increases and their quality get higher,
- Economic growth is provided
- The resources are used efficiently

Figure 1: Benefits of Competition

One of the best examples for competition policies’ provision of lower costs and prices in the relevant market inside the economic system may be seen in the graph below. That graph clearly shows how the prices of mobile communication get along in Ireland, in competitive environment.

The actors in the market may be able to make the market be shaped in accordance with their own interests in the absence of an effective competition policy. In such cases, competition in the market not only can be limited by one actor, but also it can be blocked by more than one. It is a known fact that the economic force formed by the restriction of competition, may be an obstacle to the
economic development as well as it may affect the political conjuncture. The distribution of income will be severely disrupted, due to inadequate use of the resources. The lack of or malfunctioning of competition policy, which is the insurance of free market economy, the economic and political balances will be destabilised. For those reasons, preventive measures of the state for competition in the market are of vital importance. In case the state is not present in the free market economy as a regulator, there will be no mechanisms to avoid certain initiatives’ monopolizing in accordance with only own interests or a group of enterprises’ creating a market in line with their wishes through serving for only their common interests instead of mutual competition. In the current conditions, for the public administration to function well and the economy to continuously develop, competition policies are sine qua non.

Figure 2: Mobile Communication Prices in Ireland

3. COMPETITION POLICIES OF THE EUROPEAN UNION

The European Union (EU) is the largest area of economy and trade in the world. What makes the EU unique on the global stage is its being the only market consisting of more than half a billion consumers and 20 million companies (European Commission, 2013: 1). In other words, the EU’s competition policy is different from similar national systems, because it not only responds to general concerns such as consumers’ welfare and producers’ competitiveness, but also works for integrating markets of the member countries into a one single market (Dinan, 2005: 267). The process ongoing since the establishment of the EU with
continuous improvement and expansion of the EU’s single market has gone hand in hand with the development of EU competition policy (European Commission, 2013: p. 1). The European Union competition regime has developed step by step and become one of the most mature regimes in the field all over the world, through the efforts of all relevant EU bodies, including especially the European Commission (Geradin, Reysen & Henry, 2011: p. 21). Even, according to some researchers dealing with competition policy, the EU’s competition policy is one the greatest success stories of the European history (Murray 2004: p. 1; ERT, 2010: p. 4).

Competition policy constitutes one of the fundamental policy areas of the EU. That is because competition causes extremely useful results for the interests of the consumers such as; reduction in the costs and prices of goods, increase in quality, technological development and alternatives of goods, and introduction of innovative products to the market. Accordingly, the competition rules are considered as one of the basic tools for realising the Unions’ objectives, in the first part of the Treaty of Rome that established the EU (Sanlı, 2011: p. 157).

Before examining the EU competition policy, it is a good idea to shortly observe the development of the EU competition policy. The first regulations on competition in the Continental Europe are seen just after the World War II. After the World War II, the USA became the leader of the West in all respects, and applied a very comprehensive and strict competition policy in accordance with that leadership role. As a result of the oppression of allies under the leadership of the USA, and the perception towards the cartels, which were seen to be causes of wars, as problems; The German Cartel Act was enacted in 1958, unlike the USA (Müftüoğlu, 2000: p. 6-7). While the first developments at the national level in Europe were seen in Germany, the developments in EU economy policies are based on the earlier dates. In this context, the EU’s economy policy is based on the European Coal and Steel Treaty signed in 1951. In that treaty, there are articles (65 and 66) regulating the exclusive competition for the coal and steel sector (Müftüoğlu, 2000: p. 7). The idea of the Common Market emerged with the Treaty of Rome in 1957. According to that Treaty, the Common Market was going to be based on free circulation of people, goods, money and services. The basic regulation of competition (Articles 85-94) was arranged with the Treaty of Rome. Customs duties were abolished in 1968. The "Single European Act" (1986) has been a milestone for the EU. In that document, establishing a common market until the end of 1992 was determined as an object, and many institutional reforms
were decided to be realised (Schmidt, 2007: 5-6). Then with the Maastricht Treaty, the EU led to the removal of borders and the introduction of the single currency. As a result of the Amsterdam Treaty in 1997, the entire previously set EU legal framework was collected as a whole in a single text (Bolayır, 2000: 1). Especially the 81-89 articles of that treaty formed the basis for the EU competition policy. The Lisbon Treaty in 2009 involves some changes in the Treaty on European Union, and the Treaty Establishing the European Community. The new Treaty is called as the "Treaty on the Functioning of the European Union". The articles related to the competition policy in that treaty are the ones 101-109 (Karakeçili, 2010: 7). We discuss the competition law when we observe the history of the competition policy in the EU, because those are states of law and all the actions of the powers take place within the framework of legislation.

The EU competition policies, which are shaped in line with the aim of efficiently functioning of the EU economic field, are based on five fundamental principles. Those are (IKV, 2003: 173):

- Prohibition of inter-company agreements, partnerships and concerted actions to affect the trade between the member states and to prevent or limit the competition in the Internal Market,
- Prohibition of abuse of the dominant position in the internal market, at the size to affect trade between member states,
- Supervision of any kind of state aid provided by the member states constituting threat to distort competition by favouring certain companies or the production of certain products,
- Realising protective supervision for acceptation or rejection of the proposed merger agreements,
- Liberalization of certain sectors such as telecommunications, transportation or energy, where there is usually a monopoly of public or private sector enterprises.

When one talks about the EU's competition policy, it is an unavoidable necessity to address EU competition law, which makes the implementation of that policy possible sets limits to it. Competition law is a rapidly evolving field of most of the legal systems. Although it has own unique technique and character, it is in mutual interaction with various fields of law, and economic and political principles. It cannot be thought for any state regulating the competition law, to act
independently from the economic conjuncture. Therefore, the legal regulations of that field differ from one country to another, although there generally accepted principles of competition law. The main objective of the competition law is to protect the competitive process, which results in optimal allocation of resources and maximization of the consumer welfare. In other words, competition law regulates the market behaviour in order to protect the free market economy. On the other hand competition law has played an important role in the development of the EU law. On the basis of EU competition law, lays the goal of being one single market, which is stated as an aim in the frequently discussed EU establishing treaties, as well as the main objects of competition law. Competition law has provided significant contributions in the process of achieving that goal (Albors-Llorens, 2002: 1).

When the relationship between national competition law and EU competition law is regarded; it is seen that the member states have the right to create national competition laws and enforce that law. However, if the commercial action affects any other member state(s), it should be compatible with the EU competition law (Özgöker, 2008: 8; Karakeçili, 2010: 10-11). In this framework, the competition policy, which is a policy field that the national governments are extremely sensitive about, is occasionally seen to lead to some conflicts between institutions of the Union and also between the member states (Palabıyık & Yıldız, 2007: 67).

According to the articles of the Treaty on the Functioning of the European Union (TFEU) related to competition, the equality of opportunity of all economic stakeholders in the internal market is protected and their competition on equal terms is made possible. In addition, the EU competition law serves for the European economy to increase its power and capacity of competition and also for the interests of the 500 million consumers in the EU internal market. Looking at the arrangement of the EU competition law within the framework of all these objectives, one faces primary and secondary provisions of law. Primary and secondary provisions of law might be explained as follows (Can, 2012: 495-500):

- **Primary Legal Provisions:** The rules for the internal market's competition regime are arranged in the third part of TFEU, in the first section of the

---

11 Detailed information about the European Union competition law is provided in the "European Union Law" (Avrupa Birliliği Hukuku) by Hacı Can between the pages 492-545.
heading 7 with the title "common rules on harmonization of competition, taxation issues and legislation". In the framework of those articles, competition rules are divided into two parts: enterprises (Art. 101-106) and state aids (Art. 107-109). Those provisions, which form the primary resource of competition law, are complementary, and it can be said that they protect competition almost automatically.

- **Secondary Legal Provisions:** Those provisions complete the Union’s competition law. The Council Code, The Commission Code, and The Commission Declaration and Explanation and especially The Code of Competition Procedure constitute the secondary law provisions. In this context, the Council has adopted various codes in the axis of TFEU Article 103. Some arrangements of implementation were adopted many of those codes by the Commission. Competition Procedure Code No. 1/2003 has a central position in competition law of the European Union, in the context of secondary law provisions. Together with all of these, the sector specific codes and group exempting codes constitute an important part among the secondary law provisions.

The competition policy fields identified by the European Commission in the framework of EU competition law are grouped under six headings. Those are (European Commission, ec.europa.eu/competition):

1. **Anti-trust:** These might be called briefly anti-monopoly policies. Those policies take base from two main rules. First one is the agreement of two or more independent market actors having the nature of competition limitation. This is one step below the restrictive agreements between companies and involves rather coordination (TFEU Art. 101). The second one is abusing the dominant position. That involves using economic or any other power that gives a company the opportunity to block efficient competition by preventing it (TFEU Art. 102) (Verhellen & Köksal 2002: 13-21).

2. **Cartels:** The effort against the cartels is a specific part of the antitrust practice. Cartel is clustering of similar but independent companies in order to fix the prices, share market or customers or limit production. In case of a structure with cartels, reduces and even abandons the desire of the company, which is a member of a cartel, to produce new and better goods or services and sell them for lower prices. Therefore, the benefits expected
from competition cannot be derived. All those causes, result in European Commission’s declaring such companies to be illegal and sentencing them to severe penalties.

3. **Mergers:** In the most basic definition; mergers refer to the actions that led to permanent differences in the control structures of the enterprises. Those processes can occur in many different ways. One company’s takeover of another company or the significant part of its assets, combination of two enterprises or two companies’ formation of a joint enterprise, over which both of them have control, or the transformation of a joint enterprise to another under the control of only one of the companies; are examples of merger (Sanlı, 2011: 174). Companies can expand their market by joining forces and that could be fruitful for the economy. However, some mergers may create a condition blocking competition. Such mergers may bring out or reinforce dominant firms in the market, and therefore restrict competition.

4. **Liberalization or deregulation:** That means making the monopoly applicable markets such as transport, energy, postal services and telecommunication open to competition. The general principle of the EU liberalization (deregulation) directives might be explained as follows: the activities of infrastructure and production are evaluated separately and the rights to property and infrastructure are kept reserved. Monopolists have to give the opportunity to become their competitors to the companies produce services through their own (monopolists’) infrastructures (networks) (Dura & Atik, 2004: 216).

5. **State Aids:** A company receiving state aid rises into a more advantageous position than its competitors. The state aids, which are not in the context of overall economic development, are prevented by TFEU (Art. 107-109). European Commission is responsible for determining the exemptions about the state aids, ensuring equal implementation prohibitions throughout the EU, and supervising compliance of the state aids with the EU acquis.

6. **Internationalization:** In today's globalized economy, companies operate across national borders. Gradually growing number of mergers form different countries and even from different continents is being realised. The international activities of the companies, makes the integration with countries mutually and international organizations, inevitable.
The European Parliament has legislative powers; while the national and Union courts have judicial powers; and the Council of Ministers of The EU has the authority to establish the general parameters of competition policy. In the situations arising in the first years due to the competition policy to have been prepared in narrow manner the commentaries of the Court of Justice provided significant contributions in the formation process of the Common Competition Policy. The decisions made by the Commission that is the fundamental authority for implementation of the common competition policy are also subject to supervision of the Court of Justice (Karakeçili, 2010: 9). Court of Justice has two main functions: to check whether the means used by the European institutions and governments conflicts with the founding treaties or not, and to confirm validity of Union law provisions on a national courts request or make precedents on those provisions. The main task of this court is to find solutions for the conflicts between the European institutions and for the disputes arising out of the competition rules (IKV, 2003: 15-16).

The main institution having the authority of creating policies by applying the EU competition law and implementing them is the European Commission. In some studies, the main cause underlying the very successful competition policies in the EU is stated to be the member states’ transferring their authorities of supervising and sanctioning in merger, anti-trust and state aids to the European Commission. (ERT, 2010: 4). In this framework, the only authority to research and decide on the cases has been given to the European Commission since the establishment of the European Economic Community (EEC) in 1957, while EU Council of Ministers put forward the EU’s general parameters of competition policy, which is one of the most complex fields of policy making of the EU (Murray, 2004: 1). The Commission is an organ of the Union for carrying out the public services of the community (Swann, 2000: 52). The basic text identifying the powers of the Council is the Council Code No. 1/2003. The Commission may conduct post-complaint or ex-officio investigations. Those investigations consist of two phases. The first phase is the process of gathering evidence to determine whether there has been a violation of competition. The second phase after gathering evidence consists of informing those concerned and defence. The Commission declares the reasoned decision at the end of the defences. The Commission implements two types of sanctions in cases of the decision means violation of competition. First is the set of measures for ending the violation and restoring the competitive situation. The latter kind of sanctions involves the
pecuniary penalties. The ones to be subject to sanctions with the reason of distorting competition have the rights to apply to the Courts of First Instance against the decisions of the Commission, and to the Court of Justice against those of the Courts of First Instance (Sanlı, 2011: 176-177).

After portraying the current status of EU competition policy in the part above, it will make sense to look for the answer to the question of how the future of EU competition policy will be shaped. In this framework, when the Europe 2020 report published by the World Economic Forum examined, it is seen that EU countries are claimed to have to care basically about seven fields in order to provide significant advances in the field of competition during the process until 2020. Those seven fields may be summarized as follows (World Economic Forum, 2012: 8-9):

1. Job creation and growth of entrepreneurship are essential preconditions for growth and employment. To achieve this, a competitive environment should be developed, establishing companies eased, and the entrepreneurs be relieved from unnecessary taxes and bureaucracy.
2. The use of information and communication technology for easier access to and share of information should be increased. A true information society should be created and the information, which will cause the most effective and efficient results for all the stakeholders (businesses, government, and consumers), should be provided.
3. The European countries should be able to use information and communication technologies in order to create innovation, because it is one of the most accurate means of innovation. Additionally the realization of sustainable public and private sector R & D investment is critical for growth within this framework.
4. The quality of higher education, beyond the simple production processes and products is so important for an economy aiming to move up the value chain. In the rapidly globalizing economy, the rapidly changing demands of goods and services is met especially the countries having well-trained staff, and they adapt to changing conditions the fastest way, as well. Therefore the education provided should be developed in terms of both quantity and quality.
5. For the whole human resources of the member countries to serve their best for the development of EU, the capacity of free mobilization for all the
labour to contribute at optimum level requires to be increased. In addition
the equality of the women and men in the working environment (in terms
of participation and working conditions) should be provided.

6. The individual members of the societies that form the EU should have the
opportunity to benefit from economic growth in their own countries. That
is very important, because disposable high incomes create demands and
savings pools for investments. In countries with such societies the
economy will be more stable, and this stability will bring about a more
favourable environment for economic activities.

7. It is emphasized that high quality, well-managed and sustainable physical
environment is very important for competitiveness. Efficient use of energy
and other resources reduces costs and increases efficiency in benefitting
from direct input. Also, a natural environment of high quality raises the
potential of manpower and allows the use of its capacity in higher levels.

In accordance with the seven items mentioned above, the Europe 2020
strategy called “smart, sustainable and inclusive growth” announced by the
Commission in March 2010 gives great hope for the creation of a more sustainable
competition policy in the future (Van Hees, 2011: 49).

4. CONCLUSION

The competition policy conducted is one of the biggest success stories of
the European Union. The creation of successful policies despite occasional
disruptions in such a complex field is demonstrated through the preserved and
improved development of the economic integration of the EU, which is unique in
the world.

In today's globalized world, such rapid movement of knowledge and
money, which have become the most valuable commodities in the world economy,
resulted in the instant changes. In this regard it should be noted that competition
policy is a dynamic process, as well. Because, competition policies may have
negative effects while waiting for positive results, they are not implemented in an
optimum way. If the competition policy is implemented too strictly, it is possible
for the companies and the sectors needing support to be completely demolished.
On the other hand if the competition policy is implemented too relaxed, the
notions, which will limit the competition, such as the cartels, mergers to dominate
the market and the state aids to led unfair competition will inevitably occur. Such a situation will not only reflect negatively on economic growth at the macro scale, but also the benefits provided to the consumer individuals will be minimized at the micro scale.

Together with all these, unless a true competition policy is set out, it will not be possible to build the competitive structure at states level, as well as companies level, and the demanded share from the globalised trade will not be obtained. Therefore it is of vital importance to practice appropriate competition policies in all the countries in general, and in the EU in particular. The key of especially preserving such a huge economic integration and ensuring the success of the Union is the competition policy.

EU, which is one of the best economical systems in implementing the competition policy, is expected to maintain proper structure for the future projection and to generate competitive solutions compatible with the changing and transforming processes.
REFERENCES


The Effect of Consumers’ Attitude towards Permission Based Mobile Advertising on Purchase Intention: A Field Study in Konya, Turkey

Resul Öztürk
Nevşehir University

Mehtap Öztürk
Selçuk University

ABSTRACT

The European Union approved a new directive (Directive/58/EC) which established standards for the processing of personal data and the protection of privacy in the electronic communications sector (European Union, 2002). This study has implications for privacy regulation currently being considered in Turkey and the implementation of the opt-in policy stipulated by the European Union Data Privacy Directive. This study aims to find out possible relationship between the consumers’ attitude towards mobile advertising and their intention to purchase. The data used in the study was obtained via questionnaire method. This regard a field study has been conducted over the consumer in the province of Konya. The findings of study revealed a positive and statistically significant relationship between consumers’ attitude towards mobile advertising and intention to purchase. Besides this it was found out that there is a positive and statistically significant relationship between permission marketing and intention to purchase. Furthermore, the findings of the study revealed a positive and statistically significant relationship between permission marketing and consumers’ attitude towards mobile advertising.

Keywords: Mobile Advertising, Permission Marketing, Intention to Purchase.

JEL Classification: M310, M370.
1. LITERATURE REVIEW

According to Mobile Marketing Association (2016) “mobile marketing is a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through and with any mobile device or network”. Scharl et al. (2005) stated mobile marketing refers to “using a wireless medium to provide consumers with time and location, personalized information that promotes goods, services and ideas, thereby benefiting all stakeholders”.

Mobile marketing, mobile advertising and mobile commerce are often used interchangeably (Carter, 2008: 62). On the other hand, mobile advertising is one of the common form of mobile marketing (Hanley and Becker, 2008: 67). Thus, the concept mobile marketing and its subset mobile advertising are controversial concepts in the literature (Leppäniemi et al., 2006: 10). Mobile advertising is used by many business as a marketing channel for directly communicating with consumers (Punyatoya and Durgesh, 2011: 614) and influence their awareness, attitudes and buying behaviour (Ayanwale et al, 2005: 10). The major form of mobile advertising is through SMS text messages. Short message service (SMS) still the important application to reach consumers (Barwise and Strong, 2002: 15). Another option business could choose to advertise through is the mobile website, applications or a combination of both. The last form of mobile advertising is mobile videos.

Mobile marketing requires consumer data on the basis of which targeted marketing campaigns can be planned. In the European Union, the processing of personal information and the protection of privacy in the electronic communications industry is regulated by a directive established in 2002 (European Union, 2002). Consequently, a marketer must have prior permission in order to use personal data for mobile advertising purposes.

According to Godin (1999) “permission marketing is the privilege of delivering anticipated, personal, and relevant messages to people who actually want them.” Permission Marketing and Interruption Marketing are different concepts. Interruption Marketers spend all of their time interrupting strangers, in an almost miserable attempt to promote popularity and capture attention. Permission Marketers spend as little time and money talking to strangers as they
can. In place of this, they move as quickly as they can to turn strangers into prospects who choose to "opt-in" to a series of communications (Godin, 1999).

The concept of permission advertising is an approach which proposed for mobile marketing via SMS, avoids large-scale spam plaguing web-based communication (Maneesoonthorn and Fortin, 2006). Permission marketing is a current term, which was proposed by Godin (1999). Permission marketing is essentially another way of thinking about advertising and customer (Godin, 1999: 23). Permission marketing undertakes that the consumers pay more attention to the marketing message (Godin, 1999: 45). Permission marketing offers the promise of improving targeting by helping consumers interface with marketers most likely to ensure relevant promotional messages (Krishnamurthy, 2001). Tsang et al. (2004) suggested that permission-based mobile advertising differs from traditional advertising and should require consumers permission which entertainment and incentive are important variables to improving mobile advertising attitudes.

The researchers recently have shown that permission marketing is a positive related with customers’ attitudes toward mobile advertising (Abernethy, 1991; Dufrene et al., 2005; Barnes and Scornavacca, 2004; Carroll, et al., 2007 Bamba and Barnes, 2007; Jayawardhena, et al., 2009; Krishnamurthy, 2001; Maneesoonthorn and Fortin, 2006). In the same vein, several studies showed that consumers’ attitudes towards mobile advertising has a significant and positive relationship with their intention to purchase products and services (Bauer et al., 2005; Radder et al., 2010). In this context, the main purpose of this study examine the relationship between consumers’ attitude towards permission based mobile advertising and intention to purchase.

2. RESEARCH METHODOLOGY

This study, which aims to determine relationships between consumers’ attitude towards permission based mobile advertising and intention to purchase on the mobile phone users in the province of Konya. In direction of this aim the hypotheses developed in the scope of study are put order as follow:

H₁: Consumers’ attitude towards mobile advertising is positively related to the permission marketing.
$H_2$: Consumers’ attitude towards mobile advertising is positively related to the intention to purchase products and services.

In this study, consumer attitudes are determined by based on Fishbein’s multiattribute model which used same studies (Punyatoya and Durgesh, 2011; Noor et al., 2013). In order to identify the levels of permission marketing and mobile marketing Noor et al. (2013) used their studies, were used. The data of the study was collected via face–to-face interviews with the respondents by means of a standard questionnaire, prepared considering Likert scale. The item in the scales were scored as 1="I definitely agree with" and 5 = “I definitely disagree with”. In the study, in the determination of employees who will be included in the convenience sampling method, used in the similar studies (Cui et al., 2003; Zhou, 2004) was preferred. In calculation of sample size, the method of Yazıcıoğlu and Erdoğan (2004: 50) was utilized. The authors calculated the number of survey that is necessary to be done as 217 for confidence value of $\alpha = 0.05$ and sample error of 0,05, in case that the rate of observing and non-observing is accepted as equal and there is a sample size of 500 people. In this context, the rate of questionnaire that is necessary to be returned is about 44%. A survey was conducted among 256 Turkish consumers. The response rate was 71,4% and the final sample size was 183 consumers.

| Table 1: Internal Consistency Analysis Results of the Scales |
|-----------------|-----------------|
| **Scales**      | **Cronbach’s Alpha ($\alpha$)** |
| Attitude Towards Mobile Advertising | 0,858 |
| Permission Marketing            | 0,867 |
| Purchase Intention                    | 0,721 |

It was precipitated that the scale of attitude towards mobile advertising (0,858), scale of permission marketing (0,867), and scale of purchase intention (0,721) were confident at high degree (0,60>$\alpha$>0,80).

When the table is examined, it can be said that the levels of consumers’ attitude towards mobile advertising are in the medium level (3,24), in other words, that the consumers have positive attitude towards mobile marketing. It can be said that the levels of permission marketing of consumers are high (3,87). The level of intention to purchase products and services is medium (3,36).
Table 2: Descriptive Statistics Regarding Scales

<table>
<thead>
<tr>
<th>Scales</th>
<th>Mean</th>
<th>St. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude Towards Mobile Advertising</td>
<td>3.24</td>
<td>0.85</td>
</tr>
<tr>
<td>Permission Marketing</td>
<td>3.87</td>
<td>0.80</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>3.36</td>
<td>0.69</td>
</tr>
</tbody>
</table>

Notes: (i) n=183. (ii) In the scale, 1 is in the meaning of “I definitely disagree” and 5, in the meaning of “I definitely agree”. (iii) According to two way Anova Test of Friedman, $\chi^2=632.516; p<0.001$; the results are statistically significant.

Table 3: Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude Towards Mobile Advertising</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permission Marketing</td>
<td>0.632**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.502**</td>
<td>0.768**</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: **p<.001, *p<.05.

According to the results of the correlation analysis, a positive and significant relationship has been determined between attitude towards mobile advertising and permission marketing ($r=0.632, p<0.05$). Moreover, positive and significant relationship has been determined between attitude towards mobile advertising and purchase intention ($r=0.502, p<0.05$). Besides this there is positive and significant relationship between permission marketing and purchase intention ($r=0.768, p<0.05$).

Table 4: Multiple Regression Analysis Results

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>R$^2$</th>
<th>Independent Variable</th>
<th>Beta</th>
<th>Std. Error</th>
<th>t</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude Towards Mobile Advertising</td>
<td>.623</td>
<td>Constant</td>
<td>1.699</td>
<td>0.110</td>
<td>15.396*</td>
<td>190.426*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Permission Marketing</td>
<td>0.372</td>
<td>0.031</td>
<td>12.188*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Purchase Intention</td>
<td>0.194</td>
<td>0.023</td>
<td>8.322*</td>
<td></td>
</tr>
</tbody>
</table>

Note: **p<.05, *p<.01.

When correlation coefficients were examined, although it was identified that there was positive and negative directional relationships between the independent variables, determining that the coefficients were small than 0.7 and there was no multiple relations, in order to examine the relationships between the variables, regression analysis was conducted.
When the results of regression analysis were examined, it was found that permission marketing had an effect on attitude towards mobile advertising and the levels of permission marketing accounted for the variance in attitude towards mobile advertising in the rate of 37.2%. Furthermore, consumers’ attitude towards mobile advertising had an effect on the intention to purchase products and services, and the levels of intention to purchase products and services accounted for the variance in attitude towards mobile advertising in the rate of 19.4%. In addition, the model put forward was statistically significant (p<0.05). In this direction, H₁ and H₂ hypotheses were accepted.

3. CONCLUSION

In this study, the effect of the consumers’ attitude towards permission-based mobile advertising on purchase intention in the province Konya was examined. According to the results of research, it was identified that the levels of attitude towards mobile advertising of the consumers and permission marketing were medium, while their purchase intention was high. In addition, it was identified that there was a positive directional and statistically significant relationship between consumers’ attitude towards mobile marketing and permission marketing. It was determined that there was a positive and statistically significant relationship between consumers’ attitude towards mobile marketing and purchase intention. In the scope of study, it was concluded that permission marketing and purchase intention had an effect on the attitude towards mobile marketing.

The present study was conducted in a single country setting in Turkey, the generalization power of the results of study remains weak. In terms of the studies carried out in the future, the study can be restudied with a larger sample. The present research can be conducted in other countries of the world and the result can be compared. It is necessary to take into consideration that the study was evaluated through the data belonging to a certain time slice. Since this study was carried out only in the province Konya, when the questions, whose answers are searched for and the hypotheses are taken into consideration, it can be said that realizing a longitudinal study as method of data collecting is a more appropriate approach.
REFERENCES


Where is Bosnia and Herzegovina in Terms of Economic Freedom in the Balkans and EU?

Dr. Recai Aydın
Turkish Police Academy & International University of Sarajevo

Dr. İbrahim Dursun
Turkish Police Academy & International University of Sarajevo

ABSTRACT

Economic freedom is considered to be in the heart of economic development and sustainable growth as it is a must for flourishing entrepreneurial spirit in a country as well as attracting foreign direct investment into the country. Since 1980s, many institutions and organizations such as Freedom House, the Heritage Foundation, and the Fraser Institute have been measuring level of economic freedom across the world. This study analyzes the recent and current situation of Bosnia and Herzegovina in terms of economic freedoms. The study also compares Bosnia and Herzegovina with its neighbours and EU countries with respect to their current position in economic freedoms.

Key Words: Bosnia and Herzegovina, Economic Freedom, Balkan Countries, EU.

JEL Classification: O43, P16
1. INTRODUCTION

Bosnia and Herzegovina (B&H) is a country with very complex historical background and political system. Bosnia was a part of socialistic economic system and had centrally planned economy for years. Upon the fall of this system, Bosnia and Herzegovina suffered through years of war. Today, Bosnia and Herzegovina has one of the most complex political systems in the world and its already unimpressive economic performance is being hindered by many factors. Bosnia is considered to be one of the poorest European countries and is still in the process of European integration.

Studies of economic performance and efforts to find ways of improving it date all the way back to Adam Smith. All of them point out to the same conclusion, the role of the state in ensuring economic growth is important but its involvement in economic affairs has to remain limited. Government should provide favorable environment for the economy to grow by ensuring the private property rights protection, liberty protection and ensuring contract enforcement. This indicates that the increase in economic freedom of the country should result in improved economic performance. Based on this we can conclude that detailed analysis of levels of economic freedom in Bosnia and Herzegovina could reveal the sources of its poor economic performance, which is the purpose of this paper. In order to take into consideration the history of the country, we will compare its performance to that of the countries in the region with very similar historic background.

2. WHAT IS ECONOMIC FREEDOM?

There are different approaches to understanding the concept of economic freedom. They differentiate mainly in their scope where the first approach holds macroeconomic point of view while the second one is more microeconomic. First approach emphasizes concepts of free market, freedom of trade and private property and it is derived from classical liberal and libertarian ideas. According to the definition of Heritage Foundation economic freedom is the fundamental right of every person to control his or her own labor and property. In an economically free society, individuals are free to work, produce, consume, and invest in any way they please, with that freedom both protected by the state and unconstrained by the state. The goal of economic freedom is to minimize the government involvement
in the economy and reinforce the role of the market and private sector guided by the rule of law, property rights and freedom of contract (Kovačević and Borović, 2014).

Second approach emphasizes the concept of welfare economics in the studies of individual choice. According to this approach economic freedom is defined as a freedom of an individual to without the use of theft, fraud or force acquire property that protected from others and to give or exchange their property freely as long as their actions do not disturb the same rights of everyone else. So, according to both approaches, main components of economic freedom are personal choice, free trade; opportunity to compete in markets and security of individuals and their property. The role of government is to provide the environment where free trade is possible and to protect people and their property.

3. THE IMPORTANCE OF ECONOMIC FREEDOM

When comparing economically free countries to those less economically free we can observe drastic differences in many important aspects. Many of those differences are believed to be accounted for the level of economic freedom practiced in the country. Careful examination of the theory and empirical research on this issue creates grounds for organizing these differences into three main groups: economic growth, income equality and quality of life.

Economic growth, according to the theory, should emerge as a result of increased economic freedom in the country. However, many scholars questioned whether this theory holds in reality. Studies were done in many different forms using different methodology, from observation and simple comparison of the growth rates and level of economic freedom across countries (Bhagwati, 1994; Gwartney and Lawson 2002) to more complex econometrics studies (Gwartney, Lawson, and Holcombe 1999; Haan and Sturm 2000). All of these studies found that the theory is supported in reality however; all of them prove it to different extents and in different manners. Some of them (Dawson 1998; Gwartney, Lawson, and Holcombe 1999; Haan and Sturm 2000; Pitlik 2002; Adkins, Moomaw, and Savvides 2002 and Weede and Kämpf 2002) prove that the economic freedom has positive relationship with growth, however, they found that the level of economic freedom at the beginning of the period studied does not contribute significantly to the economic growth, however, later changes in
economic freedom are statistically significant. On the other hand, others (Easton and Walker 1997; Ali 1997; Goldsmith 1997; Hanson 2000; Ali and Crain 2001; Heckelman and Stroup 2000; Pitlik 2002; Carlsson and Lundström 2002 and Scully 2002) found that the initial level of economic freedom was statistically significant. Still, the results showing the initial level of economic freedom as significant variable tend to be less strong than findings showing positive changes in economic freedom as significant. Other findings show that the initial level of economic freedom was only significant in combination with the variable showing the later level of economic freedom. This is why the results have to be interpreted with great caution, especially in cases where panel data is not used. Another issue that we face with in these studies, and that has been addressed by many scholars is the causation link between economic growth and economic freedom. All the studies found that there is causation link between the two, and it has never been reported that country with negative change in economic freedom experiences a drop in GNP growth rate but there is a question as to does economic growth promote economic freedom or does the relationship go other way around. Results of the studies done on this issue are divided and there is no conclusive evidence suggesting one or the other.

Even though theory and the practice both show that increasing the level of economic freedom will lead to economic growth there are many people who still refrain from passing the policies that would increase that freedom out of fear of income inequality. The examination of the theory shows that there is no simple clear-cut relationship between the economic freedom and distribution of income. On one side, if we look at the initial effect of increasing economic freedom we will see that it actually affects distribution of income negatively, using disposable incomes as a measure for income. On the other side, if we use gross income as a measure of income level we will notice that increasing economic freedom affects it positively. Empirical studies done on this issue (Gwartney and Lawson, 2002) support what is stated by the theory, there is no clear-cut relationship between the level of economic freedom and income distribution.

There are many theories and empirical studies dedicated to studying other variables that may be affected by changing the level of economic freedom in the country. Both theory and empirical studies suggest that people in the countries with more economical freedom are living better lives in all its observable aspects. The results of extensive research show that economic freedom is positively
correlated to life expectancy, literacy (Esposto and Zaleski, 1999), clean environment (Carlsson and Lundström, 2001), HDI, protection of private property rights (Norton, 1998) and negatively correlated to poverty and unemployment. These results are applicable for both, cross section and panel data.

4. MEASURING ECONOMIC FREEDOM (INDEX OF ECONOMIC FREEDOM)

During 1980s the interest in ranking the countries according to their level of economic freedom increased in its popularity among the scholars which is how the numerous attempts of constructing the index that would quantify the level of economic freedom were inspired. Many organizations (such as the Fraser Institute, Freedom House and the Heritage Foundation) as well as individual scholars constructed their own versions of so called index of economic freedom (IEF). Today, the most popular indexes are those produced by the Fraser Institute (Economic Freedom of the World Index) and the Heritage Foundation in cooperation with the Wall Street Journal (Index of Economic Freedom).

The Fraser Institute publishes Economic Freedom of the World (EFW) annual reports that rate 120 nations based on the level of economic freedom index. Their index constitutes of five dimensions: legal structure of the country and protection of property rights; size of government measured in expenditures and taxes; freedom of international trade measure with tariffs, quotas, and capital controls; access to sound money measured with inflation rate and regulation of credit, business, and labor. The legal structure of the country and protection of property rights is considered by many the most important of all above components. The very basic for economic freedom is protecting the private property of the people which also means good application of the law and enforcement of contractual agreements.

Size of the government should remain relatively small to score high in this dimension of the index. Even though the role of the government is very important in areas such as private property rights protection, enforcement of the law and general providing of environment to conduct business at, it has been noticed that large governments tend to restrict economic freedom of the people. Size of the government is measured through government spending and tax rates which should remain modest. Freedom to trade internationally is measured through level of
quotas, tariffs and capital controls in the country as well as the freedom to trade with anyone of one’s choosing outside the country. Sound money measures how much the government practices monopoly over the money supply. This is measured through level and stability of inflation rates as well as the freedom to own the currency of other nations. Regulation of credit, business, and labor includes the existence of foreign bank ownership controls, interest rate controls, minimum wage, business licensing and price controls.

Each of these dimensions has further sub dimensions that are rated on the scale from 0 to 10 based on the data retrieved from different sources (International Monetary Fund, World Bank, International Country Risk Guide, Global Competitiveness Report etc.). Later on, the average is calculated for each dimension and the total average of all dimensions is the final index that represents the level of economic freedom in the given country. The index rates countries on the scale from 0 to 10 with 0 indicating no economic freedom. Since equal weight is given to each of the dimension and sub dimensions, it is important to notice that two very different countries may have exact same IEF score.

Heritage Foundation Index publishes the ranking of 186 countries in terms of economic freedom in the Wall Street Journal every year. The index constitutes of four basic dimensions referred to basic pillars of economic freedom: rule of law, regulatory efficiency, government size and open markets. Each of these categories contains, in total 10, subcategories that represent different freedoms. The rule of law means freedom of corruption and protection of property rights. Regulatory efficiency consists of business, monetary and labor freedom. The size of the government includes fiscal freedom and modest government spending. Open markets indicate trade, investment and financial freedom. These ten freedoms are rated on the scale from 0 to 100 where higher scores indicate more freedom. Later on, each of the freedoms is grouped into related category. Each of the categories is then rated based on the average score of the freedoms it consists of. The total average is represented as IEF of a nation. Again, each of the freedoms, as well as categories, is given the same weight which is why countries with very different structures and problems may end up having the same score.

As it can be seen, two of these indexes are very similar, which is reflected through similar results that they generally produce. In academic literature, the index developed by the Fraser Institute is used more often, mainly because it has
been created much earlier than the Heritage Foundation Index leaving it with much richer database. However, the Heritage Foundation Index includes more observations of the economies than the Fraser Institute does, which makes it more convenient for us to use it, especially since all the countries in the region either did not exist, or had problems reporting any data prior to 1995 when the Heritage Foundation Index was created.

5. BOSNIA & HERZEGOVINA AND ECONOMIC FREEDOM

Bosnia and Herzegovina, as a part of Yugoslavia, used to have centrally planned economy. After the fall of Yugoslavia there was a three year old period of war. With Dayton Peace Agreement in 1995 the war ended and Bosnia is considered to be transitional economy since then. Many former centrally planned economy managed to increase the economic freedom significantly over the years. Estonia improved its economic freedom remarkably over the years moving its economic freedom ranking in the world from eighty-first in 1995 to thirteenth at the end of 2015. On the other hand, Russia and Romania made little or no improvement over the years and still are ranked at the bottom of the list. With the legal systems that are not able to fully protect private property or enforce contractual agreements and serious problem of corruption these countries show few signs of hope for future improvement with their weak legal systems.

Unfortunately, the case of Bosnia and Herzegovina is more similar to the cases of Russia and Romania than the case of Estonia. Bosnia and Herzegovina has loose central government with two separate entities (Federation and Republika Srpska). This affects the central government negatively and makes implementation of economic reform rather difficult. Bosnia and Herzegovina also faces with serious problems of corruption and unemployment and it is one of the poorest countries in Europe. Even though Bosnia and Herzegovina did make some progress over the years and there has been some privatization, in recent years there are few improvements in efficiency of its regulations and government still controls many companies which deteriorates its economic performance.

The IEF by the Heritage Foundation scores Bosnia and Herzegovina with 59.0 meaning that Bosnia and Herzegovina ranks 97th in the world and 38th out of 43 countries in the region in terms of economic freedom. This means that Bosnia and Herzegovina made only 0.6 points improvement in its score from 2013 to
2014 with slight decrease in corruption, increase in monetary and labor freedom followed by the decrease in financial and investment freedom. Over the past five years Bosnia and Herzegovina made 1.5 points improvement in its score and the most notable change was 15 points increase in eradicating corruption. However, Bosnia and Herzegovina is still falling behind, it is still categorized as mostly unfree and it is bellow both, world average of 60.4 and regional average of 67.0 scores in economic freedom. In order to improve its economic performance Bosnia and Herzegovina will have to eradicate corruption, enforce private property rights and improve its legal system. The relationship between the IEF of Bosnia and Herzegovina and European average over the years is presented in the Figure 1 while its relationship to regional average is shown in the Figure 2.

**Figure 3**

**IEF in B&H compared to European average**

Source: The Heritage Foundation, IEF 2015

**Figure 4**

**IEF in B&H compared to regional average**

Source: The Heritage Foundation, IEF 2015
As it can be seen from the figures above, Bosnia and Herzegovina is falling behind the world, European and regional average when it comes to economic freedom. The countries of the region are also considered to be countries in transition and all have been part of Yugoslavia which applied planned economy, still, they are doing much better at improving economic freedom than Bosnia and Herzegovina does. Among the countries of the region, as it is presented in table below, Macedonia is doing best and is ranked 53rd among 177 countries of the world and 24th among the countries of the region. This places Macedonia into the group of countries described as moderately free.

Some other countries of the region are placed into the same category: Montenegro (which was ranked 70th), Croatia (81st in the world and 35th in the region) and Slovenia (88th in the world and 36th in the region). Serbia (90th in the world and 37th in the region) was placed with Bosnia and Herzegovina (97th in the world and 38th in the region) into the category of mostly unfree economies for years, however, this year, for the first time it reached the lower limit of points (60) for being considered moderately free economy. This makes Bosnia and Herzegovina the only country in the region considered as unfree economy. In terms of four main pillars of economic freedom Bosnia and Herzegovina experienced both largest improvement and largest problems with the category of the rule of law. As it has already been mentioned, Bosnia and Herzegovina made largest improvement in decreasing corruption; however, the corruption is still one of the major problems in this country. In terms of corruption Bosnia and Herzegovina ranks 72nd in the world and there has been 8.1 points change in the score since the last year. Croatia scored 61.5 points and it has improved since the last year by 1.1 point reporting its highest ever score of economic freedom, however it is still falling behind many countries of the region and Europe.

Croatia is still facing with problems of corruption, unstable judicial system and full protection of private property rights. Macedonia scores 67.1 points in economic freedom and its score has decreased by 1.5 points since the last year. Over the course of five years Macedonian economic freedom has improved by 1.1 points with significant changes in half of the ten freedoms included in the index. Most notable changes were in decreasing the corruption, improving business and trade freedoms. Slovenia scores 60.3 points and its score has decreased by 2.4 points since the last year. Over the course of five years the economic freedom score has dropped by 4.3 points putting Slovenia under the world and regional
averages and putting it on the lower limit of points needed to be considered moderately free economy. However, most of this drop is accounted for with increased government spending and decreased privatization. Serbia’s score of 60 represents an increase in 0.6 points since the last year. Over the course of five years its score has improved by 2.0 points which is mostly result of decline in corruption and improvement in investment and monetary freedom. Montenegro scored 64.7 points which is 1.1 points higher than the last year. Economic freedom of Montenegro has improved by 2.2 points over last five years as a result of improvements in investment freedom and decline in government freedom, which managed to undo the negative effects of large labor freedom decline.

Table 3

<table>
<thead>
<tr>
<th></th>
<th>Score</th>
<th>World rank</th>
<th>Regional rank</th>
<th>Change in 1 yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosnia and Herzegovina</td>
<td>59</td>
<td>97</td>
<td>38</td>
<td>0.6</td>
</tr>
<tr>
<td>Serbia</td>
<td>60</td>
<td>90</td>
<td>37</td>
<td>0.6</td>
</tr>
<tr>
<td>Slovenia</td>
<td>60.3</td>
<td>88</td>
<td>36</td>
<td>-2.4</td>
</tr>
<tr>
<td>Croatia</td>
<td>61.5</td>
<td>81</td>
<td>35</td>
<td>1.1</td>
</tr>
<tr>
<td>Montenegro</td>
<td>64.7</td>
<td>66</td>
<td>31</td>
<td>1.1</td>
</tr>
<tr>
<td>Macedonia</td>
<td>67.1</td>
<td>53</td>
<td>24</td>
<td>-1.5</td>
</tr>
</tbody>
</table>

Source: The Heritage Foundation, IEF 2015

Figure 5

As it can be seen from Figure 3, there has been less improvement in protection of property rights, particularly since the last year there has been no
change in the level of property rights protection in Bosnia and Herzegovina and, in this category, it ranks as 138th in the world. As we can see from the Table 1, even though corruption level is a huge problem for Bosnia, the corruption level is not too different than the regional or European average. On the other side, Bosnia is falling back in terms of property rights protection compared to region and Europe. Among all the countries in the region Slovenia has the highest freedom from corruption in the last year, Serbia and Bosnia and Herzegovina made the most significant improvement and also have the highest rates of corruption within the last year. In terms of property protection rights Slovenia has the best score while Bosnia and Herzegovina has the lowest one by far with the score of 20, followed by Macedonia scored with 35.

| Table 4 |
|-----------------|------------------|
| Regional average | European average |
| Property protection rights | 44 59.9 |
| Freedom from corruption | 47 57 |

Source: The Heritage Foundation, IEF 2015

In terms of second category of economic freedom, size of the government, Bosnia and Herzegovina showed little improvement over the years and during the last year in particular it made no change in fiscal freedom while it decreased government spending by only 0.1 points.

| Figure 6 |
|-----------------|------------------|
| Fiscal freedom 82.9 |
| Government spending 27.3 |

Source: The Heritage Foundation, IEF 2015
As it can be seen from Table 3 and Figure 5, Bosnia and Herzegovina is above average in terms of fiscal freedom but well above average in terms of government spending. The score of 82.9 from 2015 places it at 61\textsuperscript{st} place in the world; however, there have been no change in fiscal freedom since the last year. In terms of government spending Bosnia is well below European and regional average, and the score of 27.3 from 2015 places it at 164\textsuperscript{th} place in the world. Government spending is a complicated issue for the case of Bosnia because taxing policies differ significantly in different entities of the country. Highest individual and corporate income taxes are 10\%. Property tax and VAT are also included. In the region, Slovenia has the lowest score in terms of government spending (22.6), even lower than Bosnia while Croatia has the highest one 46.5.

<table>
<thead>
<tr>
<th></th>
<th>Regional average</th>
<th>European average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal freedom</td>
<td>79.88</td>
<td>71.7</td>
</tr>
<tr>
<td>Government spending</td>
<td>39.7</td>
<td>42.4</td>
</tr>
</tbody>
</table>

Source: The Heritage Foundation, IEF 2015

Efficiency of the regulation in Bosnia and Herzegovina has improved over the last year, with slight improvement in labor and monetary freedom offset by the decline in business freedom.

Source: The Heritage Foundation, IEF 2015
Business freedom in Bosnia and Herzegovina is has declined by 2 points since the last year which places it at the 140th place in the world. The business freedom is well below the average of the region and the Europe due to complicated laws, regulations and licensing requirements regarding registering new business, which still takes more than one month. Bosnia has the highest unemployment rate in the region, especially among the youth.

Table 6

<table>
<thead>
<tr>
<th></th>
<th>Regional average</th>
<th>European average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary freedom</td>
<td>78.44</td>
<td>78.8</td>
</tr>
<tr>
<td>Labor freedom</td>
<td>63.7</td>
<td>61.9</td>
</tr>
<tr>
<td>Business freedom</td>
<td>70.22</td>
<td>76.6</td>
</tr>
</tbody>
</table>

Source: The Heritage Foundation, IEF 2015

The country also has a serious issue with the growing black market. Slovenia has the highest business freedom in the region (81.2) and Bosnia (53.5) has the lowest one followed by Croatia (55.8). The level of labor freedom is similar to the average of the region and slightly above the average of the Europe, placing Bosnia and Herzegovina at the 88th place in the world after a slight improvement in it, amounting to 1 point since the last year. Montenegro has the highest labor freedom in the region (77.5) while Croatia has the lowest one (42.8). Monetary freedom is well above the average of the region, Europe and the world as well. Monetary freedom improved by 3.9 points since the last year and places Bosnia and Herzegovina at 10th place in the world. The countries of the region in general are doing well in terms of monetary freedom, with Bosnia and Herzegovina having highest score (84) and Serbia having the lowest one (72.2).

Bosnia and Herzegovina has relatively good rankings in terms of its market openness. Trade freedom in Bosnia is scored with 87.2 points which is 3 points higher than the last year, placing Bosnia at the 37th place in the world. The average tariff in Bosnia, amounting to 1.4% is relatively low. Average trade freedom in Europe and the region is below the trade freedom of Bosnia. Countries of the region have relatively similar level of trade freedom ranging from 77.8 (Serbia) to 88 (Slovenia). Investment freedom in Bosnia is equal to the average of the region, slightly lower than the average of the Europe and higher than the
average of the world. Complex bureaucratic procedures discourage foreign investment. Countries of the region have similar scores for the investment freedom with 60 being the lowest (Macedonia) and 80 being the highest (Croatia). Financial freedom in Bosnia and Herzegovina is above the average of the region, but still below the average of the Europe. There has been no change in the financial freedom of Bosnia and Herzegovina since the last year placing Bosnia as 39th in the world. Countries of the region have similar scores as well. Croatia and Macedonia score 60 just like Bosnia while Serbia, Montenegro and Slovenia score 50.

**Figure 8**

![Open Market (B&H)](image)

Source: The Heritage Foundation, IEF 2015

**Table 7**

<table>
<thead>
<tr>
<th>自由度类型</th>
<th>区域平均</th>
<th>欧洲平均</th>
</tr>
</thead>
<tbody>
<tr>
<td>贸易自由度</td>
<td>84.88</td>
<td>86.7</td>
</tr>
<tr>
<td>投资自由度</td>
<td>70</td>
<td>74.1</td>
</tr>
<tr>
<td>金融自由度</td>
<td>54</td>
<td>63.2</td>
</tr>
</tbody>
</table>

Source: The Heritage Foundation, IEF 2015
6. CONCLUSION

Bosnia and Herzegovina has the lowest score in IEF in the region, falls behind the average of the world and Europe, and, as of 2013, is the only country in the region considered to be “unfree” economy. Bosnia and Herzegovina is still far from market economy and liberal capitalism since its government still plays more significant role in the economy than the free market does.

Careful examination of each component of the index indicates that most significant problems that Bosnia and Herzegovina faces with are related to the rule of law, state size and regulatory procedures, in that order. In that respect, we can recognize that the government of Bosnia and Herzegovina should reform the judiciary, downsize the administration and eliminate excessive and bothersome obstacles for improved economic performance of the country.

Other serious problems in the country that hinder its economic performance are problems of corruption that are very obvious in the processes of business registration and employment and problems with protection of property rights. Since 1998 Bosnia and Herzegovina improved its performance in property rights protection by 10 points, it reduced corruption by 32 and improved business freedoms by 13.5; however these improvements are insufficient and are slowing down with time.

On the other hand, it is also important to note the strengths of Bosnia and Herzegovina in terms of economic freedom for clearer picture of possibilities in suggested economic reform. The economy of Bosnia and Herzegovina is characterized with high levels of economic and trade freedom. Country has relatively low tariffs and is part of CEFTA agreement with the countries in the region.

REFERENCES


Toward a Different Debate about Personal Organizational Fit: Its Relationship to Ethical Climate and Organizational Commitment

Dr. Adem Öğüt
Selçuk University

Mehtap Öztürk
Selçuk University

ABSTRACT

Person-organization fit is a vital concept beginning with the access of individual to organization and considering how the value, attitudes, and behaviors of individual are evaluated among the members of organization, in other words, socialization process of individual (Chatman, 1991: 459). Victor and Cullen (1988) stated the ethical climate of an organization refers to the behaviors that are perceived to be ethically correct and how issues regarding deviations from those expected behaviors are handled in the organization. Organizational commitment, on the other hand, is a psychological condition that reflects the relationship between the employee and the organization, and that led to the decision to continue membership in the organization. This study aims to find out the possible relationship between person-organizational fit, organizational commitment and ethical climate. The data utilized in the study was obtained via questionnaire method. In accordance with this purpose, it has been observed that there is a positive and statistically significant relationship between person organization fit and organizational commitment. Furthermore, the findings of the study revealed a positive and statistically significant relationship between ethical climate and organizational commitment. Besides, it was found out that person organization fit has a mediator effect on the relationship between ethical climate and organizational commitment.

Keywords: Person-Organizational Fit, Ethical Climate, Organizational Commitment.

JEL Classification: M190
1. INTRODUCTION

The notion of person-organization fit is congruence of an individual’s beliefs and values with the culture, norms, and values of an organization. Person-organization fit has most been studied as individual-organizational value congruence. In person organization fit literature, many important questions about the nature of person–organization congruence remain unanswered. The main purpose of the study is to examine the relationship between person organization fit, ethical climate and organizational commitment of employees working on manufacturing sector in the province Konya, Turkey by providing a quantitative summary. The results and implications of the study were discussed and limitations of the study were addressed.

2. CONCEPTUAL FRAMEWORK

2.1. Person-Organization Fit

The concept of person-organization fit is generally evaluated in organizational literature as a concept most commonly considered under the heading of person-environment fit (Kristof et al., 2005). Person-organization fit is a concept beginning with the access of individual to organization and considering how the value, attitudes, and behaviours of individual are evaluated among the members of organization, in other words, socialization process of individual (Chatman, 1991: 459). Generally, person-organization fit is defined as the congruence of individual values, and organizational values (Chatman, 1989: 339). Person-organization fit is defined as the compatibility between individuals and organizations which respect to the fact that at least one part provides a need of the other part or they share fundamental characteristics, or both phenomena exist together (Kristof, 1996: 4).

2.2. Organizational Commitment

Allen and Meyer (1991) put forward that commitments include behavioral terms that describe what actions a commitment implies. Organizational commitment is the strength of the bond that employee feel about the organization that arise as a result of organization-employee relationship. In other words, organizational commitment which represent the psychological approach to the organization, is a psychological condition that reflects the relationship between the
employee and the organization, and that led to the decision to continue membership in the organization (Meyer and Allen, 1997: 9). Allen and Meyer (1990) later suggested a third distinguishable component of organizational commitment. These elements are adoption of the organization's goals and values and feeling a strong belief in these values, spend more effort than expected, to maintain the organization's benefit, feeling a strong desire to continue membership in the organization (Eisenberg et al., 1987: 181).

The common feature of definitions related to the concept of organizational commitment is the expectation for the individuals connected to the organization to behave in the direction of doing their best for providing the success of the organization. However, the idea about strong committed employees to have higher performance levels than the ones without commitment is the most important factor used as a base in defining the organizational commitment concept (Özler, 2010: 3). Allen and Meyer (1991: 61-89), have examined organizational commitment, in three dimensions as; affective commitment, continuance and normative commitment. Affective commitment is defined as the desire of individuals working in the organization to remain in the organization with their own preferences. Continuance commitment is the employees’ taking into account cost of leaving their work and continuing in the enterprise as an obligation. Normative commitment, is the feeling of the employees connected to the organization as a moral sense of duty that they believe they should not leave the organization (Meyer and Allen, 1997: 11).

2.3. Ethical Climate

The most well known definition of ethical climate in organizations was originally developed in 1988 by Victor and Cullen. Ethical climate is a current type of organizational climate. According to Victor and Cullen (1988: 101) the ethical climate refers to the behaviours that are perceived to be ethically correct and how issues regarding as deviations from those expected behaviours are handled in the organization. Ethical climate, which has become one of the most influential concepts in the field of business ethics, is a kind of organizational business climate (Wimbush and Shephard, 1994: 637). Ethical climate determines members’ beliefs about what is right or wrong and how they shape their ethical decision-making and behaviour (Johnson, 2009: 267). Furthermore ethical climate
describes the shared perception of organizational norms, values and behaviour (Rasmussen et al., 2003: 85).

The researchers recently have shown that ethical climate is positive related with organizational commitment and person organization fit. In the studies carried out, it is concluded that organizational commitment positively affects ethical climate (Cullen et al., 2003; Ögüt and Kaplan, 2010). Some other researchers have also showed that organizational commitment positively related to person organization fit (Meglino et al., 1989; Chatman, 1991; Vancouver and Schmitt 1991; Ostroff, 1993; Valentine, et al., 2002; Saks and Ashforth, 1997). And also some studies indicated the positive relationship between ethical climate and person organization fit (Vidaver-Cohen, 1998; Jose and Thibodeaux, 1999, Valentine et al., 2002).

3. METHODOLOGY OF THE STUDY

In forming the dataset of this study, survey method is conducted on the employees on manufacturing industry in the province Konya. The data of the study was collected via face–to-face interviews with the respondents by means of a standard questionnaire, prepared considering Likert scale. The item in the scales were scored as 1=“I definitely agree with” and 5 = “I definitely disagree with”. In the study, in the determination of employees who will be included in the convenience sampling method, used in the similar studies (Cui et al., 2003; Zhou, 2004) was preferred. Since convenience sampling enable to quickly access to large amount of data, it is a favorable method. In the study, person-organization fit is assessed with the scale developed by Netemeyer et al. (1997) and Kristof et al. (2005); in order to identify the levels of organizational commitment, “Scale of Organizational Commitment” developed by Allen and Meyer (1991) and “Scale of Ethical Climate” developed by Schwepker et al. (1997) was used.

In calculation of sample size, the method of Yazıcıoğlu and Erdoğan (2004: 50) was utilized. The authors calculated the number of survey that is necessary to be done as 217 for confidence value of $\alpha = 0.05$ and sample error of 0.05, in case that the rate of observing and non- observing is accepted as equal and there is a sample size of 500 people. In this context, the rate of questionnaire that is necessary to be returned is about 44%. In the manufacturing sector in which the study is carried out, 340 employees and as a result of application that is made, 245
questionnaires that are suitable for assessment were obtained. In this context, the return rate obtained is about 74% and it can be said that it has the power to represent the main mass. The hypotheses developed in the scope of study are put in order as follows.

H₁: There is a positive and significant relationship between person-organization fit and ethical climate.

H₂: There is a positive and significant relationship between organizational commitment and person-organization fit.

H₃: There is a positive and significant relationship between organizational commitment and ethical climate.

H₄: Person-organization fit has a mediatoreffect on the relationship between organizational commitment and ethical climate.

Table 1: Descriptive Statistics and Reliability Analysis Results of Scales

<table>
<thead>
<tr>
<th>Scale</th>
<th>Cronbach’s α</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person-Organization Fit</td>
<td>0.765</td>
<td>3.45</td>
<td>0.85</td>
</tr>
<tr>
<td>Ethical Climate</td>
<td>0.695</td>
<td>3.25</td>
<td>0.45</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.805</td>
<td>4.05</td>
<td>0.55</td>
</tr>
</tbody>
</table>

The Cronbach’s Alpha level of the questionnaires were confident at high degree (0.60>α>0.80). The levels of person organization fit (3.45), ethical climate (3.25) and organizational commitment (4.05) of the participants are high.

Table 2: Correlation Analysis

<table>
<thead>
<tr>
<th>Person-Organization Fit</th>
<th>POF</th>
<th>Ethical Climate</th>
<th>Organizational Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Climate</td>
<td>0.711*</td>
<td>1</td>
<td>0.695*</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.720*</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: **p<.001, *p<.05.

According to the results of the correlation analysis, a positive and significant relationship has been determined between person organization fit and ethical climate (r = 0.711, p<0.05). Moreover, positive and significant relationship has been determined between person organization fit and organizational commitment (r=0.695, p<0.05). Besides this there is positive and significant
relationship between ethical climate and organizational commitment (r=0.720, p<0.05).

Regression analysis recommended by Baron and Kenny (1986: 1177) was used to determine the mediating role of person organization fit in relationships between ethical climate and organizational commitment. The mediator model tries to identify and explain the process that underlines a relation between an independent variable and a dependent variable via the inclusion of a third explanatory variable. To establish the consistency of mediator model Baron and Kenny (1986) recommend three test. First, regressing the mediator on the independent variable; second, regressing the dependent variable on the independent variable and third, regressing the dependent variable on both the independent variable and on the mediator.

**Table 3: Regression Analysis Results of Person Organization Fit and Ethical Climate**

<table>
<thead>
<tr>
<th>Dep. Var.</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Ind. Var.</th>
<th>B</th>
<th>Std. Err.</th>
<th>t</th>
<th>p</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person-Organization Fit</td>
<td>.799</td>
<td>.797</td>
<td>Constant</td>
<td>-</td>
<td>.171</td>
<td>-1.420</td>
<td>0.038</td>
<td>2.615**</td>
</tr>
<tr>
<td>Ethical Climate</td>
<td>.894</td>
<td>.039</td>
<td>Ethical Climate</td>
<td>.039</td>
<td>19,561</td>
<td>0.0</td>
<td>382.615**</td>
<td></td>
</tr>
</tbody>
</table>

Note: **p<.001, *p<.05.

From Table 3, it can be seen that there is positive and statistically significant relationship between ethical climate and person organization fit (R²=0.797). In addition, it was concluded that the model put forward was statistically significant (p<0.05).

When the results of regression analysis were examine that person organization fit has an effect on organizational commitment and the levels of person organization fit accounted for the variance on organizational commitment in the rate of 51.1%. In addition it was concluded that the model put forward was statistically significant (p<0.05) and that person organization fit positively affected the organizational commitment (R²=0.511).
Table 4: Regression Analysis Results of Organizational Commitment and Person Organizational Fit

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational</td>
<td>.516</td>
<td>.511</td>
<td>Constant</td>
<td>-</td>
<td>.758</td>
<td>-3.551</td>
<td>0.01</td>
<td>101.329*</td>
</tr>
<tr>
<td>Commitment</td>
<td></td>
<td></td>
<td>Person-Organization Fit</td>
<td>.718</td>
<td>.243</td>
<td>10.066</td>
<td>0.01</td>
<td></td>
</tr>
</tbody>
</table>

Note: **p<.001, *p<.05.

When evaluating the findings in Table 6, the mediator effect of person organization fit on the relation between organizational commitment and ethical climate is statistically significant (p<0.05). In order to test this result statistically, Sobel test was performed. As a result of the Sobel test, it was found out that the z value (4.151) is statistically significant (p<0.05). Therefore, it can be concluded that person organization fit has mediator effect on the relationship between organizational commitment and ethical climate. According to these results, all the hypotheses are accepted.

Table 5: Regression Analysis Results of Organizational Commitment and Ethical Climate

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational</td>
<td>.452</td>
<td>.446</td>
<td>Constant</td>
<td>-</td>
<td>.975</td>
<td>-3.808</td>
<td>0.00</td>
<td>78.212*</td>
</tr>
<tr>
<td>Commitment</td>
<td></td>
<td></td>
<td>Ethical Climate</td>
<td>.672</td>
<td>.222</td>
<td>8.844</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: **p<.001, *p<.05.

From Table 5, it can be seen that there is a positive and statistically significant relationship between organizational commitment and ethical climate (R²=0.446). In addition it was concluded that the model put forward was statistically significant (p<0.05).
Table 6: Hierarchical Regression Analysis

<table>
<thead>
<tr>
<th>Dep. Var.</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Ind. Var.</th>
<th>B</th>
<th>Std. Err.</th>
<th>t</th>
<th>p</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Commitment</td>
<td>.520</td>
<td>.510</td>
<td>Constant</td>
<td>.928</td>
<td>-</td>
<td>3.427</td>
<td>.001</td>
<td>50.997*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ethical Climate</td>
<td>.146</td>
<td>.544</td>
<td>3.673</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Person-Organization Fit</td>
<td>.587</td>
<td>.467</td>
<td>.915</td>
<td>.362</td>
<td></td>
</tr>
</tbody>
</table>

Note: **p<.001, *p<.05.

4. CONCLUSION

In this study, the effect of the person organization fit, ethical climate and organizational commitment on the employees of manufacturing industry in Konya was examined. The results of research suggested that ethical climate were positively associated with organizational commitment and person organization fit. The findings also showed that organizational commitment was positively related to person organization fit. Person organization fit has mediator effect on the relationship between organizational commitment and ethical climate. The study has several limitations that should be underlined. First of all, this study does not taken into consideration the sub-dimension of organizational commitment. Second limitation of this study is that it is conducted in a specific sector in Konya and the study used survey data at one given time point. Therefore, generalisability of the findings should be done with caution due to the fact that future research should investigate the issue in other countries, contexts or different behavior settings.
REFERENCES


Ogut, A. & Kaplan M. (2010, July). *The Relationship between Perceptions of Ethical Climate Types and Affective Commitment: The Case of Turkish Hotel Employees*. 6th International Strategic Management Conference, St. Petersburg, Russia, 893-900.


The Analysis of the Outsourcing Application in the Local Self-Government Units

Devad Šašić
University of Sarajevo

Mirza Čelik
University of Sarajevo

ABSTRACT

Today, outsourcing is considered to be an efficient and cost-effective way of providing public services. Outsourcing is one of the strategic tools that contribute to business performance improvement in order to achieve the mission of the local self-government unit. It assumes that the particular activity, function or process is transferred to external, specialized companies, for a certain time period. This is particularly important for small size local self-government units that are lacking specific professional staff and financial resources. Therefore, the aim of this research is to give the insight into the outsourcing practice in the local self-government units, while exploring the outsourcing effects and consequences on business success. The research will determine the outsourcing existence, sorted by the local self-governments activities, and positive and negative application effects will be identified. Local authorities implement the outsourcing concept due to the effectiveness of local self-government units and costs rationalization. The primary objective of transferring the certain local self-government functions to the external service providers is the improvement of the service quality for citizens. The empirical part of the research includes the observation of outsourcing application in local self-government units in Bosnia and Herzegovina.

Keywords: Outsourcing, Customer Satisfaction, Business Success, Local Self-Government Units.
1. INTRODUCTION

The outsourcing of certain activities to external subjects is one possible way of achieving the saving of labor costs of local government units. The outsourcing of certain activities does not only have the goal of the rationalization of business but also an increase in work efficiency and a way of more effectively meeting the needs of citizens. The outsourcing of partial or entire operations to external parties (private companies) is a complex issue. After all, through contracting private companies take the responsibility and work of the local government in a particular jurisdiction for which, ultimately, the units of a local government take responsibility, although in fact the job is not executed by them.

According to the Law on Local Self-Government in the Federation of Bosnia and Herzegovina, local governments perform "work from within their own jurisdiction, as well as work from within the entrusted tasks local governments can perform through joint bodies, agencies, organizations and institutions with public authorities and by other forms of cooperation of the local government."\(^\text{12}\)

A long time ago, the ubiquitous globalization imposed a need in the private sector (companies and organizations) that those cannot survive in the market unless they do something in the best way, in a different way, better than the competition etc. Especially large organizations concentrate more on your primary skills and jobs while secondary functions are outsourced to professional service providers. This trend has recently spread to local governments (municipalities and cities). The reason for this is the development of the market, the requirements of citizens for better services, privatization, reduction of costs and the like.

2. THE CONCEPT AND CONTENT OF OUTSOURCING

The word outsourcing can be extracted on the two key words "out" and "sourcing" where greater attention should be focused on the meaning of the second word that represents the determinant of the transmission of work, responsibility and rights to someone else. Delegating authority of managers to employees, of one group of employees within the company to another group or shifting it outside the company is applied with the aim of completing the activity in a way that is

\(^{12}\) Law on Principles of Local Self-Governments in the Federation of Bosnia and Herzegovina, Article 9.
cheaper, faster and better. The decision whether to produce a particular product or service within the company or to leave it to an external partner is key to the company's management.\textsuperscript{13}

Different authors with different perspectives interpret the concept of outsourcing in different ways, and in that manner, according to Greaver\textsuperscript{14} outsourcing is a process of transferring certain business activities, law-making and production factors, according to the contract signed, to the external outsourcing vendor or service provider. Production factors are the resources that make up the business activities, which include humans, plants, equipment, technology and other property. The right to decide implies the responsibility for making decisions related to individual elements of selected activities of the business.

Brown and Wilson\textsuperscript{15} define outsourcing as an act of obtaining services from sources that are outside the company. According to these authors the essence of outsourcing is reflected in redefining the core activities of the company on the one hand and contractual relationships concluded with outside firms on the other.

From a financial point of view, outsourcing is a strategy for effective cost savings provided it is used properly.\textsuperscript{16} Outsourcing has to be distinguished from the concept of subcontracting, which includes the purchase of certain products or services of another company where possession of and control over the process of execution has the purchaser and hence the purchaser in this case creates rules for executing the work.

2.1. The Purpose and Objectives of Outsourcing

The modern view considers outsourcing as a strategic interest of the company for a longer period in time. Namely, apart from reducing the total cost, great attention is paid to the long-term strategy of the company and to the

\textsuperscript{14}Greaver II M. F., Strategic Outsourcing: A Structured Approach to Outsourcing Decisions and Initiatives, AMACOM, New York, 1999., p. 3.
\textsuperscript{16}http://www.investopedia.com/terms/o/outsourcing.asp, (10\textsuperscript{th} July 2013).
understanding of outsourcing as a strategic tool for ensuring the long-term survival and growth of companies in the market. In addition to improving the short-term image of an enterprise, outsourcing should contribute to improving competitiveness for a longer period, which would result in an increase in the value of the company and create additional value for shareholders. Achieving the goals of outsourcing should take place after a predetermined strategy preceded by a series of steps that include quality evaluation which is necessary to determine the needs of an enterprise and the effects that outsourcing can cause. The planning of the application of outsourcing should be implemented in line with the objectives of outsourcing, which represent a segment of achieving the objectives of the company.

Different specifics and the environment in which the municipalities are located require answers to previously established facts. After determining the aforementioned facts pertaining to the current and future situation in the municipality, it is possible to professionally set goals that are planned to be achieved through outsourcing. The aims of outsourcing application can be considered through:17

1. Improving organizational aspects of business activity:
   a) increasing effectiveness in the way that the unit of the local self-government is oriented towards the activities it does best,
   b) increasing flexibility in order to meet the varying business conditions, demand for new services and the use of technology (E-government),
   c) reorganizing municipality business activity,
   d) increasing citizens’ and workers’ satisfaction.

2. Effectiveness of the local self-government:
   a) increasing operating effectiveness,
   b) increasing competence, handling skills and technologies which were not otherwise available,
   c) improving governance and control,
   d) improving risk governance,

17 Ibid., p. 4-5.
e) encouraging innovation,
f) creating relations of trust and municipal branding.

3. Financial prosperity:
   a) reducing property investments
   b) saving the money by transferring property to the service implementer

4. Market growth:
   a) getting a more open market access and new business opportunities through the business network of implementers,
   b) increasing the scope of service providing capacities in the period when the municipality is not able to finance it by itself

5. Reducing costs:
   a) reducing costs by giving the activities to the specialized company which has lower implementation costs
   b) transferring fixed costs into variable

6. Improving business from the employee’s point of view:
   a) providing security for the future career promotion,
   b) improving implementation of the business' side activities

Improving organizational aspects of business activity represents a very complex goal which comprises reshaping business processes whereat the units of local self-government orientate themselves towards doing the essential activities that have strategic importance for the municipality and for the citizens. Other activities are given to the external specialized companies.

Empirical part of the research consisted of observing the change of outsourcing in 2016. in the local self-government units in the Canton of Sarajevo. The analysis consists of general sample characteristics, business activities and success rate. The conducted analysis was comprised of questions whether municipalities use the outsourcing model, possible reasons for not using outsourcing, activities which are (were) the subject of outsourcing and measuring the application of outsourcing in the given municipalities.
3. RESEARCH RESULTS

Figure 1: Analysis Using the Concept of Outsourcing in Municipalities

Figure 2: The Subject of Activities that are (were) the Subject of Outsourcing within the Sample.
The sample comprised of five municipalities, i.e. 55% of the population of the main set of the Canton of Sarajevo and therefore it has representative quality.
Research shows that only 20% of municipalities used outsourcing, while 80% planning to use this concept. Most respondents confirmed that there is a fear of losing existing jobs. Also, it is considered as an important application for citizen satisfaction and to reduce operating costs (Table 2). The most important activities are the subject of outsourcing activities in the field of security and IT services (Figure 2). Research shows that the application of new public management in the business community is at the very beginning, and that reforms are necessary in order to operate efficiently municipalities.

Table 2: Measuring the Effect of Adoption of Outsourcing in Your Municipality to:

<table>
<thead>
<tr>
<th></th>
<th>Statistic</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Troskovi poslovanja</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>3.80</td>
<td>.374</td>
</tr>
<tr>
<td>Lower Bound</td>
<td>2.76</td>
<td></td>
</tr>
<tr>
<td>Upper Bound</td>
<td>4.84</td>
<td></td>
</tr>
<tr>
<td>5% Trimmed Mean</td>
<td>3.78</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>4.00</td>
<td></td>
</tr>
<tr>
<td>Variance</td>
<td>.700</td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.837</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Range</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Interquartile Range</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Skewness</td>
<td>.512</td>
<td>.913</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>-.612</td>
<td>2.000</td>
</tr>
<tr>
<td><strong>Quality of services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>3.60</td>
<td>.400</td>
</tr>
<tr>
<td>Lower Bound</td>
<td>2.49</td>
<td></td>
</tr>
<tr>
<td>Upper Bound</td>
<td>4.71</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>5% Trimmed Mean</td>
<td>3.67</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>4.00</td>
<td></td>
</tr>
<tr>
<td>Variance</td>
<td>.800</td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.894</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Range</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Interquartile Range</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Skewness</td>
<td>-2.236</td>
<td>.913</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>5.000</td>
<td>2.000</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.80</td>
<td>.490</td>
</tr>
<tr>
<td>95% Confidence Interval for Mean</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower Bound</td>
<td>2.44</td>
<td></td>
</tr>
<tr>
<td>Upper Bound</td>
<td>5.16</td>
<td></td>
</tr>
<tr>
<td>5% Trimmed Mean</td>
<td>3.83</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>4.00</td>
<td></td>
</tr>
<tr>
<td>Variance</td>
<td>1.200</td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.095</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Range</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Interquartile Range</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Skewness</td>
<td>-1.293</td>
<td>.913</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>2.917</td>
<td>2.000</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.80</td>
<td>.200</td>
</tr>
<tr>
<td>95% Confidence Interval for Mean</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower Bound</td>
<td>3.24</td>
<td></td>
</tr>
<tr>
<td>Upper Bound</td>
<td>4.36</td>
<td></td>
</tr>
<tr>
<td>5% Trimmed Mean</td>
<td>3.83</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>4.00</td>
<td></td>
</tr>
<tr>
<td>Variance</td>
<td>.200</td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.447</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flexibility of operations</td>
<td>Business organization</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Maximum</td>
<td>4</td>
<td>3.20</td>
</tr>
<tr>
<td>Range</td>
<td>1</td>
<td>3.22</td>
</tr>
<tr>
<td>Interquartile Range</td>
<td>1</td>
<td>3.22</td>
</tr>
<tr>
<td>Skewness</td>
<td>-2.236 .913</td>
<td>-.512 .913</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>5.000 2.000</td>
<td>-612 2.000</td>
</tr>
<tr>
<td>Mean</td>
<td>3.60 .510</td>
<td>3.61</td>
</tr>
<tr>
<td>95% Confidence Interval for Mean</td>
<td>Lower Bound 2.18</td>
<td>Lower Bound 2.16</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Upper Bound 5.02</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Upper Bound 4.24</td>
</tr>
<tr>
<td>5% Trimmed Mean</td>
<td>3.61</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>4.00</td>
<td>3.00</td>
</tr>
<tr>
<td>Variance</td>
<td>1.300</td>
<td>.700</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.140</td>
<td>.837</td>
</tr>
<tr>
<td>Minimum</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Maximum</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Range</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Interquartile Range</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Skewness</td>
<td>-.405 .913</td>
<td>-.512 .913</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>-.178 2.000</td>
<td>-612 2.000</td>
</tr>
</tbody>
</table>
4. CONCLUSION

The research shows that outsourcing of state functions can be the source of new ideas about more efficient performance while efficiently using knowledge and resources that are scarce in the public sector. Outsourcing can be applied when local self-government does not have adequate financial or human capacities to invest in innovations and improvements in its business. It can also free certain local self-government services to focus on strategy, planning and basic functions they do best. There are many reasons to consider outsourcing, for example, to increase savings, to improve performances, to increase political responsibility and to reduce current and future financial obligations of the municipality. One of the steps to be taken before deciding to implement outsourcing is the basic estimation of feasibility, potential costs and potential benefits. (Cost-Benefit analysis).

Moreover, it is necessary to choose the best suppliers, determine clear, concrete and efficient demands via obligatory contract and estimate the result during and at the termination of the contract. The research results showed us that around 20% of the local self-governments apply outsourcing in their business and that local self-governments are more apt to single out activities which are less important for local self-government business activity. Also, a small number of local self-governments implement models that see business success as a whole, taking into account all the parameters of making a business success, i.e. mission completion (the satisfaction of citizens-users). The use of outsourcing had a positive impact on all the observed variables, except in the cases when the level of outsourcing of the side activities was taken into account; then, no impact was noted on the users’ satisfaction or on governing human potentials in local self-governments. In the end, it can be said that the thesis: outsourcing application positively impacts local self-governments’ business success is confirmed. According to the conducted research the set aims are achieved and it has led to better understanding of the issues of outsourcing, efficiency and effectiveness of local self-government.
REFERENCES


Kuhlmann Sabine, New Public Management for the 'Classical Continental European Administration': Modernization at the Local Level in Germany, France and Italy, Public Administration, vol. 88, 2010


Pejanović, Mirko i Sadiković, Elmir, Local and regional democracy in Bosnia and Herzegovina, TKD Šahinpašić, Sarajevo/Zagreb, 2010

Trade Agreements and their Benefits for Bosnia and Herzegovina

Arnela Mustafić  
University of Sarajevo

ABSTRACT

Trade agreements have a huge role in development of world economy and fostering of trade among regions. Countries enter such relations since they find it beneficial for their economic prosper. European Union, as highest level of integration among countries, so far known in economic structures, has started as kind of trade agreement. There are several types of trade agreements depending on the level of integration. This paper will provide overview of difference between free trade agreements, customs union, common market, economic union and economic and monetary union. Further, paper will give short reference to TIPP negotiation between European Union and USA. Special attention is given to the trade agreements Bosnia and Herzegovina is part of, and possible benefits of joining European Union.

Keywords: FTA, Customs Union, Common Market, Economic Union, TIPP.

JEL Classification: F150
1. INTRODUCTION

Economic thought recognizes several types of trade agreement among which well-known groups are free trade agreements, customs union, common market, economic union and economic and monetary union. Each of these groups is different depending on the level of trade, nature of trust and freedom embedded in the agreement. Similarly, reasons why countries engage in such agreements differ. The background of the agreements may be creating base for strategic alliances or be integration together with security arrangements which is case in Europe. The reason for signing trade agreement may be also a pursuing tactic with influencing new multilateral agreements using prior existing trade regional agreements. Smaller counties enter trade agreements with larger ones in order to enable access to larger markets, and in order to secure their existence (for example in case of islands) and regional trade agreements are often the case of regional trade integration or they can be used to underpin domestic policy reform like it is case of Mexico in NAFTA. In each case, countries enter the trade agreements in order to benefit from them.

This paper is divided into three parts. First part explains the difference among basic types of trade agreements, second part explains the legal and social dilemmas arising form proposal of Transatlantic Trade and Investment Partnership (TTIP) and finally paper overviews the position of Bosnia and Herzegovina on the world trade map and proposes recommendations for future trade path.

2. TRADE AGREEMENTS

The rule of the trade agreements is to regulate the economic relations between parties of the contract in different forms of integrations. The main goal of integration agreements is to strengthen and liberalize the economic relations of parties of the contract more than it is the case with other parties or countries. Higher integration level of economies in question is achieved through these contracts, but there still a certain level of tension on the world level exists. Correspondingly, the relationship between regional and multilateral agreements is not relaxed.

The macroeconomic theory recognizes several types of trade agreements, depending on the integration level achieved. Basic types of these agreements are:
preferential trade area, free trade area, customs union or tariff union, common market and economic and monetary union. These named types represent the ideal forms of integration, but in reality the agreements itself are almost always adjusted to the nature of the relation among the parties and the target objective. Trade agreement itself may be the combination of different forms, since the implementation of economic and political objectives is on the first place, rather than the formal definition. The historic flow from lowest to the highest level of economic integration can be seen in case of European Union which has traveled all of the phases of integration. Currently, European Union has the highest degree of integration existing in the world, known as economic union or single market. Some authors claim that the next level of integration is political union, which is actually the relation where common government exists and were the sovereignty of member country is significantly reduced. As the level the integration increases, so does the complexity of the legislation regulating it.

Figure 1: Level of Integration and Complexity of Each Type of Trade Agreement

Preferential trade area is type of the agreement that decreases the tariffs for trading some goods, but does not completely abolish tariffs. There is slight difference between the PTA and free trade area. Participating countries of PTA have preferential treatments for defined goods and the nature of PTA is that its goal in long term is to switch to FTA, therefore no tariffs among participating countries.
Free trade area, in opposite to preferential trade area, tends to totally enable free trade between parties in agreement and abolition of customs and tariffs. Usually also non-tariff trade barriers are also reduced. However, it important to understand that countries that are in free trade area do not have common tariff regarding other non-participating countries. Each country has different tariff toward third parties. Free trade agreements may cover goods, services, investments, cooperation etc. Most of the existing trade agreements (80%) are referred to as free trade area. Examples of such agreement are North American Free Trade Agreement (NAFTA – Canada, US, Mexico came into force 1994), The European Free Trade Association (EFTA - Iceland, Liechtenstein, Norway, and Switzerland came into force 1960 as alternative to EU) and European Economic Area (EEA – EU and EFTA states agreement; came into force 1994). The main problem of FTA is the co-called “spaghetti bowl effect”. The term “spaghetti bowl effect” was first used by Jagdish Bhagwati.

“…spaghetti-bowl proliferation of preferential trading arrangements clutters up trade with discrimination depending on the "nationality" of a good, with inevitable costs that trade experts have long noted…” (Bhagwati, Greenaway and Panagariya, 2003)

Jagdish Bhagwati was implying that there is problem of misuse of the agreement with half-finished products and parts. FTA enables circulation of half-finished products and parts within the tariff differentiated area. This enables export of finished goods at lower prices. Practically this means, if we have countries A and B which enter FTA and country C which is not part of the agreement, it is possible to import half-finished products from country C to country A and then finished products from country A import to country B at no tariff. In order to avoid such misuse, agreements usually have minimum percentage of value added in order for a good to be considered as produced in that country. On paper this is a good solution, but real application makes headache since it is hard to precisely measure percent of value added in one country.

Customs union or tariff union has same characteristic as FTA when it comes to the internal tariffs, meaning they are abolishes among parties within customs union. However, basic difference is that in case of customs union countries have common tariff policy toward third parties. When a product enters
the country within customs union, it will later on not be taxed if exported to
different within customs union. Examples of customs unions are European Union
(EU - Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark,
Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia,
Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia,
Slovenia, Spain, Sweden, United Kingdom), MERCOSUR (Argentina, Brazil,
Paraguay, Uruguay and Venezuela), Caribbean Community (CARICOM - 15
Caribbean nations and dependencies), Southern African Customs Union (SACU -
Botswana, Lesotho, Namibia, South Africa and Swaziland) etc. This level of
integration requires institutional consolidation and cooperation among member
states when it comes to foreign economic politics toward other countries.

Common market is upgrade to customs union in a way that all restrictions
on movement of goods, services, people and capital are abolished. This level of
integration promotes free movement of factors of production and enterprise and
forces improvements in scale economies and comparative advantages. However,
there are still possible qualitative restrictions possible for example quality
standards. Further integration requires removing of all barriers including physical,
technical and fiscal ones, which is not the case for common market. Examples of
common markets are EU, MERCOSUR, CARICOM, Central American Common
Market (CACM), Economic and Monetary Community of Central Africa
(CEMAC), Andean Community (CAN - Bolivia, Colombia, Ecuador and Peru)
etc.

Economic union is the highest level of trade integration since they require
common fiscal and monetary policy of member countries. European Union has a
group of policies which lead its members to EMU (Economic and monetary union)
through three stages. Final stage is the adoption of common currency (the euro).
However, EU does not have a common fiscal policy. EU is a combination of
supranational monetary policies with national fiscal policies. Complete economic
integration is the final level of integration and it requires political integration. Such
example is USA.

The relation of regional and multilateral trade agreements is two sided
coin. The question is whether the regional trade agreements are the stumbling or
the building block of the multilateral trade integration. At one point regional
integration creates trade blocks in the world (American, European and Asian trade
block), trade diverting effect and there is no interest in global level. Positive relation is that regional trade agreements have spill-over effect and they promote trade liberalization, the integrated regional trade zones altogether may have interest to further develop, it has trade creating effect and finally it opens doors for integration in higher level. As of 1 February 2016, WTO reports that there are 419 regional trade agreements in force. In comparison in 1990 there were ca. 30 regional trade agreements existing.

Table 1: Overview of Characteristics of Trade Agreements

<table>
<thead>
<tr>
<th></th>
<th>Preferred custom</th>
<th>No custom within</th>
<th>Common outside custom</th>
<th>Free movement of factors of production</th>
<th>Common economic policy</th>
<th>Common currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferential trade area</td>
<td>✓</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Free trade area</td>
<td></td>
<td>✓</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customs union</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Common market</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EMU</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: Author

Figure 2: Evolution of Regional Trade Agreements in the World, 1948 – 2016

Source: WTO
3. TIPP ISSUE

The Transatlantic Trade and Investment Partnership (TTIP) is a trade agreement in process of negotiation between EU and USA which goal is to promote trade and multilateral economic growth. The process of negotiation itself was kept as a secret by European Commission until the confidential information leaked and caused disbelief by the citizens of EU. Later on European Commission opened the public consultations for several clauses of the agreement. It is still unknown whether it is going to be a free trade zone or just a preferential trade agreement; however it is an agreement on issue of protection of foreign direct investments. Basic debate lies in the requirement of legislative harmonization. Harmonization actually could lead to loosening the standard requirements and diminishing quality of products. Most controversial part is the Investor-State Dispute Settlement. This clause gives power to corporations against governments. In the case that investor from Home State invests in Host State, and the Host State violates the rights given to investor, the investor from Home State has right to seek justice through arbitral tribunal. This right is granted to the investor thorough public international law. TIPP is special case of trade agreement since it's size and impact on the world trade. It was expected for negotiations to be finished till the end of the 2015, but economists predict that longer period of time will be needed, up to 2020.

4. CASE OF BOSNIA AND HERZEGOVINA

After looking over the possible types of trade agreements, we can look at the trade agreements signed by Bosnia and Herzegovina. Bosnia and Herzegovina has been part of FTA, and has yet entered to a higher level of integration. Most important regional agreement is CEFTA, and later on we will see that significant part of the trade is conducted with these countries.

B&H needs to adapt to a global economy, globalization of the industry and market. The basic feature of the global economy is its integration, liberalization of flows of factors of production, and regulation of key economic areas. The regulation is conducted on the multilateral or global basis, with global institutions. B&H is still not part of the WTO, and it should strive to gain membership.
As we can see in Table 2, Bosnia and Herzegovina has increasing trade deficit. Coverage ratio of imports by exports in 2005 was 27.92%, ten years later it has doubled to 56.70%.

**Table 2: Real GDP Growth Rate, Coverage Ratio of Imports by Exports and Trade Deficit of Bosnia and Herzegovina from 2005 until 2015**

<table>
<thead>
<tr>
<th>Year</th>
<th>Real GDP growth rate</th>
<th>Coverage Ratio of Imports by Exports</th>
<th>Trade deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>-</td>
<td>27.92%</td>
<td>-5,996,095</td>
</tr>
<tr>
<td>2006</td>
<td>5.4%</td>
<td>30.29%</td>
<td>-6,487,162</td>
</tr>
<tr>
<td>2007</td>
<td>5.7%</td>
<td>33.84%</td>
<td>-7,395,265</td>
</tr>
<tr>
<td>2008</td>
<td>5.5%</td>
<td>45.35%</td>
<td>-6,224,489</td>
</tr>
<tr>
<td>2009</td>
<td>-2.9%</td>
<td>42.71%</td>
<td>-7,961,658</td>
</tr>
<tr>
<td>2010</td>
<td>0.8%</td>
<td>41.19%</td>
<td>-9,580,826</td>
</tr>
<tr>
<td>2011</td>
<td>0.9%</td>
<td>44.77%</td>
<td>-6,823,980</td>
</tr>
<tr>
<td>2012</td>
<td>-0.9%</td>
<td>52.11%</td>
<td>-6,520,733</td>
</tr>
<tr>
<td>2013</td>
<td>2.4%</td>
<td>52.96%</td>
<td>-7,303,316</td>
</tr>
<tr>
<td>2014</td>
<td>1.1%</td>
<td>53.61%</td>
<td>-7,515,526</td>
</tr>
<tr>
<td>2015</td>
<td>2.8%</td>
<td>56.70%</td>
<td>-6,864,498</td>
</tr>
</tbody>
</table>

Source: Agency for Statistics of Bosnia and Herzegovina

**Figure 3: Export and Import of Bosnia and Herzegovina 2003 - 2015**

Source: Agency for Statistics of Bosnia and Herzegovina
Among countries to which Bosnia and Herzegovina exports is Germany of which 16% of total export goes to. CEFTA countries also counts for important part of the export, around 15% of total export. Further important countries for Bosnia and Herzegovina export in 2015 were Italy (13.5%), Croatia (10.3%), Serbia (8.5%), Slovenia (8.3%) and Austria (8.2%). With most of the strategic trade partners Bosnia and Herzegovina is in trade deficit. However, Bosnia and Herzegovina has trade surplus in 2015 with Austria, Estonia, Luxembourg, EFTA countries, Montenegro, Other CEFTA countries and territories and African developing countries.

B&H show dependence on trade with EU countries. Around of 72% of export goes to EU countries while import accounts to around 60% of total import in 2015. Gini-Hirschman coefficient of regional specialization and concentration of economic activity was in 2014 for export 74, while in 2015 it was 73 For import Gini-Hirschman coefficient in 2014 was 62 while in 2015 it was 63. Therefore Bosnia and Herzegovina does not have a diversified import nor export, rather it is concentrated at several countries. Gini-Hirschman coefficient also shows high dependence of export, and that this dependence is higher for export than for import. Therefore, for Bosnia and Herzegovina it is of high significance to build up regional integration. Similar conclusion we can reach by looking at the graphs.

For Bosnia and Herzegovina it is particularly important to consider the importance of exports and imports into the European Union due to the intensity of
the exchanges, as well as due to major differences in economic power. All analyzes show clearly that the position of small countries in the world economy is clearly different from the position of big countries or economic groups. A small country cannot have a significant effect on world economic trends, and of them very much depends. Precisely the reverse situation is in a bigger country. This situation creates the conditions for the manifestation of the effects of domination. For spotting danger of dominance in foreign trade popular coefficients for measurement of importance of imports and exports can be used. Gini-Hirschman coefficient has shown high dependency.

5. CONCLUSION

This paper showed basic types of trade agreements preferential and free trade agreements, customs union, common market, economic union and economic and monetary union. Bosnia and Herzegovina is part of several regional agreements, but has not totally explored all the possibilities. Reasons for trade deficits with countries with which Bosnia and Herzegovina has trade agreements could also be the misunderstanding of its use. For example, in tender offers, government owned companies use preferential agreement on domestic companies against countries from CEFTA, which is an absurd. Further Gini-Hirschman coefficient showed high concentration of both import and export of Bosnia and Herzegovina indicating to high level of dependency. Bosnia and Herzegovina is a small country but its goal should be to enable free trade and competitiveness of its companies on the world market. Entering European Union would mean free float of goods, services, people and capital, but Bosnia and Herzegovina has to be prepared for it. Bosnia and Herzegovina has to work on improvement of quality and competitiveness of its domestic firms in order to benefit from the further integration.
REFERENCES


Krajišnik Milenko. (2013). Spoljna trgovina bosne i hercegovine i proširenje Evropske unije, Naučno-stručni časopis SVAROG br. 7 (pp. 230-246)


WTO Statistical department, Retrieved from https://www.wto.org/english/tratop_e/region_e/regfac_e.html
The Relationship between Organizational Commitment and Burnout Level of Academicians: An Example of State University

Kemalettin Eryeşil
Selçuk University

ABSTRACT

Organizational Commitment is the psychological state of the employee which express that he/she is dedicated to organizational goals and shows high performance to stay within the organization. On the other hand, the burnout is defined as, emotional exhaustion, depersonalization and a low feeling of personal accomplishment, which the business people in intense relationship with other people as a requirement of his/her job face. This research has been carried out in a government university in Konya to find out the relationship between Organizational Commitment and Burnout where the data has been collected with survey method and analyzed with SPSS. The findings of the study showed that there is a negative and significant relationship between Organizational Commitment and Burnout.

Keywords: Organizational Commitment, Emotional Exhaustion, Depersonalization, Burnout.

JEL Classification: J23 D23
1. INTRODUCTION

In today’s conditions that global competition rapidly increases, it has been hard for the enterprises to continue for their existence. In this competitive environment, in order to survive, the importance of the element of employee is gradually increasing for the organizations. The relationship of employees with the organization and attitudes that employees show towards organization, increasingly have begun to be subject to further examination. In this study, the concepts of organizational commitment and burnout are put emphasis on and the relationship between these two is tried to be analyzed.

Considering literature on organizational commitment, although researchers have made different commitment definitions (Meydan et al, 2011: 179) within the framework of different viewpoints, generally, organizational commitment is defined as the internalization of the employee of goals and targets of the organization (Hunt et al, 1989; Meyer and Allen, 1997; Mowday et al, 1979; Valetine et al, 2002: 351). Over the years, researchers have become more interested on issues relating to organizational commitment. The concept of organizational commitment has become the subject of various disciplines in social sciences like philosophy, religion, political science, social sociology, management and psychology, organizational behavior (Gül, 2002: 38). And also, burnout continues to be a significant topic of interest for researchers of organizational behavior and human resource management. Therefore, this research would like to investigate the relationships between organizational commitment and burnout. Revealing the relation about mentioned variables will contribute both to the theory since there is no similar study in the field. Within this frame, hypotheses were formed first in this study by drawing organizational framework about variables contained by the study, then the application made for testing the hypotheses took place.

2. LITERATURE REVIEW

2.1. Organizational Commitment

Organizational commitment as a, the strength of the bond that employee feel about the organization that arise as a result of organization-employee relationship. In other words, organizational commitment which represent the psychological approach to the organization, is a psychological condition that
reflects the relationship between the employee and the organization, and that led to the decision to continue membership in the organization (Meyer and Allen, 1997: 9; Vural and Çoşkun, 2007: 142).

According to Eisenberg and others, the concept of organizational commitment involves three elements. These elements are (Eisenberg et al, 1987:181):

- Adoption of the Organization's goals and values and feeling a strong belief in these values,
- Spend more effort than expected, to maintain the organization's benefit,
- Feeling a strong desire to continue membership in the organization.

The common features of definitions related to the concept of organizational commitment are the expectation for the individuals connected to the organization to behave in the direction of doing their best for providing the success of the organization. However, the idea about strong committed employees to have higher performance levels than the ones without commitment is the most important factor used as a base in defining the organizational commitment concept (Özler, 2010: 3). Meyer and Allen have examined organizational commitment, in three dimensions as; affective commitment, continuance and normative commitment (Meyer and Allen, 1991: 61-89). Emotional commitment is defined as the desire of individuals working in the enterprise to remain in the enterprise with their own preferences. Continuance commitment is the employees’ taking into account cost of leaving their work and continuing in the enterprise as an obligation. Normative commitment is the feeling of the employees connected to the organization as a moral sense of duty and because they believe they should not leave the enterprise (Meyer and Allen, 1997: 11).

The common feature of these three commitment types (affective, continuance and normative), that they reflect a psychological condition which connect the employees to an organization and which effect the decisions about whether the solidatary with the organization will continue or not (Meyer et al., 1993: 539; Obeng and Ugboro, 2003: 84).
2.2. Burnout Syndrome

Burnout syndrome has been first examined in the clinical trials and it has been defined as the situation of being exhausted because of wear, fatigue, power and energy loss or unaddressed requests over the domestic resources of the employee by Freudenberger in 1974 for the first time (Roy et al, 2010:191; Yıldırım et al, 2012:332; Uluköy, 2014: 214).

With that Maslach (1982) considered the burnout syndrome as a social problem (Maslach and Goldberg, 1998: 64), since it reflected the real experiences of people in business life; it became a concept that is begun to be examined in the organizational literature. From this point of view, burnout syndrome is defined as a long termed reaction against the chronic, emotional, and interpersonal stress resources in business environment (Maslach and Goldberg, 1998: 64).

In the literature, burnout is studied in three dimensions as emotional (fatigue) burnout, depersonalization and a sense of low personal accomplishment (Maslach and Jackson, 1984:134; Çelik et al, 2011:181).

Emotional exhaustion is defined as exhaustion of individual’s emotions and feelings toward the other people (Leiter and Maslach, 1988: 297; Bruce, 2009: 58; Yıldırım and İçerli, 2010: 124). Depersonalization is defined as that the individual feels lack of emotion toward the people (Bruce, 2009: 58); his/her negative and inflexible attitudes toward the people he/she serves; that he/she becomes unreactive to the job (Budak and Sürgevil, 2005: 96); and that he/she behaves to the people like an object, says insolent words to the people, exhibits an indifferent and mockier attitude (Yıldırım and İçerli, 2010: 124). Reduced personal accomplishment represents the dimension of evaluating the own achievement of person and it means the decrease at the level of the sufficiency and efficiency in the business of individual (Maslach and Goldberg, 1998: 64).

Depending on the experienced burnout, it is seen that negative results in individual and organizational contexts emerge. Living chronic health problems, sense of tiredness and fatigue, sleep disorder, excessive weight gain and loss, and as a way to cope with burnout, extreme use of caffeine, cigarette, alcohol and tranquilizer, being more prone to accidents and injury, feeling hostility, fear and concern, increase in the problems in social relations are among the individual
results of burnout. Besides this, decrease in the employee performance, increase in
the absenteeism, increase in the conflict in the workplace, decrease in the work
quality, fall in job satisfaction, increase in labor turnover are among the negative
results that burnout reveals in the organizational context (Çetin et al, 2011: 63).

3. RESEARCH METHODOLOGY

In this section of the study, information will be given about the aim,
hypotheses, and findings of study realized by using the method of survey. In
addition, whether or not the results obtained in the study were statistically
significant will be assessed and whether or not the hypotheses are confirmed will
be tested. The aim of study is to determine the levels of organizational
commitment and burnout of the employees of a state university being in active in
the province Konya. In the direction of this aim, the hypotheses developed in the
scope of study were put in order as follows.

Hypothesis 1: “There is a negative and statistically significant relationship
between the level of affective commitment and burnout of academicians”.

Hypothesis 2: “There is a negative and statistically significant relationship
between the level of continuance commitment and burnout of academicians”.

Hypothesis 3: “There is a negative and statistically significant relationship
between the level of normative commitment and burnout of academicians”.

In the study, in order to determine the levels of burnout, “Scale of
Burnout”, developed by Maslach and Jackson (1981) and adapted to Turkish by
Ergin (1992); and in order to determine the levels of organizational cynicism,
“Scale of Organizational Commitment” Meyer and Allen (1996) used in their
studies.

The study population for this research consisted of academicians from one
specific department in a state university. Of the 178 questionnaires distributed, 142
were returned, for a response rate of 82.5%. In terms of gender, 48.6 of the
participants were male and 51.4% were female. There were 57 % under the age
category of between 25 years to 35 years and 51.4 percent of the respondents has
job experience as a academician between one to 5 years. Most of them have their
Masters qualification since this is the basic requirement to be a lecturer in Konya
state university.
Table 1: Internal Consistency Analysis Results of the Scales

<table>
<thead>
<tr>
<th>Scales</th>
<th>Cronbach’s Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Commitment</td>
<td>0,867</td>
</tr>
<tr>
<td>Burnout</td>
<td>0,810</td>
</tr>
</tbody>
</table>

All of the measures included in the questionnaires showed adequate level of internal consistent reliability, which is above seventy percent. The internal reliability measures 0.867 for organizational commitment is 0.810. It was precipitated that the scales were confident at high degree (0,60>α>0,80).

Table 2: Descriptive Statistics of Scales

<table>
<thead>
<tr>
<th>Scales</th>
<th>Mean</th>
<th>St. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective Commitment</td>
<td>3,63</td>
<td>0,72</td>
</tr>
<tr>
<td>Continuance Commitment</td>
<td>3,89</td>
<td>0,60</td>
</tr>
<tr>
<td>Normative Commitment</td>
<td>3,11</td>
<td>0,87</td>
</tr>
<tr>
<td>Burnout</td>
<td>2,62</td>
<td>0,54</td>
</tr>
</tbody>
</table>

Notes: (i) n=142. (ii) In the scale, 1 is in the meaning of “I definitely disagree” and 5, in the meaning of “I definitely agree”. (iii) According to two way Anova Test of Friedman, χ²=624.839; p<0,001; the results are statistically significant.

When Table 2 is examined, it can be said that the answers of participants associated with each dimension predominantly range in the high level. In other words, the level of burnout is low. While the scores of the dimension of organizational commitment which is affective commitment, continuance commitment and normative commitment are at high level in the context of scale.

According to the results of correlation analysis, it was identified that there was a positive and statistically significant relationship (r=0,6722, p<0,01) between affective commitment and continuance commitment. There was a positive and statistically significant relationship (r=0,749, p<0,01) between affective commitment and normative commitment. And also it was found that there was a positive and statistically significant relationship (r=0,739, p<0,01) between continuance commitment and normative commitment. In addition, it was identified a negative directional and statistically significant relationship (r=-0,448, p<0,01)
between burnout and affective commitment. Moreover, it was identified a negative directional and statistically significant relationship (r=-0.498, p<0.01) between burnout and continuance commitment. Furthermore it was found that there was a negative and statistically significant relationship (r=-0.559, p<0.01) between burnout and normative commitment.

Table 3: Correlation Analysis

<table>
<thead>
<tr>
<th>Scales</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective Commitment</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuance Commitment</td>
<td>.672**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normative Commitment</td>
<td>.749**</td>
<td>.739**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Burnout</td>
<td>-.488**</td>
<td>-.498**</td>
<td>-.559**</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: **p<.001, *p<.05.

Table 4: Multiple Regression Analysis Results

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>R²</th>
<th>Independent Variable</th>
<th>Beta</th>
<th>Std. Error</th>
<th>t</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burnout</td>
<td>0.334</td>
<td>Constant</td>
<td>4.154</td>
<td>0.361</td>
<td>11.509</td>
<td>62.370*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Affective Commitment</td>
<td>-0.185</td>
<td>0.11</td>
<td>-0.775</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continuance Commitment</td>
<td>-0.138</td>
<td>0.13</td>
<td>-1.062</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Normative Commitment</td>
<td>-0.221</td>
<td>0.101</td>
<td>-2.196</td>
<td></td>
</tr>
</tbody>
</table>

Note: **p<.001, *p<.05.

When the results of regression analysis were examine that burnout has an effect on emotional affective commitment and the levels of affective commitment accounted for the variance on burnout in the rate of 18.5%. Burnouthas an effect on the continuance commitment and the levels of continuance commitment accounted for the variance on burnoutin the rate of 13.8%. Burnouthas an effect on the normative commitment and the levels of normative commitment accounted for the variance on burnoutin the rate of 22.1%. In addition it was concluded that the model put forward was statistically significant (p<0.05). In this direction H₁, H₂ and H₃ hypotheses were accepted.
4. CONCLUSION

In this study, the relationships between the organizational commitment and burnout levels of academicians were scrutinized. According to the results of the study, it was determined that while the levels of organizational commitment of the academicians were in the high level and also their levels of burnout are low level. The organizational commitment was assessed in three subdimensions and it was determined that there was statistically significant relationship between these subdimensions and burnout, also assessed in three sub-dimensions. It was concluded that there was a negative directional and statistically significant relationship between burnout and organizational commitment. There was a positive directional and statistically significant relationship between affective commitment, continuance commitment and normative commitment. In addition, in the scope of study, it was identified that the levels of burnout of academicians affected their levels of organizational commitment. In this context, that the further studies, due to some limitation in specific sector, are carried out in the different sector in different sample size can be suggested in terms of generalizability of study. However, some of the limitations faced in this study is that the sample size was small and the respondents were from only one specific department and from only one university. This is a pilot study and further study in this area will be implemented which will cover a larger sample and with academicians from different departments and universities.
REFERENCES

Bruce, S.P. (2009). Recognizing Stress and Avoiding Burnout, Currents in Pharmacy Teaching and Learning, 1, 57–64.


The Inescapable Myth – The Truth of Political Insolubility

Denis Kucukovic
Western Sydney University

ABSTRACT

Ever since 1995 it has been a goal for the state of Bosnia and Herzegovina (BiH) to become a part of the European Union (EU); more important after the acceptance of Croatia into the Union on July 1, 2013. This became a potential reality when the Union nominated BiH for potential candidacy at Thessaloniki, Greece in June 2003. This optimism was quickly dispelled as it was simply a formality; the current state of Bosnia’s political system is not in accordance with the rules of entry for the European Union. Bosnia violates ‘Article 6’ of the EU treaty which states that “the Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to Member States.” While BiH is officially a democratic nation, in practice it is not in accordance with any rules of law that the other member states share; particularly an equal vote for the national presidency. The reason for this is its lack of cohesion in its government. A suggested solution to this is a central unified secular government. Obviously this is not a simple solution, but it is the best one (not only for EU integration but also harmony in policy making). This system has been impossibility in the past but with each passing year, it is becoming abundantly clear that this is the only way forward. If this change is resisted, BiH will remain ostracized from the EU and become a prisoner of its own volition. Keeping in mind that this change is extremely difficult, it begs the question; will EU integration ever be possible? Will BiH need to change on a fundamental political level or is it enough to hope that the criteria for acceptance will be reformed? The latter is doubtful as it would set precedent for future nations seeking integration, not to mention a rather reckless display of clear favouritism. The only hope is BiH reformation. My paper will attempt to prove how.

Keywords: Reformation, Integration, Nationality, Governance, United, Secularism.
1. INTRODUCTION

Ever since 1995 it has been a goal for the state of Bosnia and Herzegovina (BiH) to become a part of the European Union (EU); more important after the acceptance of Croatia into the Union on July 1, 2013. This became a potential media reality when the Union nominated BiH for potential candidacy at Thessaloniki, Greece in June 2003 (Solioz, 2007). This optimism was quickly dispelled as it was simply a formality; the current state of Bosnia’s political system is not in accordance with the rules of entry for the European Union. Bosnia violates ‘Article 6’ of the EU treaty which states that “the Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to Member States.” (Gerven, 2005) While BiH is officially a democratic nation, in practice it is not in accordance with several implicit rules of law that the other member states share; particularly an equal vote for the national presidency. The reason for this is a lack of cohesion in its government. A suggested solution to this is a central unified secular government. Obviously this is not a simple solution, but with suggested tweaks it is the best one (not only for EU integration but also harmony in policy making). In simplistic terms, social prejudice (including cultural and religious predispositions) must have its influence eradicated from the realm of politics. It is important to note that this separation need only occur in the political sphere, not the social. While it is a personal rationality that disagrees with myths and lies, these distinctions should be separate from the political realm.

1.1 Problem Statement

This suggested system has been impossibility in the past but with each passing year, it is becoming abundantly clear that this is the only way forward. If this change is resisted, BiH will remain ostracized from the EU and become a prisoner of its own volition. Keeping in mind that this change is extremely difficult, it begs the question; will EU integration ever be possible? If so, will BiH need to change on a fundamental political level or is it enough to hope that the criteria for EU acceptance will be reformed? The latter is doubtful as it would set precedent for future nations seeking integration, not to mention a rather reckless display of clear favouritism. The only hope is BiH reformation. The nation is in a 

18The main problem here is that no single BiH constituent has the power to vote for the presidential party; they essentially merely choose their sector/entity ‘champion’.

194
rather complex situation however, as its social standing must be altered to allow an acceptance of appropriate political restructuring. This can only come in the form of national identification.

2. MYTH OF BOSNIAN NATIONAL IDENTITY: MENTAL CIVIL WAR

Given that the nation is in a dire socio-political crisis, more and more it seems as if BiH is merely a geographical term to describe the area in which its constituent peoples vie for ethnic dominance.\(^9\) BiH is in effect simply a region that barely contains two clashing nations. While the formation of such division is undoubtedly a peaceful one (strictly in the sense that it ended the violence of the Bosnian War), it has over the years become a pyrrhic peace. By this it is meant that the multi-confessional framework of the Dayton Accords has created perpetual cracks in the Bosnian governing system which help perpetuate a crippling political stalemate. This trickles down into the identity of its inhabitants, not allowing for a true all-encompassing national identity. The Dayton Accords have thus made it virtually impossible for secularism to flourish within Bosnia’s political sector. This is due to a historically prevailing ethnic identity crisis in the nation.

2.1. Communal Identity

It is important to distinguish the several uses of identity in terms of individual v communal. Both have a consciousness that denote differing effects on politics, with the latter being most useful to this study. Upon analysis, one finds that group consciousness has four components; the first is group identification. The second is polar affect which is a preference for one particular group and a dislike for anything outside of it. Polar power is the third component. Here power is either expressed through “satisfaction or dissatisfaction with the group’s current status, power, or material resources in relation to that of the ‘Other’”. The fourth is individual versus system blame. It refers to the belief that one group’s low status is due to another’s high status (Miller, Gurin, Gurin & Malanchuk, 1981, p.495).

Following this method, it is possible to illuminate the faults of the Bosnian political system’s failure to establish a shared sense of national identity by examining the rationale behind them. This division among the Bosnian people

\(^9\)Its existence may hinge on its relatively landlocked nature.
begins with early religious identification. Here a Bosnian is seen as splitting into three main groups or factions; the Muslim, Catholic, and Orthodox. Divided into two entities, the three peoples express dissatisfaction with their living conditions (McGoldrick, 1999, p.8); the Republic of Serbia (RS) wanting to succeed and the Federation of Bosnia and Herzegovina (FBiH) for being ‘crowded’. While it is obvious that one entity may blame the other for preventing mutual progress, it all comes down to the system that set this clash into motion. That is, the Bosnian political system.

3. DAYTON: A BREIF HISTORY

The ‘General Framework Agreement for Peace in Bosnia and Herzegovina’ required the agreement of three parties to be deemed lawful; the Republic of Bosnia and Herzegovina (as a result now known as simply ‘Bosnia and Herzegovina’), the Republic of Croatia, and the Federal Republic of Yugoslavia (FRY). 20 In its preface the Agreement notes that on August 25, 1995 the FRY was given the right to sign any agreement on behalf of the RS. Article I decrees that the concerned parties must respect each other’s sovereignty and only allow for peaceful resolutions to any disputes that may follow from the following articles; this would be done under the supervision of the United Nations. While the Agreement is hopeful, it conveniently ignores the unresolved anger over illegal land seizure and distribution (Gallagher, 2005, p.132). 21 A key aspect of Annex 1A states: “The Parties undertake to recreate as quickly as possible normal conditions of life in Bosnia and Herzegovina.”(IFOR, 2013) If any one aspect of the Annex has not been fully enacted, it is this one. To recreate ‘normal’ conditions of life one must first establish a coherent and united government. Because the accords fail to do this it is clear that Bosnia’s hybrid parliamentary system was bound to rigidity. In regards to one’s national identity, a person cannot be expected to identify themselves with a nation that does not agree on its own unison, however weak its foundations. Being ‘Bosnian’ became an illusion from the very moment the Dayton Accords were passed as the official guidelines for Bosnia’s post war ‘rehabilitation.’

20 Modern Serbia.
21 It failed to take into account any effective form of state making.
3.1. Failures

The Dayton Accords importantly fail to address questions of land distribution ownership and settlement, particularly for the Bosnian-Serb population. This land was attained through war crimes and therefore the allocation of such land to criminals is legally unjust. It must be noted that the Bosniak population share their half of Bosnia’s entities with the Bosnian-Croat population. This land is not owned by one specific constituent peoples. The repercussions either create or deflate geographical and national pride. They damage any possibility of equal representation in the Bosnian political system. The two entities exist at a ratio of 2 constituents to 1. The latter will live in an unchallenged political environment while the former will suffer from internal ethnic distrust. It cannot be an objective constitutional law to allow an illegal entity such as the RS to have an overwhelmingly dominated majority ruling governmental system. Ultimately, Bosnia was set up as a Western sanctioned quasi-democratic state.

The Dayton Accords compounded confusion on matters of internal borders with decisions on the recognition of internal republics. He believes that the intention of the Accords was to create ethnic borders in which the people could be peacefully separated. These matters were ultimately rejected by both the Muslim and Orthodox population of a newly torn Bosnia that could not live in the same republic (Gallagher, 2003). Human rights law specialist Dominic McGoldrick thus concludes that the separate entities were created as a legal amplification of existing ethnic hatred. The Dayton Accords allowed for a continuation of late Yugoslavian ethnic tension through peaceful means (McGoldrick, 1999, p.19). Italian jurist Antonio Cassese (1995) saw the largest difference between the former Yugoslavia and the state of Bosnia to be the right of ‘self-determination’. In former Yugoslavia, the right to secede was strictly forbidden as were most individual or mono-ethnic policies. In Bosnia, the right to secede was initially granted through the Dayton constitution but is now a matter of majority over minority. While it is likely that no further secession may occur in the near future, talk of both Croatian and Serbian secession continues to bridge a gap

22This is not to say that the FBiH is not also unfair as the very fact that it exists is a political ‘slap in the face’ to BiH’s internal stability.
between what is and what is not considered taboo both in the former Yugoslavia and modern Bosnia. It is now no longer a matter of self-determination but rather a matter of which party will use force to change an internal border dispute.

3.2. Land Distribution

Article II outlines the land distribution between the FBiH and RS. While Serbian forces were in control of 70% of what became Bosnia and Herzegovina, the Article divided the land into a 51% to 49% holding in FBiH’s favour (McGoldrick, 1999, p.42). Arguments on both sides were heated as this effective ‘inter-ethnic’ boundary between the Bosnian peoples not only gave land away (from an RS perspective), it also legitimised land gained through war (from a FBiH perspective). Examined from an historical perspective, one may understand a certain reluctance to identify with a nation that essentially legitimised “military gains on the back of ethnic cleansing” (McGoldrick, 1999, p.43). Nevertheless, Bosnia would not be a nation today if the agreement did not satisfy Serbian territorial gain.

3.3. Citizenship

Another area of concern is the process of citizenship within Bosnia. Article I of the Dayton Accords states that the FBiH and RS are not states, they are ‘entities’. This difference is monumental as both thus require citizenship. A member of either one is automatically a citizen of Bosnia and Herzegovina. It is important to note that the major political differences between the entities form an inconsistency which creates the vivid illusion that they are two different countries (OGFBiH, 1994). While these differences have no immense impact on everyday working life, they further legitimate mono-entity allegiance. This is perpetuated further by the claim to exclusive dual citizenship with the representing ‘mother’ nation of either Bosnian-Croats or Bosnian-Serbs. The ‘entities’ represent certain ethnic populations which serves to widen the gap between BiH and a united legal mono-nationalism.

24This importantly excludes the Breko District.
4. THE ENABLER: PRE-DAYTON

One matter of extreme importance in the ‘Bosnian War’ was the initial opinion that it was as a civil war that simply followed the systematic breakup of the former Yugoslavia (Burg & Paul, 2000, pp.190-191). In terms of identity recognition this ignored calls for secession from Croatia, Slovenia, and then BiH. This ultimately legally categorised the Balkan Peninsula as one ethnic entity. The reason this had a negative impact on BiH militarily is that foreign nations could not legally intervene in a ‘civil war’ (McGoldrick, 1999, p.20). This is the legal explanation for the lack of initial military intervention by the United Nations; it is due to a lack of formal recognition.

4.1. Foreign Decisions

Perhaps the earliest and most important meetings for the international legal recognition of the Bosnian state occurred on 15-16 December 1991 in Brussels, Belgium (Brussels, 2011).25 This European Political Cooperation ministerial meeting was called to discuss the ‘Declaration on Yugoslavia’ and a declaration on the “guidelines on the recognition of new states in Eastern Europe and in the Soviet Union.” (Rich, 1993, p.65) The former is most applicable to this study. These talks did not consider the establishment of a new state. Rather they were only held to consider formally recognising such a state. Militaristically though, the key decision reached was the commitment to settle any appropriate calls for secession in Eastern Europe through a diplomatic majority agreement (Bennet, 1997). It meant that if the Bosnian War was to be legally recognised as an international conflict, member states of the European Union would not intervene militarily. This is not taking into account the fact that BiH was initially denied such recognition.

This meeting for separate Yugoslavian state recognition planned an enactment of its policies to take place on 15 January, 1992. While it acknowledged the secession of both Slovenia and Croatia 26 from Yugoslavia, it denied such recognition to BiH and Macedonia. While Slovenian and Croatian secession had

---

25The de facto capital of the EU.
26This was due to a strong push by a Germany ridden with guilt over their establishment of a puppet state within the Balkan nation in World War II.
both internal and external support, Macedonia lacked the latter\footnote{Greece claimed the name ‘Macedonia’ and its subsequent flag were attempts to claim Greek territory.} while Bosnia had neither (McGoldrick, 1999, p.19). The ‘Commission’ denied BiH Western recognition as it believed the warring state did not clearly represent a majority desire for independence (Duursma (1996, p.103). A Bosnian referendum was held from February 29 to March 1 in 1992 to prove the Commission wrong. Even though it was boycotted by the Serbian Democratic Party (SDS), 63.6% of the population attended the vote for independence (Nohlen& Stover, 2010).\footnote{99.7% voted in favour of independence.} As a consequence, the international community decided to recognize BiH on 6 April, 1992. This was not accepted by Slobodan Milosevic. The Serbian leader intensified the Serbian offensive on BiH, leading to the climax of the Bosnian War (Pavkovic, 1997, p.24). It can be seen that the biggest flaw in the meeting for international recognition was a lack of an “overall agreement for Yugoslavia” and its presumptuous demeanour (McGoldrick, 1999, p.38). The recognition agreement was an attempt to predict the outcome of the Yugoslav conflict.

4.2. Real State?

The reason it remained doubtful whether BiH ever satisfied the traditional criteria for statehood stemmed from the fact that more than 30% of the population (the RS) refused to take part in the referendum. It must be noted however that the missing population would not have been enough to sway the vote. Regardless, one can conclude that the actual nature of the Brussels meeting was politically misguided. It calls into question why Bosnia was not defended internationally after its official recognition in 1992 as Article 2(4) of the UN Charter claims that any state which has its borders threatened by a foreign force warrants military intervention (Owen, 1995, p.15). One would not be remiss to question why the UN did not intervene in Bosnia as the UN chose to give military aid a year earlier to Kuwait (Quane, 1998).

McGoldrick importantly assesses the international and constitutional proponents of the Dayton Accords in terms of “standards, principles, and institutional organisation.” (McGoldrick, 1999, p.38) In his analysis, it is explained that the Dayton Agreement, which consists of 11 articles and 11 annexes, is largely a constitutional document rather than a conflict ending peace
agreement. Only the first of the 11 annexes is concerned with a ‘militarised peace’ while the remainder attempt to divide Bosnia and Herzegovina between the three planned constituents (Gallagher, 2005). While the agreement began as a way to end the conflict in a specific area of the larger Balkan Peninsula, it fostered further political turmoil within the newly created Bosnian nation. 29

5. THE FALLOUT: POST-DAYTON

It must be noted that while the West crafted a ‘necessarily’ 30 failed draft constitution for BiH, 31 it is BiH itself which has failed to achieve national unity; through its rigid implementation of the outdated Dayton Accords and its continuation of stalemated regional politics. While it may be reasonable to claim that this is due to the persistent nature of the RS, 32 it is still technically a part of BiH and a major part of its failure. The only way to immediately form a united Bosnia is to remove the RS, as it demands, but that would spark a number of unsolvable issues. Most important is being the fact that BiH is arguably an irreversible confessional state. It would be unfair to declare the RS as completely autonomous without doing so for both the Bosniak and Bosnian-Croat respectively and even so, any succession would diminish the geographical size of BiH, effectively reducing the entire small nation to the entity of FBiH. At this point, rationality would force one to scratch their head in wonder, with the distinct concern that religion would only serve to further divide those who had just experienced bloody racial and bigoted conflict. That same logical person would then further be outraged to know that the system of BiH presidency is so convoluted that it is the only one of its kind.

5.1 Contemporary Border Dispute

An example of this contemporary state of political confusion is the Croatian-Bosnian border dispute of June, 2013. In the lead up to the acceptance of Croatia into the European Union on July 1, 2013, (Launey, 2013) Bosnia was expected to sign an agreement that allowed free trade to continue between the two

---

29 It is important to note that this is not a subjective analysis. The Dayton Accords did divide Bosnia therefore they ultimately impacted the nation’s future in a negative way regardless of its intentions.
30 As noted earlier it was the only draft accepted by the RS.
31 It was meant as a way to facilitate future political growth in Bosnia.
32 Not only due to their allegiance to a foreign country but also due to their absence in the very referendum that formed the foundation of modern Bosnia in 1992.
nations. Seen as a formality, the two interim ‘benched’ Bosniak (Bakir Izetbegovic) and Bosnian-Croat (Zeljko Komsic) presidents were prepared to sign the document that left trade as it had been. It was however rejected by the Bosnian president elect Nebojsa Radmanovic who claimed that such presumptuous politics had no place in BiH. The following day Radmanovic relented, claiming that the “potential negative implication for Bosnian firms and citizens” was too great to risk over a political conduct dispute (Sito-Sucic, 2013). This sort of bipolar politics is an example of the ineffective BiH presidential system. It is clear that while a member of the presidential cabinet is not in power, he has no legal say in the organisation and behaviour of the BiH government. Because these members are not the presidents of their specific regions (that position already exists), they have no real political influence once they are benched, apart from being the unofficial ambassadors for the constituent population that they represent.  

6. MODERN BIH: SOCIAL ANALYSIS OF A POLITICAL PROBLEM

Interesting in any analysis is the fact that this divisive band-aid system of governance was so narrow minded and rushed that it failed to allow for any sense of secularism (or equal religious representation) without a complete overhaul of the BiH constitution. It works as a tri-partite rotational presidential cabinet. Every four years, three presidents are elected to represent each constituent peoples. Starting with the most voted candidate, each president then takes turns serving an eight month term, which is then repeated until the candidates are either voted back in or are replaced. Just imagine this in a secular nation, it would be chaos. Now insert religion into the fold. It is a recipe for disaster, which has shown itself to be absolutely ineffective in running an agreeable government. This example is shown to prove one thing; religion is not the answer to the political question. Religion is the question, and the answer is no.

6.1. Religion & Politics

The most immediate concern here should always be a direct and responsible separation of church and state. Though this should be the status quo, the idea has been discarded in 99.49% of the countries today (Hamburger, 2013).
The relatively new nation of BiH is a prime example of the political retardation that occurs when church and state are incomprehensibly intertwined. BiH’s tri-partite consociational governmental system claims that only those who adhere to either Islam, Catholicism, or Orthodox Christianity may represent the people in office (this adherence may simply be implicit). This is not religious freedom, it is an exclusive system brought on by ideologically foreign nations (the U.S.A being ironically among those). In terms of productivity, the system is doomed not only due to its religious nature. Having three opposing ideologies share power in such an unproductive way is a recipe for political rigidity. Adding religion to this mentally inept concoction is not only irresponsible, but completely immoral. The use of religion to divide the people of BiH is not a new concept. This kind of segregation at the political, which trickles down into the social, level is the very purpose of political religion. By its very nature, religious ambition calls for a faith based rule over the people. In this case, no one outside of the three constituent religions is seen as an acceptable candidate in contemporary BiH. Only through a unified and secular government will this change.

7. REACTIONARY POLITICS: A CAUTIONARY TALE

As noted earlier, perhaps the most difficult aspect of Bosnia’s rise to sovereignty was the solidification of its national and religious identity. Due to the fact that its people were prejudiced for their ancestral religious adherence, the nation’s identity became reactionary and quite spiteful (Gallagher, 2003). According to Spanish sociologist Manuel Castells (1997), this socio-political tactic garners support only under intense pressure from a foreign party. As Yugoslavia was torn apart from within, Serbian nationalism (a term used to hide its religious intentions) became so great that it desired to swallow its neighbours; the closest to becoming that reality was BiH. This extension of dominion is called ‘legitimising identity.’ The fact that Bosnia fought back and created its own nation to spite this aggression makes it a form of ‘resistance identity’ (Castells, 1997). This is important as a nation’s identity predicates its future. If taken lightly, such practices will eliminate any modicum of political fluidity. The Bosnian War did just that.

When the conflict ended and the Dayton Accords were negotiated, BiH had to enforce new laws and build a reactionary and rather forced social structure

---

34The only formal outlier is the United States of America, which enforces the idea loosely.
dominated by its own culture (in this case as in most, the focus was religion). This is called ‘project identity.’ Focusing on race and ethnicity, sociologist John Rex (1995) reiterates the case that Western societies have directed their attention towards forming and working on social beliefs rather than power and suppression; this is not limited to their own nations. It is only in hindsight that one can see that national identity has become increasingly paramount as either a social institution, an attachment, or an association in the modern world. As a result, the public seems to be less aware that most nationalist agendas are simply a rebranding of religious schemas. That is why national identity in BiH is a farce. The only true form of identity, if one cares to subscribe to such a thing, is national religious identity; the majority rules; foreign examples dictate that the United States of America is a Christian nation, Indonesia an Islamic one, and Israel a Jewish one. Obsession with religious identity is still prevalent and should be an area of great concern when one remembers that nationalism drives policy. The fact that nations cannot rid themselves of religious identification places a stronghold on its political ambitions and cripples its integrity.

8. DEFINING THE BiH POLITICAL SYSTEM

By now it is obvious that one of the most effective arguments against a proposed change in the Bosnian constitution is that it simply caters to what its people identify with most: religion. It can be argued that Bosnia is akin to an electocracy, with its people knowingly deprived of voting on 2/3 of the eventual presidential cabinet simply due to religious definers (DAENET, 2005). This cabinet itself can similarly draw comparisons to a pseudo-theocratic tri-partite government, as it seeks to contain conflict through potential religious representation. While this may seem a fine example of Band-Aid politics, it presents itself with the potential of spiraling into an anocracy, as it creates a class of elites (one for each constituent religion) that vie for political representation. Though this system is in place, it has not come to such a concerning conclusion yet. It does however remain a constitutional republic, a heavily limiting form of governance that operates on the fundamental principle introduced in this paper; exclusion through inclusion.
8.1. Possible Roots

This naivety may indeed stem from Tito’s ability to convince the populace of Former Yugoslavia that they were living in an ergatocracy, though its failures and resolutions are long expired (Phyllis, 1975). The most applicable solution can only be a true nomocracy; a theoretically stable and unified secular form of governance based on a system of checks and balances through equal punishment for all through the following of any given nation’s rationally attained rule of law.

8.2. Fear of Change

It can be argued that the main reason governments do not experience positive changes on minute levels is due to a fear of ‘fixing what is not broken.’ The communal mentality seems to be one of a timid nature. If presented, on masse, with a better system than the one in place, the nations of the world have proved that they are not willing to work together to change a working system to a great system. Upgrades in political stability are just not a priority for most people, regardless of influence. A cliché reason for this unwillingness to act is ignorance. People are continually ignorant of the fact that if they work together, change can be forced in any civilized society. Unfortunately, this promising proposal lacks a firm basis in reality due to the irrationality of exponentially growing groups of people. This is absolutely true for those in positions of power. Bosnia, perhaps in possession of the most credence to this fact, is locked in a perpetual state of post-war political rigidity due to this irrationality through numbers. The more variables you place into a compromised position, such as the unique ‘rule of three’ in BiH politics, the more outliers and differing solutions will be present. This is why a united secular nomocracy is the only way for BiH to achieve absolute and stable sovereignty. It is an elementary deduction to notice that division is politically weaker than unison.

9. SEPARATION OF CHURCH AND STATE: CONCLUSION

The bottom line is a simple one. If it works on a fundamental level, it is suitable for practice. If a religious nomocracy, despite its theoretical ironic nature, works as a system of government, then it must be applied. To be clear, a religious nomocracy would in theory simply be a secular government driven by religious votes. In policy making, the motivations provided should not be given special
thought over the effectiveness and usefulness of the votes themselves. If this is done, it would equate to a concern over the emotional state of policy makers when deciding to enact change. If one believed that a God had told them to vote for equality in marriage, despite its fundamental lack of relevance to government, would it matter if the final decision was the right one for the freedom of its people? If one answers yes, then one is embarking on a path of emotionally semantic policing of government. When considering the goals of political agendas, if the means equate to emotional decision making and the ends equate to policy making that is in the interest of the people, then the ends may justify the means. This is the best case scenario of a worst case.

To reiterate and perhaps further explain this point, a fictitious example might be necessary. Imagine if a traditionally God fearing Muslim votes for a Muslim leader. The first rational response would be to ask why. If the answer is because that leader has the interest of the Islamic community in mind, one can be given a moral pass. Taking it a step further, if the leader is revealed to pander to this support by excluding other communities, then that is rationally a divisive form of decision making and counterintuitive to a functioning nomocracy. In the same vein, an atheist voter does not receive a moral pass by voting for an atheist leader simply because of his exclusivity to atheism. It is simply not in the interest of coherent politics to do this. In layman’s terms, the vote should not end in blind support, regardless of emotional attachment.

The answer is not in terms of religion vs. atheism as many seem to point towards when discussing the evolution of efficient politics, though it is relevant, it is a question of efficacy vs morality. Which is more important? If the latter can be achieved both in itself and by the former, though the former can only be achieved in itself, it stands the reason that the latter is not the best solution. Personal morality is a social issue, not a political one. Efficiency and effectiveness is key. This is the difference between modern liberalism and leftism. The former believes in the rational discussion of ideas without an absolute stake in any given side, bar anything that is perceived as a fundamental antithesis of basic contemporary human rights, while the latter seeks to police not just the ends, which many can agree on, but also the means. The political realm is a convoluted sphere of ideological clashes that should not be thought of in terms of black and white, despite the simplicity with which one might be able to explain it. Ultimately, this is the most important reason for a separation of church and state. It removes
irrationality from policy making; it does not however remove the same from voting. In the end, the latter does not matter, only the former has a significant impact on governance. It is a question of how to enact a true separation of church and political state, not church and mind state.

REFERENCES


Europeanization of Administrative Structure: An Assessment in The Case of Turkey

Dr. Hülya Eşki Üguz
Selcuk University

Rukiye Saygılı
Selcuk University

ABSTRACT

Before the accession, one of the main issues to be considered by the E.U. candidate countries is the establishment of an institutional structure in parallel with E.U. that will adopt and implement the E.U. acquis. This obligation, which is frequently mentioned especially after the fifth enlargement, has brought the terms such as “European Administrative Structure”, “administrative capacity” and “European Public Administration Principles” and discussions related to these terms. E.U. authorities emphasizes that the assessment whether the candidate countries are ready for full membership, which increases for various causes, will not be based on only by the adoption of the E.U. Acquis, but also includes whether the required administrative capacity is formed for the adoption of acquis will also be as important. The increase of emphasis towards this direction has also increase the imputed value to the administrative capacity term. This study approaches the term of administrative capacity rather from a conceptual perception and aims to analyze the phenomenon of Europeanization of Administrative Structure in terms of Turkey case on the basis of historical background.

Keywords: Europeanisation, Administrative Space, Turkey.
1. INTRODUCTION

As specified by Radaelli (quoted from 2000 by Ökçu, 2016), Europeanisation includes “the processes of a) building b) spreading c) institutionalizing common beliefs and norms and methods of transacting business, styles, policy paradigms, processes, formal and informal rules firstly defined within the process of EU policy developing and later on, included in local discourse, political structure and public policy.”. The concept of Europeanisation that we can define in this way has various aspects as it is pointed out its definition. According to this, Europeanisation shows its first aspect which is included within the scope of this study as European institutions’ affecting the domestic policy of the states. In this respect, the states need to act in compliance with the standards of EU while they are developing their domestic policies. Another aspect of Europeanisation, again included within the scope of this study, reveals in the point of transfer of the institutions related to European administrative space to member or candidate countries (Millward, 1992). Aforementioned aspects of the concept of Europeanisation consider the existence of a common administrative space necessary frankly for the favor of actualization of Europeanisation. For that reason, capability of taking on the obligations of full membership, that is to say that administrative capacity was deemed as a criterion for the performance of full membership in Copenhagen Summit held in June, 1993 as well as economic and political criteria (Ömürönüşen & Öktem, 2004). However, administrative capacity got its major meaning and expression after Madrid Summit held in June 1995. In this Summit, the concept of administrative capacity was clarified and the importance given on EU legal acquis’ being included in the national legislation as well as this legal acquis’ being applied in an efficient manner through compliant administrative structures was specified.

Afterwards, in Luxembourg Summit in 1997, the fact that the decision on starting to negotiations with some candidate countries (The Czech Republic, Hungary, Poland, Slovenia, Estonia and Southern Cyprus) was made increased the interest on the administrative capacity and it was specified that “the transfer of EU legal acquis to domestic law is important but it is inefficient in itself and application of the legal acquis is required”. In 1999 Helsinki Summit, the decision on opening the negotiations with remaining countries (Latvia, Lithuania, Slovakia,
Bulgaria, Romania and Malta) finalized the expression on administrative capacity necessary for the application of the legal acquis and the statement of “progress of the process of negotiation will be in parallel with the developments to occur in transfer of EU legal acquis to domestic law and application and activation of it” took place in the final declaration however, the most distinct statement on the issue of the significance of the application and activation of legal acquis was used in 2000 Feira Summit and it was indicated that "progress to break through in negotiation depends on finding solutions for the problems come across and candidate countries’ transfer of legal acquis to their domestic law and particularly, application and execution of it in an efficient way” (Kurşunlu, 2004).

It is necessary to draw the attention to another point while the historical background of the concept of administrative capacity that was started to be mentioned in the beginning of 1990s, and that we cannot express the meaning of it clearly even in 2000s is analyzed. Constituting of administrative capacity necessary for the application of legal acquis was firstly stipulated as a condition of membership in the fifth enlargement process. Candidate countries’ application of legal acquis had been an important issue in the previous enlargement processes, but administrative capacity to be formed within this frame was not a part of the process pre-accession. Therefore, detailed studies on the sufficiency of administrative capacities of candidate countries had not been carried out in the previous enlargement processes and it was considered that the candidates would accord to EU system and develop the necessary capacity in time (Kurşunlu, 2004).

All those things said brought a question to minds at this point: "Why does EU Commission attach so much importance to formation and development of administrative capacity for full membership in addition to CopenhagenCriteria?" Analysis of the process of occurrence of the concept can lead us in answering this question. We know that the concept of "administrative capacity" has gained its main expression and meaning in the fifth enlargement process. It is required to look at the pasts of the candidate countries to understand what it means more clearly. When we look at the pasts of the candidate countries, we see that all countries apart from Turkey, Malta and Greek Cypriot Administration of Southern Cyprus were administered by socialist regimes for long years. Administrative structuring that those countries had in the aforementioned period held qualifications different from the structure of free market economies for certain.
Whereas, it is performance of free market mechanism desired from the point of EU up to the hilt (Kodakçı & Yıldırım, 2002).

And, again, fifth enlargement process brought an anxiety with it. We can express this anxiety as "the possibility of that integration of new countries in large amounts having inadequate administrative structures that cannot fulfil their function within EU in efficient manner may endanger mutual trust of the member states to the capacity of the institutions of one another, that is the main principle of EU policy developing system". Previously, Mediterranean Enlargement in 1980s proposed this mutual trust problem an item for the agenda and increase in the trust to the institutions of Spain, Portuguese and Greece took long time. Furthermore, new candidate countries both come from quite different administrative system tradition and the number of them are so many that the small problems that each have has the potential to become an important issue incrementally. For that reason, the issue of having confidence in the institutions and administrative capacity of the countries to become new member came into the prominence in the fifth enlargement process (Kurşunlu, 2004). And again, the fact that the experiences of EU with candidate countries increased the anxiety about the administrative capacities of candidate countries increased the emphasis made to administrative capacity. Especially, payment problems occurred within the frame of financial cooperation and other EU programs and candidate countries’ capacity of utilizing these aids caused EU and member states’ questioning whether candidate countries are ready in administrative sense (Verheijen, 2000).

2. ADMINISTRATIVE CAPACITY AS A TOOL OF EUROPEANISATION OF ADMINISTRATIVE SPACE

This enlargement process covering Central and Eastern Europe countries clearly revealed that national public administrations shall comply with some certain standards for the application and performance of legal acquis of community besides the anxieties specified above. This issue was ignored in the previous enlargement process due to the similarity in public administrations of the countries participated in the Union or seen as an issue concerning the autonomy or national identity of the member countries. The similarities are in general principles of public law and public personnel management. The process of new countries participating in the Union with their low administrative capacities, inefficient and non-productive operations caused Europeans realization their characteristics
specific to the public administration structures in their countries. At this very point, the idea of a public administration model specific to European Union started to show up and develop (Kösecik, 2004).

What is meant with administrative capacity, being a concept revealed by fifth enlargement process? Interestingly enough, a consensus could not made in EU about "Administrative capacity” which attributes such importance in the enlargementprocess of EU. There is not any written document available for the candidate countries that can lead them apart from a work paper, which advisory and does not have any official qualification and declaration of the commission themed of action plans on administrative and judiciary capacity. As it is stated in the study “Administrative capacity nécessaire for application of EU Legal acquis and the position of Turkey” prepared by National Program Office of EU General Secretariat, administrative capacity can be described as: “capacity of administration combination of economic elements that can keep the institutions and agencies founded in a manner that those can accord to the conditions changing in time and that can apply EU legal acquis in full and adequate manner and the institutions and agencies, specialized and adequately trained personnel working there” (Atakan et. al., 2005; Kodakçı & Yıldırım, 2002).

The intention of EU about administrative capacity is to structure on three points; efficient and flexible institutions, trained-specialized personnel and economic elements that will make the structure active. However, there are also some points that are still uncertainties. For instance, what are the criteria that are directed on assessment of whether the administrative capacity is increased or not? Who will assess this? What kind of a method will be used in formation and strengthening of administrative capacity? Do the EU member countries possess administrative capacity necessary for application of the legal acquis in an efficient manner in full? This and these kinds of uncertainties contain the threat of administrative capacity’s being assessed as a new political tool (Kurşunlu, 2004) to delay the process of enlargement by EU. It is required to express that, while administrative capacity is an element easing the membership in the event that adequate guidance is provided by European Commission to candidate countries, otherwise, it has the potential to delay membership (Atakan et. al., 2005).

The ones who think that EU uses the issue of administrative capacity as a political means to delay membership base on these uncertainties. Actually,
founding treaties forming EU cannot reveal a public administration model required to be complied by member countries. The issues of government and public administration were left to the discretion of member country in these agreements after democratic features are evaluated. Therefore, member countries autonomous to a great extend in legal terms (SIGMA, 1999). However, member states set these differences in public administration systems onto common grounds within the frame of some certain principles. Hence, public administration in EU was formed within the light of basic values and principles rather than pre-defined organizational structures. In this aspect, the thing that is important is to apply EU legal acquis in efficient and effective manner within the scope of these basic principles (ABGS, 2003).

These basic values and principles reflect the principles dominating "European AdministrationSpace". Having a symbolic implications related to European Union and consolidation (Olsen, 2003), “European Administration Space” is a result of cooperation lasting for long years among member states within EU political systems. This cooperation caused states being affected one another and working of systems of member states come close to one another in time. As this long-lasting cooperation occurs in a certain political structure, a structure that we can call as “European Administration Space” has shown up in time. A set of principles dominates the European Administration Space and the thing that is desired for candidate countries is to make their public administrations functional within the direction of these principles. We can systemize these principles that are valid in this space as in the following: 1- Reliability and legal security (legal certainty), 2- Clarity and transparency, 3- Accountability, 4- Effectivity and efficiency (Kuzey, 2005).

These principles are the principles that dominate the public administrations of the candidate countries and it is believed that public administrations of the candidate countries are not carried out within the direction of these principles. Yet, administrative performance of each member state affects the administrative performance of the other countries. For that reason, as it is seen in the example of the domestic market, the operation of which is based on the quality of national administrative institutions to a large extent, improvement of the standards related to public management is based on a common benefit. Accession of new candidates, administrations of which have the weight of the late history constitutes a new and tough problem for the Union. It is a substantial matter for the candidate
countries to make these principles functional as mutual dependency is in question in the essence of the European structuring (Acar, 2005).

Well, is there any legal ground, or a force that will compel candidate countries to act in this way? 5th article of the agreement founding European Economic Community, known as Treaty of Rome indicates a provision: “member states takes all general and specific precautions necessary for the providing fulfilment of the liabilities arising from this convention or the decisions of boards of the community and eases the performances of the duties of the community”. Consequently, EU has a significant influence on the administrative systems of member states. Administrative system of any member state shall ensure that this state will apply EU legislations, directives and decisions on time with the accession of this state to decision making decisions of EU. 169th article of the same founding treaty states: “if the Commission is of the opinion that one of the member states does not fulfill one of the liabilities on its part pursuant to this treaty, it notifies its own valid opinion after allowing for the state to present its opinion. If the related state does not act in association with this opinion within the time period determined by the commission, Commission can apply The Court of Justice”. This indirect condition is the most important ground arising from the treaty in the assessment of the compliance of the administrative systems of candidate countries of EU (Kurşunlu, 2004).

In this scope, the Union has the authority to ask the present or future member states to have a reliable and durable structure of administration that integrates the Community standards and decisions to their legal systems without a delay, that applies these standards and decisions within their borders in an efficient manner, that provides application of the standards and decisions in question by means of proper audit tools, and to sustain a consistency between their domestic policies and the policies of the Union compliant with the developments in time (SIGMA, 1998). And again, any application deficit will become a threat in terms of the candidate countries’ capacity of benefitting from EU funds and sourcing with accession calendar as mutual dependency is in question in the essence of the European structuring (Acar, 2005). Devoid of EU funds can be evaluated as a serious sanction in this issue.
3. TURKEY IN EUROPEAN UNION

ADMINISTRATIVE SPACE

It is possible to find the reforms carried out under the title of Public Administration in general in EU-Turkey negotiation process in the main texts of this process. Public Administration was not mentioned separate title in 2001 Accession Partnership Document, and all issues discussed are included. Particularly, the necessity of increasing the efforts directed to reviving the public agencies and the coordination of these agencies was expressed. It was not also given under a separate title in 2003 Accession Partnership Document but was handled under the title of “justice and internal affairs”. Handling Public Administration as a separate title in Accession Partnership Document was in 2006 Accession Partnership Document for the first time. The targets of sustaining reform in personnel policy and Public Administration with the purpose of providing broader accountability, efficiency and transparency, providing efficient, transparent and participant local authorities with the alterations conducted in 2005 and founding Public Scrutiny system running in its total were foreseen in this document. 2008 Accession Partnership Document did not handle Public Administration as a separate title, while it includes reforms in Public Administration, especially the things to be carried out according to EU legal acquis in the chapters under the title of alignment with EU legal acquis.

2008 National Program, most recent to our day, handled the functionality of Public Administration under the title of political criteria. The urgent alterations required to be carried out in Public Administration are discussed in short and midterm there. The necessity of continuation to the studies on enactment of General Administrative Procedures Act for the actualization of an efficient and transparent administrative structuring and alterations would be conducted on Administrative Jurisdiction Procedures Law were committed in this program. Furthermore, Civil Service Ethics Committee was founded in 2004 for the adaptation of the ethical principles such as transparency, objectivity, honesty, and accountability that are necessary for public officials to adapt with the Law on Foundation of Civil Service Ethics Committee. Moreover, it was specified in this report that extensive studies started in the field of fight against corruption and grey economy through modules containing special audit techniques prepared by Board of Finance Inspectors.
Public Administration was given as a separate title in progress reports as of 2004. In the previous 8 reports, the necessity of reforms throughout Public Administration had been emphasized under different titles. It was specified in 2004 Progress Report that Turkey made two basic constitutional amendments in 2001 and 2004 in compliance with Accession Partnership Document and National Program and accepted 8 harmonization packages between 2002 and 2004. Variety of laws, regulations and circulars were published for the application of these amendments. Turkey’s establishing a Reform Monitoring Group in the same year to ensure the persistence of these reform acts was responded positively by the Commission (European Commission, 2004).

Some certain standards were set concerning development of e-service and presentation of information with E-state regulation determining basis and procedures directed to administrations rendering better service to the citizens in 2009 by Council of Ministers. The necessity of preventing the setting up cadres was emphasized again in this report (European Commission, 2009). Accusing Turkey about remaining incapable on the issue of modernization of Public Administration, the Commission lays emphasize on the necessity of development a bureaucratic, independent, accountable, transparent, and merit-based public service that is decreasing bureaucratic transactions, promoting simplification of management.

In 2010 Progress Report, which is the Progress Report published last, it was mentioned that the government performed an inventory study concerning public services and development of some public service standards were approved. While continuity of e-state studies are accepted as a positive development, it was noted that not any progress could be made regarding the issue of regulatory impact assessment and merit-based progress and appointments. Besides this, the deficiency of consultation with related shareholders of the public in the process of policy making was emphasized (European Commission, 2010).

3. CONCLUSION

Even the concept of administrative capacity uttered by EU in various occasions is imputed with uncertainty and vagueness; it is a reality that the concept is getting more clarified. European Administration Space is raised on transparency, efficiency, accountability, legality, explicitness, effectiveness, and accession
principles. It is expected from Candidate Countries to establish institutions working around these principles. It shall not be forgotten in such an effort that the thing which is important concerning administrative capacity is not the inputs but outputs that is to say that the adequacy of administrative capacity is related to the success of application of legal acquis and what kind of policies are made rather than existence of institution and personnel. However, candidate countries need to convince the Commission concerning the administrative structuring and are obliged to show that their purpose is not only to apply the text of legal acquis but also adapt its spirit and main principles.

It is also necessary to evaluate the transformation occurred in Turkey in the recent period in the field of Public Administration in this direction. Europe Public Administration principles are in the center of the transformation. And the purpose in this transformation is to establish necessary administrative capacity. But, a forementioned fault was made in this transformation process and more importance is given to the legal text of the acquis rather than adapting the basic principles and the spirit of legal acquis. Yet, EU does not accredit to the regulations that only remain in judicial dimension. What is important is to put the system into practice and to provide cultural structure formed around the basic principles. It is explicit that such a cultural and institutional alteration is hard due to the resistance put up to change. However, it is also reality that the current structure shall be transformed. The regulations that EU has offered concerning administrative capacity cover some elements of the change that we desire in our Public Administration for long years. In this sense, it will be beneficial to turn the threat into an opportunity rather than perceiving the request for change as a threat. Besides, EU does not foresee one single Public Administration model concerning administrative capacity but is contented with setting the basic principles forth.
REFERENCES


Acar, P. (2005), Avrupa Birliği Yönetili Yolunda Sürdürülebilir Kurumlar Sigma Belgeleri No:26, Maliye Dergisi, 148, 5-34.


Millward, A. (1992), The European Rescue of the Nation State, University of California Pres, Berkeley.


Divide and Rule Policy of the Big Powers in the Middle East

Dr. Fehmi Ağca
International Balkan University

ABSTRACT

Divide and rule, as a political strategy, aims to divide the population into groups and manipulate against each other. British Empire successfully implemented this political strategy in its colonies, particularly in India and the Middle East. After the Second World War, this strategy was transferred by the United States. The success of British Empire was followed by Russian Empire in Central Asia and Caucasus. The big powers used this strategy as the main axis of their foreign policy, because the cost of implementation was lower than the others. Instead of directly fighting on the field, they preferred to instigate the small ethnic or religious groups against each other by supporting them separately. Today, divide and rule strategy has been implementing in the Syrian and Iraq geography, in cooperation of the United States, European powers and Russia. It seems that hostile brothers agreed on the same point: To create new states in the Middle East and exploit the oil and natural gas reserves of the region in a better way. To reach their goal, all means are legitimate, such as supporting terrorists or creating new terrorist organizations. Another reason of this strategy is not allowing any country in the region to be powerful more than enough.

Keywords: Divide and Rule, Political Strategy, Separation, Exploitation, Terrorism.
1. INTRODUCTION

Divide and rule in politics is maintaining superiority by breaking up a large power into pieces. The use of this strategy requires empowering the sovereign state to control it. This technique involves encouraging divisions to prevent any alliance that could challenge the sovereign, by helping to the groups who are willing to cooperate and by fostering distrust and enmity between local rulers.

In history, the empires used this strategy to expand their territories. It was used by European states in Africa during the colonial and post-colonial period. During British rule in Nigeria from 1900 to 1960, different regions were reclassified for administrative purposes. The conflict between the groups made it easier for the British to consolidate their power in the country. (Wikipedia, 2016)

The British also implemented the divide and rule policy effectively in the Indian subcontinent. They supported different Indian groups in their conflicts to undermine each other's influence and to consolidate their authority. British rulers quickly understood the conflicting and chaotic nature of the India and used different tribes against one another to control their territories. East India Company gained the good will of local rulers and established settlements for trade. Then, the British Empire started taking sides in local wars and gained a lot by the victory of its allies. By using this separatist strategy, the British successfully ruled the India for about a century from 1858 to 1947. (Wikipedia, 2016)

The purpose of this article is to explain the historical background and the motives of the divide and rule policy of the big powers in the Middle East and to display their new attempts to divide the region into smaller parts by creating new conflicts and wars in the region.

2. THE FIRST STAGE OF THE DIVIDE AND RULE POLICY IN THE MIDDLE EAST: SYKES-PICOT AGREEMENT

The Sykes-Picot Agreement of May 1916 was a secret agreement that was concluded by two British and French diplomats, Sir Mark Sykes and Georges Picot. They targeted the partition of the Ottoman Empire after the First World War. With the agreement, Syria, Lebanon and Turkish Cilicia were handed over to the control of the French. The British Empire got Palestine, Jordan and areas
around the Persian Gulf and Baghdad. France and Britain actually couldn’t own these territories, but they effectively controlled them at a governmental and administrative level. Northern Syria and Mesopotamia were considered to be an area of French influence while Arabia and the Jordan Valley were considered as the area of influence of the British. Jerusalem was to be governed by an international administration. The agreement led the Arab people never trusting the British or French governments in the future.

After the Communist Revolution in 1917, a copy of the agreement was found in the Russian government’s archives. The Russian Communists declared the contents of the agreement and Arab and Turkish people became aware of it.

The first goal of the agreement was to separate the Ottoman State into several pieces and to break the strength of the Muslim communities in the Middle East and to prepare the region for future conflicts and the wars. The second goal was to create a Jewish state in the Palestine territory and create conditions to put pressure over the Islam populations in the region. Thus, divide and rule policy was effectively implemented without any mercy to the local people. After breaking the power of the Ottoman State, Islamic populations of the Middle East remained unprotected against the colonial interests and the cultural hegemony of the West.

During the First World War, the British were fighting against the Ottoman Turks with the help of the some rebellious Arab groups. In fact, most of Arab people joined to the Ottoman Army to fight against the British Army. But, some of the Arab’s help was insured through false promises and deception. British imperialism misled the Arabs with the help of corrupt local leaders. London was furthering its own interests and dividing Ottoman Empire became a geo-strategic objective. The Sykes-Picot Agreement reveals that the creation of British and French mandates in the region were supposed to establish independent Arab nations, but history showed that this was not true. All the major problems in the Middle East, from the Kurdish Question to the Arab-Israeli Conflict, from the Cyprus issue to the territorial disputes of the Gulf started in this period.
3. CLASH OF CIVILIZATIONS AND CHANGE OF THE THREAT PERCEPTION: TURN TO DIVIDE AND RULE POLICY

The end of Cold War changed the threat perceptions of NATO. Only one year later following the disintegration of the Soviet Union, a new threat terminology started to be used in the NATO threat assessment documents, in spite of Turkey’s counter arguments. The new threat was “Islamic Fundamentalism”. The loyal allies of the Western world against the Communist threat became the new enemy. It seemed that western world needed a new threat to find a justification for their weapon industries. The easiest way was to instigate the former hostilities between Islam and Christian civilizations. The article by Samuel Huntington entitled “Clash of Civilizations” was the first sign of the new foreign and security policies of the west. Instead of living in diversity, clash of the civilizations became the preference of the West. They had the power to establish a secure and peaceful world. But their choice was on a different direction (Agca, 2016).

The new policy started with the new media strategy. It was necessary to create negative images against the Muslim societies. Suddenly, terrorists with the Islamic identity appeared in the US and in some European states. On 11 September 2001, terrorists surprisingly became successful to destruct the twin towers in New York City. This attack was the final point. Everybody in the West started to believe that Islam is a religion that produces terrorism. The historical background of the West made easier to accept this perception.

Since the end of Cold war, Muslims have been killed at increasing numbers every year. First, mass killing started in Bosnia, then continued in Kosovo. Russia killed great number of Muslims in Caucasia. After 2001 attacks in the US, new attacks started against Muslim communities. Wars in Afghanistan, Iraq, Libya and Syria still continue. All the projects to bring democracy, human rights and better governance conclude with the collapse of the regional states in the Middle East. All tragedy occurred with the help of the west. The more help of the West, the more killings of the Muslims. Everything happened before our eyes. But, most of us preferred to justify the interests and policies of the powerful side.

RAND Corporation report in 2008 was sponsored by the US Army Training and Doctrine Command’s Army Capability Integration Centre. It set out
the US government policy options for “the long war” against adversaries in the Muslim world, who are trying to form a unified Islamic world to supplant Western dominance. All Muslim political groups in the region that challenge the prevailing geopolitical order as adversaries needed to weaken (RAND report, 2008). This report recommends that the US and its local allies could even help to the nationalist jihadists to execute a military campaign. US support for such “nationalist jihadists” need to be packaged appropriately for public consumption. Supporting violent groups for foreign policy objectives became incredibly damaging to local democratic and peaceful voices, and other civil society actors.

New Middle East vision of the US deliberately aims to create divisions in the Middle East and Central Asia through ethnic, religious, sectarian, and political differences (Nazemroaya, 2008). These divisions have been fuelled by the US, British, and Israeli intelligence agencies. The intelligence agencies of Arab regimes have possibly involved in the construction of these divisions. The interests of some autocratic Arab authorities have historically adhered to Anglo-American and Franco-German political interests.

To create hostility among the Muslim people of the Middle East, Iran is being portrayed as the vanguard of Shia and Saudi Arabia is shown as the champion of the Sunni Muslims. In fact, Iran does not represent all the Shiite Muslims and Saudi Arabia does not represent all the Sunni Muslims, but this approach serves to the U.S. foreign policy goals.

Arab states are being weakened as a result of sectarian and ethnic divisions. The hegemonic powers have always used fear or anger among different groups to separate and to rule easily the peoples of the region. This has been the objective of British and American foreign policy in the last century. Today, Arab leaders can be used once again by the foreigners against their own people.

On the other side, as the most important regional ally of the western powers, Israel considered the leaders of Jordan as important ally to pacify the Arabs. On 18 April 2007, King Abdullah II of Jordan told an Israeli delegation that Jordan and Israel were allies. He mentioned that Saudi Arabia, Egypt, and the Arab Sheikdoms of the Persian Gulf had the same position (Ilan, 2007). Saudi Arabia, Egypt, and Jordan are the part of the Anglo-American camp and the
extended international military network controlled by the United States. However, these states may not stay ally with Washington and London, forever.

4. THE SECOND STAGE OF THE DIVIDE AND RULE POLICY: IRAQ, SYRIAN AND YEMEN WARS

The Middle East is currently facing a dangerous period. Big powers are seeking to divide and reshape the region creating a new Sykes-Picot Agreement. The problem is more complicated than the personal view of George W. Bush or Obama, who are only the figureheads in the mechanisms of the US foreign policy.

Iraq war was the first attempt to divide the region, by creating Sunni and Shia separation inside Iraq and by forming an ethnical semi-independent Kurdish state in the Northern Iraq. The interesting side of the Iraq war is that the US has never tried to bring democracy and a fair distribution of power among the different groups of Iraq.

Arab Spring was encouraged by the US and other western powers, by calling for democracy and human rights to the region. Arab Spring did not finalize with the realization of democracy but the strengthening the non-democratic regimes. Syrian war can be seen as the last step of the Arab Spring. After five years of fighting, 12 millions of people had to leave their homes and move another place to survive. More than 400,000 Syrian people were killed with the bombs of Syrian regime and Russia. So far, Turkey accepted around 3 million Syrian refugees. To provide essential living conditions for the refugees, Turkey has so far spent more than 10 billion dollars.

At the beginning of the crises, to solve the problem and to bring democracy into Syria was really possible. Unfortunately, the US did not choose to solve conflict in earlier period. Instead, it left the country into the hands of enemies of democracy. Now, there is armistice between armed groups. But, it is not possible to turn back into the past again. It is not possible to find a good solution to the problem. Nobody knows the new projects of the modern and civilized world for the Syria. But, it is not difficult to recognize that a new Sykes Picot Deal is on the agenda as the basis of the “Divide and Rule” policy (Agca, 2016). The Syrians and the Iranians are aware of the plans to divide the region. But, they are guilty of playing the same game for their own interests. On the other
side, Turkey is trying to find peaceful solution to the conflicts by promoting the
democratic values and principles in the region, particularly in Syria.

To realize divide and rule policy in the Middle East, the US and other
powers, such as Russia, UK and France are using the ISIS and the Syrian regime
as their secret partner and PYD, the Syrian branch of Kurdish terrorist
organization of PKK, as the official partner. The Syrian regime and PYD are the
allies and they seem to fight against ISIS. The coalition forces are helping them. It
is really strange to see that they have been completely unsuccessful against ISIS.
The fight against ISIS may continue for another ten years. The purpose of the
strategy of the so-called fighting against ISIS may be to maintain the conditions
for the permanent chaos and anarchy in the Middle East. The other purpose of the
strategy is clear: To separate Turkey from its southern neighbours by creating a
region of tension and war along Turkey’s south border. A Kurdish region needs to
be created for the effective division of the region. The western allies of Turkey
seem angry to Turkey because of not having tolerance to terrorist organization
PYD. Turkey is a real obstacle to the divide and rule strategy of the West and
Russia. Taking into account these considerations, in spite of the Turkey’s
enormous contribution to the Syrian refuges, the angry of the west to Turkey is
understandable.

Yemen Crises seems to be instigated by the US, as a part of a wider
strategy. The escalation of the crisis in Yemen may be instigating a full-scale
Sunni-Shia regional war in the near future. Since 9/11, the countries in the region,
such as Yemen, Syria, Iraq, and Libya with the US interference have fallen into
civil war and their social fabric has been collapsed. Yemen War serves to the US
interests and tests Iran’s potential role as a reliable policeman in the region, to be
confirmed by the US. The Yemen War could weaken Saudi Arabia. Pushing the
Saudi Arabia into a hot war would be great for the arms industry, and gives the US
leverage over Riyadh regime. The Yemen conflict may also divert global attention
from ISIS. The US strategy aims to sustain western dominance, by backing the
Iraqi Shiite regime and seeking an accommodation with Iran, and empowering
local anti-Shia Islamists across the region.
5. THE MAP OF THE NEW MIDDLE EAST FOR A NEW DIVIDE AND RULE POLICY

Lieutenant-Colonel Ralph Peters prepared the following map, and it was published in the Armed Forces Journal in June 2006.

Although the map does not officially reflect Pentagon doctrine, it has been used in a training program at NATO’s Defence College. This map was also published, under the title of Blood Borders, in the US Military’s Armed Forces Journal with commentary from Ralph Peters. A realistic assessment of the map clarifies the real intention of the West over the region. This map is not in line with the ethnical, religious, historical and geographical facts:

From the ethnical point, the borders of the so-called free Kurdistan do not reflect the area with the Kurdish majority correctly. To show the Kurdish region so large only aims to expand the conflicts in greater geography. This map only aims to separate Turkey’s connection from Georgia, Azerbaijan, Iran and the other Islamic states. Consequently, the cooperation and economic development of the region would be prevented. A reasonable intellectual can easily recognize that these borders are drawn to isolate the Islamic states from each other. This is the
first step of the divide and rule policy of the hegemonic powers. Actually, this is a result of extreme prudish understanding of the western civilization. They have a tendency to accept all the Islamic nations as the possible enemies of the western civilization.

From the religious point, all these separated regions shown on the map have the Islamic populations. There is an artificial division among the Sunni and Shiite groups. But, even this division doesn’t require the separation of the region into so many different parts. There is only a Shiite majority in Southern Iraq. Now, there is a Shiite government in this area. Turkey, as a Sunni majority state supported democracy in Iraq. Iran and the other states of the region should agree to the democratic election results in Syria and elsewhere.

From historical point, the region was ruled by the Ottoman State for more than four centuries. During Ottoman period, the people of the region lived in peace and prosperity because of the secure environment provided by the Ottoman rule. This explains very well that the separation of the region according to the ethnical or sectarian differences never serve to peace and to the welfare of the people.

From the geographical point, small geographic areas are not capable of realizing economic development. Small states are confined to be poor and underdeveloped. They can be easily the victim of the imperialist powers of the world, for the exploitation of their natural resources. They cannot establish a powerful army. Consequently, they are always open to the foreign effect and manipulation or direct military attack. The geographic border of a state can be better designed by taking into account the ethnical, religious factors together with the geographic integrity and national competence. Otherwise, powerful democracies cannot be created.

We can create new maps, if the purpose is to separate the countries into small parts. For example, the UK can be separated into four independent states instead of a united state. The similar maps can be easily drawn for the United States, Spain, France, Italy, Russia, and China. We can call the new maps as the “New Europe”, “New America”, “New Asia” as they did for “New Middle East”. Many reasonable intellectuals can be convinced to the necessity of separation of these countries by creating new states.
6. CONCLUSION

Divide and rule policy is a policy instrument of the west to sustain their hegemony in the world. But, they cannot be successful, because they are not fair and do not respect to the basic human values. To instigate the different groups against each other and causing the mass killings is inhuman and a greatest crime against the humanity. In conclusion, the only way for the western powers to regain the respect of the world is to be honest and to give support for the establishment of peace and democracy in the Middle East.

Democratic rule is not a system only for the western nations. All the nations of the world deserve to reach democratic governance and fundamental human rights. One of the main principles of the democracy is the protection of the minority rights. In this sense, all ethnic groups don’t need to establish an independent state. In this context, the power and the authority of the local governments can be empowered. All democratic and social rights of the minority groups should be protected by law and they should reach all freedoms to develop themselves. The minority groups in any country should also recognize that the separation wouldn’t bring peace, democracy, welfare, and development to them but would create the conditions for the exploitation of their regions by the imperial powers.

REFERENCES


The Balkan Countries Regarding the Balance of Power System at the Start of the Twentieth Century

Cotirlet Paul-Claudiu
University of Bucharest

ABSTRACT

Historically, the Balkan Peninsula is marked as an area where the Ottoman Empire made its influence known. The notion of Balkan space is often thought of in a negative way, being associated with the so called "Powder Keg of Europe". At the start of the nineteenth century, the peninsula was divided by the Ottoman and Habsburg empires. One century later, the same lands are divided up by six states. No less than 11 wars and countless armed conflicts were necessary in order to get to this result. For the Europeans that lived at the start of the last century, the Balkans represented a terra incognita, a particular area, slightly explored, constantly avoided, carrying the burden of violence. A territory filled with terror and endless strife, conjuring up unpleasant images: political instability, secret societies, and atrocities.

In the present work, I wish to show the manner in which diplomacy tried to play a major role in this region's stability through its fundamental concepts (summits, international conferences, parliamentary diplomacy, the international activities of transnational and subnational entities, the unofficial diplomacy of non-governmental elements, as well as the work put in by numerous international civil employees). Also, I will incline towards the last phase of the balance of power system, more specifically on its ending through the first Balkan war. Diplomacy is often mistaken for "foreign policy" or "external relations", but the terms, as we will see further, are not synonymous. Diplomacy is the main, yet not the only tool of foreign policy. On the other hand, foreign policy establishes goals, provides strategies and enforces measures that must be used in order for complete those goals. Diplomacy is therefore the main substitute for using violence, force or subversive tactics; it is the peaceful way in which two or more states can negotiate a common foreign policy.

Keywords: Balkans, Nationalism, Borders, Conflicts, Diplomacy.
1. INTRODUCTION

The Balkan Peninsula, partially considered a unit of transition between the middle and southern parts of Europe, occupies an area of 468,000 square km, being the third largest peninsula in Europe. (Cotet, 1967). From a geographical point of view, this region is represented as a whole, being located between the Danube (the northern border), the Black Sea, Mediterranean Sea and Adriatic Sea, making up the eastern, southern and western limits of the peninsula. The Ionian Sea, opening towards the Mediterranean, represents the south-western border, while the Aegean Sea, located in the south-east, advances along the line made up by the Dardanelles and Bosphorus straits all the way towards the Black Sea. Throughout time, there have been many different opinions regarding marking the northern border, different authors also including regions from the north of the Danube. Geographically, it could be said that the peninsula stopped at the Danube. But from an economical, political and cultural point of view, the great river had to be passed. (Bulei, 2011)

In the modern age, the foreign affairs domain is reserved for a small group of decisional factors, being led by a monarch, who considers that diplomatic affairs can be managed through his personal relationships with other monarchs. (Young, 2006) This is the reason for which regal visits have been perceived, during this age, as a true diplomatic event, that could contribute to clarifying certain differences that came up between two states. (McLean, 2001)

The political map of the start of the twentieth century shows us that monarchy keeps its positions, or conquers new ones, once other state entities show up. It’s no surprise that during this period, all diplomatic acts are being done in the name of the sovereign. Although in theory it was available to everyone, in reality, diplomacy during those times was part of a elitist community, that had its own customs and rules. (Cain, 2012) It was a world ruled by the aristocratic principle. Diplomacy remains an aristocratic profession, as long as the active involvement in the central system of governmental policies is an aristocratic occupation as well. (Jones, 1983)

“We prefer to be ruled by an aristocrat, even if we know he is incompetent, because we know very well what he’ll do, and what he won’t.” (Young, 1921)
The predominance of aristocracy among the diplomatic corps was obvious: 40% in the UK, 65% in Italy, 45% in France, almost entirely in Russia and the Austro-Hungarian Empire (between 1860 and 1914). Constantinople and Bucharest were the two capitals from this region that were the most demanded and interesting for the diplomats of the Great Powers. During their stay on the shore of the Bosphorus, a lot of ambassadors saw this experience as an opportunity to propel to a higher position inside the state they represented. On the other side were Athens, Belgrade, Cetinje and Sofia, where life wasn’t as attractive and didn’t represent as many advantages as the aforementioned capital cities.

The economic and financial leaders of the world changed the power and wealth balance at a global scale, thus we are left with inequality between diplomatic representation in the West and the Balkans. Only the Great Powers have representation through ambassadors. They tend to have between 7 representations, like in the case of the Ottoman and Czarist empires, and 10 embassies, like the Austro-Hungarian Empire or the French Republic. The majority of these embassies are opened in Europe, and especially the Western World, but we do have cases where diplomacy “crosses the ocean” (Germany, France, The Czarist Empire and Great Britain have embassies in Washington).

The south-eastern space limits itself from a diplomatic representation perspective, only to The Old Continent. Thus, in 1909 the Serbian Kingdom sustains diplomatic relationships with 14 states, of which only two are not European (USA and Persia). (Vesnitsch,1909) In Romania’s case, we have 13 states, only one being situated outside of the continent; in Egypt. Both Bulgaria and Montenegro have diplomatic representation only in Europe, in 11 countries.

European diplomacy at the start of the twentieth century is based on the “Concert of Europe” principle, or Congress System principle, as it was later called. This principle consisted of the balance of power that existed in Europe starting with the Wien Peace Congress that marked the end of the Napoleon Wars (1815). To understand this balance, we must first discuss power. Power, like love, is easier to experience than to define or measure. Power is the ability to achieve your means and objectives. More specifically, it is the capacity to influence others and to obtain the results that you want. (Nye Jr., 2005)
The balance of power system had divided into 5 stages of evolution: between 1815 and 1822, the states have conjugated their actions, meeting frequently in order to appease disputes and maintaining a balance. Once nationalism and democratic revolutions start to rise, the balance of power enters a new stage between 1822 and 1854. The occurrence of wars (Crimean war or the Unification war in Italy) has led this balance system process to a turning point. Once this moment had passed, the balance of power manifested under the face of the great Bismarck, who tried to push France over the borders into imperialist adventures, and to stray the attention of his allied partners form his lost province (Alsace and Lorena) in 1870-1890. Bismarck’s predecessors didn’t show the same flexibility in the international arena and this caused the end of the balance of power starting with the Balkan Wars between 1890 and 1912.

The European Congress made it so that Europe would live the longest period of peace ever known. For 40 years there hadn’t been even one war between the Great Powers, and after the Crimean War in 1854, no war took place for another 60 years. (Kissinger, 2003) After the Congress of Wien, the relationship between the balance of power and a common sentiment of legitimacy was expressed into two documents: The Quadruple Alliance, made up of Great Britain, Prussia, Austria and Russia, and the Holly Alliance, which was limited to three of the so called Western Courts: Prussia, Austria and Russia. But all these alliances had weak spots. One of them was the Oriental Issue, more specifically, how can the nations that wanted to escape from Turkish dominion be stopped, and of course, to see if this was desired.

A potential closing in towards the Straits by Russia, was being looked at with skepticism by London’s as well as Wien’s decision forums. The fall of the Ottoman Empire was inevitable, so the shock that followed had to have as little effect as possible, as well as the status quo not suffering changes. And so it happened that the so called Concert of Europe was finally crushed by the Oriental problem. In 1854, the Great Powers found themselves fighting each other for the first time after the age of Napoleon. Through an irony of sorts, the Crimean war, which for a long time was considered by historians as an affair that had no sense and could have easily been avoided, was started not by Russia, Great Britain or Austria (countries that had great interest in the Oriental Issue) but by France.
Coming back to the studied time period, we find that this European Concert, which ensured peace for a hundred years, would cease to exist from all points of view. With a blind recklessness, the Great Powers threw themselves into a bipolar world, which consisted of two blocks of power. The starting point is the forging of the alliance between Germany and Austro-Hungary, in 1876, against their two rivals: France and England, which would introduce Germany to the Balkan problem (Cain, 2012). Next comes the signing of the Three Emperors Alliance in 1881, where Russia joins the Germanic countries in a neutrality pact that contained different clauses, also involving the region of south-eastern Europe. By trying to introduce a global policy and a globalization of German foreign affairs, Wilhelm the Second, starts by getting rid of the influential Bismarck in 1890. Once that happens, the alliance system starts to fail. Russia starts getting closer to France, with whom they sign a series of political and military conventions between 1891 and 1894. Wilhelm the Second’s Germany turns its sight towards the Ottoman Empire, and because of its countless economical resources, manages to subjugate the Turkish state into an obvious decay. This event makes Valentin Chirol, the English publicist, write:

“There has never been a great European power that could obtain a position of authority and privilege in a decaying Oriental state, with such fast and apparently little effort, with which its previous bonds and present interests seem so weak.” (Chirol, 1903)

Great Britain notices that it has to switch from an “England that has nothing to do with the Balkan area” (Von Eckardstein, 1921) status, to a more active presence in the region, one of the reasons being that a potential isolation from the problem would have jeopardized its image of being a Great Power.

At the beginning of the twentieth century, Austro-Hungary and Russia are the Greater Powers that have vital interests in the Balkans. The prestige and influence that they had in the south-eastern space are vital points of both empires foreign affairs. (Grey, 1926) However, the means of action of the two rivals from the Balkans are different. Russia goes through great human and material sacrifices in order to free the Slavs, but it can’t gather the fruit its labor because of their involvement in internal affairs of the new states from that area. Austro-Hungary chooses to advance in a more prudent and perseverant way in order to gain an economical supremacy, obtained through the railroad network as well as
commercial treaties (Cain, 2012). In April 1897, in Saint Petersburg, the two emperors decide on keeping the status quo in the Balkans. Noel Buxton calls it a delaying policy (Buxton, 1907), both Great Powers postponing solving the Oriental Issue for a decade. The Turkish-Greek war as well as the Cretan revolt had speed up the signing of the treaty. After signing it, during this decade, the relationship between the two empires are extremely cordial (May, 1968). Thus, the Balkan states are affected by this agreement because it diminishes their chances of exerting pressure on the Ottoman Porte, in order to gain advantages that would fit their own national gains.

The small states from south-eastern Europe relied on their foreign policy plan and they came across the Greater Powers’ interests. The mirage of territorial expansion is the guiding light of these states policies, and the nationality principle can easily become a source of conflict and discord. The Greater Powers can control the crises that take place in the Balkans by changing political regimes or by marking certain borders, thus crushing their irredentist plans.

I now invite you to follow me as we gradually look at the way in which the countries from south-east Europe have juggled from a pro-Russian policy to one closer to the Austro-Hungarian Empire’s needs.

a) The Ottoman Empire

Devlet-i Aliye-i Osmaniye ➔ The Sublime Ottoman State was an imperial super power, manifesting its dominion in the Mediterranean region, and existing from 1299 to 1922.

The decline of this great empire, which in its glory days stretched over a surface of approximately 20 million square km, was accelerated by a series of major economic and political failures. The defeat suffered in front of the Austrian and Polish-Lithuanian allied forces led by Ioan Sobieski at the gates of Wien in 1683 has opened the case of the so called “Oriental Issue”. For three hundred years, Greeks, Serbians, Albanians, Egyptians, Syrians and others have caused numerous internal wounds.

The position the greatest forces of Europe had towards the Ottoman Empire became clear at the beginning of the nineteenth century. Russia was the most interested when it came to the “Oriental Issue”. The Russian Empire wanted
to have control over the Black Sea and obtain access towards the Mediterranean Sea (mainly by occupying Constantinople and the Bosphorus and Dardanelles strays). Russia had a great desire to ensure itself free navigation rights in the region for its commercial and military ships, all while denying these rights to other European forces.

Austria was the power that posed the greatest opposition towards the Russian interests in the Ottoman Empire. Despite the fact that the Hapsburgs have been the greatest enemies of the ottoman people in the past, Austria considered that the threat posed by the Turks at the Danube, was less important than that of the Russians. Austria also feared that the disintegration of the Ottoman Empire would lead to the creation of many national states, which in turn would result in a rise of nationalism amongst the ethnicities from the empire. Because of all these reasons, Austria made keeping unity in the Ottoman Empire one of its main priorities.

Starting with 1876, the helm of the country would belong to Abdul Hamid the Second, who had an autocratic control over a state fractured by internal problems. Despite his conservatism and his belief in absolutist monarchy, Abdul Hamid was responsible for modernizing (in a small part) the Empire during his long reign. The bureaucratic reform, the ambitious Hijaz railway project, the establishment of a registry system for the population and a press control system, are some of the accomplishments of the 34th sultan of the Empire. Regarding his foreign image, he was considered to be extremely cunning, skillful and flexible, being famous for the way in which he was sawing discord among others (Ghyka, 2004). The sultan has continuously sent signals towards the Great Powers, in order to create a balance between Ottoman interests and the changes that took place on the international scene. A skillful diplomat, Abdul Hamid the Second tried to limit the threats addressed at the integrity of the Ottoman territory by relying on inciting one power over the other, without even striking a deal with one group or another. This policy, which was called divide et impera, was meant to pit the small Balkan states against each other and to draw capital as a result of “mutual jealousies between the Great Forces of Europe” (Cain, 2012).

Being vulnerable and weak from a military point of view, the High Porte had to strengthen its relations with Germany, and a Berlin – Constantinople axe would threaten to cut Europe in half, and thus denying Russia’s expansion through
the Strays into the Mediterranean, and also counter the British interests in Egypt and Persia (Mowat, 1968). The German Imperial family’s visit to Constantinople in October 1989 had strengthened this friendship and had alerted the other forces in the event of a possible alliance. This unrest were ultimately pointless, Abdul Hamid the Second not wanting to limit his options by forging an alliance.

The dexterity he showed in the international stage was not the same on a national level. Back home, the Armenian massacre from 1890, which systematically continued in the century that followed, had led to a failed assassination attempt on the 17th of March, 1905. The major economical problems, poverty, diseases and especially the “Macedonian issue” had inevitably led to the “Young Turk Revolution”, which ended a bloody reign that brought him the name of “The Red Sultan”.

The Young Turks was the name of an organization of Ottoman people that were educated in Western universities, who thought that constitutional monarchy would lead to a decrease in social disobedience in the empire. Not even the constitutional period had succeeded in changing the road towards damnation of a once greatly feared empire. The Young Turks could not solve the contradictions between their so called trends of multilateral democratization of a state, which was free from the guardianship of the Greater States, their effective policies on one hand, and the aspirations of the non-Turkish population and the other.

The will of the Balkan states to feast on the European part of the Empire could not be hindered, and so once the “Tripolitan War” started, meaning that the Turks were focused on that area, Serbs, Greeks, Bulgarians and people from Montenegro decided to attack the High Porte.

b) Montenegro

Crna Gora ➔ Monte Negrois used when making reference of a larger part of a Montenegro from the fifteenth century. The history of Montenegro is hard to distinguish from that of Serbia. Only after the Ottoman invasion, did things become clearer. In the sixteenth century, Montenegro was attributed a unique form of autonomy inside the Ottoman Empire, by freeing families and clans from that region from certain restrictions. However, the Montenegrins have refused any form Ottoman rule through rebellions and numerous protests, which significantly
increased in numbers in the seventeenth century, and culminated with a defeat of the Ottomans in the Great Turkish War at the end of that century. Montenegro became a theocracy, led by the Serbian Orthodox Church and the Metropolitan Church of Montenegro and its Coastline. It was a flourishing period, never before seen since the days of Petrovic Neagos. This theocracy’s ruler’s name was “Vladika of Montenegro”.

One of the descendants of these bishops was Nikolai the First, which led the country starting with 1860. Being a minor, he received help from his father Mirko, Great Duke of Gabrovo. The external situation at the time of assuming kingship was as worse as it could get, the Ottomans being on the brink of invading the country. The extraordinary resistance shown by the Montenegrin people (they’ve barricaded themselves in the capital city of Cetinje) had determined the Great Powers to intervene and ask the Turks to be more flexible concerning peace conditions.

Hard times have come upon this small Balkan state, but after the San Stefano treaty and the Congress of Berlin from 1878, Montenegro became an independent state. This event made the energetic Nikolai the First restart Danilo’s reforms (his predecessor) and organize the administrative as well as judicial state. The year 1905 had brought the country’s first constitution which guaranteed full power to the monarch. This challenge had only succeeded in enhancing the people’s lack of faith for the dynasty (Gauthier, 2004).

From a dynastic point of view, Nikolai the First had achieved great success in getting all his five daughters married in an honorable way: the eldest one, Zorka, was married to the future king of Serbia, Peter the First; the second daughter, Milita, to the Great Duke, Peter of Russia; the third, Anastasia, to the Great Duke, Nikolai the First of Russia; the forth daughter, Elena, to the future king of Italy, Victor Emanuel the Third; and lastly, Ana, who was given to Prince Franz Joseph von Batterberg.

In 1910 Montenegro becomes a kingdom, and Nikolai had made the Parliament (which had the same name as in Serbia-Skupstina) give him the title of King. Arrogant by nature and thirsty to quench his ego of creating a stronger kingdom, he took the decision to attack the Ottoman forces on October 8th 1912, thus setting off the first Balkan War.
c) Serbia

The Obrenovic and Karadjordje families are the most resounding names in Serbia’s history. These dynasties have succeeded at the helm of the country at the beginning of the nineteenth century. In his book about the history of the Balkan dynasties, Guy Gaunthier draws attention to the fact that both dynasties had descended from a swine herdsman.

“Let us remember that the swine herdsman profession was highly seen in the Christian Balkans. An animal which was despised by Muslims, pork became the main meal of the people living here, and by consuming it, it became a sign of cultural and religious membership that were proudly claimed” (Gaunthier, 2004)

Alexander I Obrenovic becomes king at the age of 12, as a follow up to his father’s abdication, Milan the First. The later had left this country in agony, on the brink of civil war and with its finances ruined. Thus the Serbians had put their hopes in young Alexander, only to find out he was just continuing the same ruinous policy. In 1893 he claims to come of age and takes the decision of suspending the constitution. Supporting him in this decision was his father, which returned from exile, as well as Austro-Hungarian supporters, like Kristic. On June 10th 1903, as a result of a conspiracy, the king and queen were massacred in Belgrade, in their Old Parliament apartments, with their bodies fiercely mutilated by bullets, being thrown out the windows. The French journalist, Gustave Babin, wrote:

“We were once taught to honor heroic assassinations more justified than this one. We’re essentially talking about a patriotic assassination. Without speaking about the slaughters being prepared at the Palace, Serbia was in agony, it was doomed, just as the outlaws found within the regal documents, if what had just happened never took place. (Gaunthier, 2004)

Through its representative, Peter, the Karadjordjevic Dynasty comes back at the helm of the country after 44 years. In September 1904, Peter is crowned King of Serbia. Intelligent, cultivated, passionate about history and philosophy, spending a lot of time in exile in Geneva, where he adopted the peaceful ways of the Swiss people, Peter had a Western view for his country. With the help of his radical minister, Pasic, he succeeds in accomplishing a series of reforms in
education, commerce and finance, managing to improve the quality of life for the common man.

On the external arena, Peter played the France card, maybe just because he fought in the Franco-Prussian war, where he was also decorated. The economic reliance on Austro-Hungary made Peter call Paris for help, from which the Serbian kingdom applied for loans, even buying a large part of the kettle, bird and fruit production. When it came to his Balkan neighbors, Peter wasn’t in the best relationships: the Montenegro territory wanted him to help create a pan-Serbian state, as well as in the case Bosnia-Herzegovina orof Albania. When it came to the Ottomans, he had many disagreements with them because of the way citizens of Serbian descent were being treated in the Empire. The Bulgarian border was perceived differently by both Peter and Ferdinand the First of Bulgaria. Each of them wanted to expand beyond the other’s border.

Three of the Ottoman provinces were now coveted by the Serbians: Albania, Thrace and Macedonia. Bulgaria, Montenegro and Greece also had an interest for the same territories. Only one more step was needed before creating an alliance that led into the first Balkan War.

d) Greece

At its birth in 1830, Greece occupied a 47.600 square km area and had a population of 752.000 souls. This country, which was considered an Ottoman Empire enclave, was in fact far from being able to bring together all the territories and people of Hellenic origins. As a consequence, the nationalistic aspirations of the new found kingdom were always being associated with expansionism, which in the Balkan context of those times, would only worry the Great Powers.

Starting with October 31st 1863, the crown of the country belonged to Wilhelm de Schleswig-Holstein-Sonderburg-Glücksburg, future king of the Hellenic people, George the First, son of Christian IX of Denmark and brother-in-law of the Prince of Wales. Because of his origin, it was assumed that his dreams of a Greater Greece would be facilitated by the intervention of George’s relatives. Despite all that, any intention of changing the borders inherited after the Independence War, would meet resistance in Paris, London and Wien.
Internally, the endemic political crisis was wreaking havoc, which meant that making a new constitution would have to settle any momentary dissatisfaction. Out of the two chambers that worked under the previous regime, came a new unified chamber, which proclaimed freedom of press, and yet none of these additions would change the political life in Greece.

Three years after coming back into the country, the king is faced with his first international problem, which would impact the state he ruled. The Turkish occupied island of Crete would revolt, due to the way in which the sultan refused to give in to popular pressure. George I does not intervene, despite the fact that all the Greeks united for this patriotic cause.

In 1897, the Cretan problem sets off for a second time. Being embarrassed by the Greater Powers, George I doesn’t act at first, but once the fire at Chania takes place, as well as the massacre of thousand of Christians, his attitude tends to change. On April 10th 1897, Prince Constantine crosses Thessaly’s borders together with his troops, walking into Ottoman territory. The Hellenic army is defeated, a fact confirmed by the signing of the Treaty at Constantinople on December 4th 1897.

Years go by, in which the Greek population starts to gather complaints and looks for solutions. Governments come and go, assassinations (Prime-Minister Deliyannis is one of the victims) and crimes are everywhere, while the king spends most of his time in Paris, the people seeing him as a wandering king. As a result, the Cretan, Venizelos, son of a merchant from Mournies, who studied in Athens, appears as a savior to his compatriots. Step by step, he manages to win people’s hearts through his ultranationalist ideas, being seen at first as an adversary to Prince George (Grand Commissary of an autonomous Crete after the treaty of 1897).

On October 17th 1910, King George I names Venizelos Council President, and sets in motion a true personal dictatorship.

Externally, Greece is situated on France’s and UK’s side, indirectly fighting against Germany and Austro-Hungary, which were true supporters of the High Porte (during the confrontations from 1897 the Turks were receiving stocks of high-tech ammunition from the Krupp Factories as well as tactical advice).
for its relationship with other Balkan countries, we could say that Greece was “alone against all others”. Relationships with Romania were extremely sinuous, being often interrupted. The Zappa Affair, as well as Romania’s wish to keep the status quo in the Balkans was contradictory to what the Greek side wanted. When dealing with the Ottoman Empire, the number of fights over numbered that of diplomatic discussions, thus closeness between the two was not likely in the near future. The differences with Serbia and Bulgaria concerning the position of borders would mean Greece was better keeping a certain distance on a diplomatic scale. That distance would blur once every camp wanted to stomp what was left of the Ottoman Empire.

e) Bulgaria

In 1900, Bulgaria had a surface of 96,345 square km and a population of 3.74 million people, thus being the widest Balkan state (excluding Turkey). The leadership was in the hands of former German prince Ferdinand of Saxa Coburg-Gotha, who became Bulgaria’s ruler at July 7th 1887, after a favorable vote from Sobrania (Bulgarian Parliament).

Wanting to become a good Bulgarian, Ferdinand let Stambulov govern as he saw fit, a deed which could only favor the good relationship they had. Between September 1887 and May 1894, Bulgaria’s Prime Minister, Stambulov, was one the new ruler’s confidant. Yet this didn’t stay in the way of his decision to get rid of him once Ferdinand understood the politics south of the Danube border. A conservative government takes the place of a liberal one, and the pro-Russian, Zankov, becomes the next Prime Minister. Shortly after this happens, Stambulov is mortally wounded on a street in Sofia.

Externally, Ferdinand perfectly understood that Bulgaria, through its placement in the heart of the Balkans, would be a most wanted ally to the two big powers that had a rivalry in the area at the end of the nineteenth century: Austro-Hungary and Russia. This advantage, as well as the perspectives that came along, offered an unlimited playing field for the prince’s personal diplomacy. (Gauthier, 2004) Bulgaria always swung between Wien and Saint-Petersburg in order to reach the objective the ruler had always craved: full independence and kingship (the Bulgarian Principality being an autonomous state, but not independent). The Prince used the Austro-Russian antagonism in order to free himself from the Porte’s
tutelage. This moment came at the same time the Austro-Hungarians took hold of Bosnia and Herzegovina. One day before Franz Joseph declared that the empire had one more province, Ferdinand declares himself king and breaks his bonds with the High Porte (October 5th 1908).

The coordination of the two events gives birth to suspicions because of a previous agreement between Ferdinand of Bulgaria and the leaders of the Habsburg monarchy. (Cain, 2012) The official recognition of the new “Czar of Bulgaria” title as well as the country’s independence launches new controversies on an international level. Wien and Sofia’s decisions impact the balance of power in the Balkan region and create a new diplomatic crisis. In Bucharest, and other places, authorities have an uneasy feeling about this new stage in the Oriental Problem. Russia commences negotiations regarding a new Balkan alliance, taking advantage of the fact that Ferdinand was a friend of their country, and Serbia felt it was directly threatened by Austro-Hungary. The first meeting between Bulgarian and Serbian authorities took place on October 11th 1911, and on March 13th 1912 the alliance and friendship treaty was signed, containing a secret annex. Once the alliance was made, Ferdinand’s dream to restore the Byzantine Empire in its benefit would take shape.

f) Romania

The formation of the Romanian nation was a complex one, which sucked the energy of a few consecutive generations of Romanians. The Union of Principalities (January 24th 1859) and claiming its independence after the war against the High Porte (1877-1878) were the first actual finalized actions that led to the creation of Greater Romania (1918).

King Carol the First was one of the key actors that helped create a modern and internationally respected Romania. As we know, Carol was named ruler of Romania on May 10th 1866. A few months after, the first Romanian constitution is born (June 29th 1866), which stayed the same until after the First World War (March 29th 1923). In 1878 Carol I of Hohenzollern received the title of “Royal Highness”, and the 1886 Constitution replaced the 1881 version, in order to specify among other things, that from that moment on, the head of state will be named King. At the beginning of the twentieth century, the kingdom’s political life was based on the two most important parties: The Conservative and Liberal
parties. The first represented the interest of the biggest land owners, while the
Liberals represented the middle class. On a governmental level, these parties were
succeeded under the close eye of the king. The later would hold a key role in
deciding the result of elections, by virtue of his constitutional prerogatives to name
the future Prime Minister.

During the 1899-1907 period, Conservative and Liberal parties, five by
number, have rotated without facing any difficulties. In the first years of the new
century, governments were “tortured” by a severe economical and financial crisis.
The Sturdza government, which was active starting from the beginning of January
1905, managed to revitalize the state and overcome its financial difficulties and
even improve the quality of life (especially for the country folk). Sturdza’s
successor, Gr. Cantacuzino, was put in the ingrate position of hindering the Great
Peasant Uprising of 1907, which proved to be the most severe internal crisis since
gaining Independence. Amongst these events, the Government is dismissed, and
old Sturdza (who reached the venerable age of 74) comes back at the helm of the
executive branch for a very short period of time). He was followed by Ionel
Bratianu, as leader of Government as well as leader of the National Liberal Party.
According to the rotation of parties practice, the end of the four mandatory years
of legislative mandate, the King turned his attention towards the Conservatives,
resulting in P.P. Carp being named Prime Minister for a second time (he first
governed between July 1900 and March 1901).

During the Balkan Wars, Titu Maiorescu is the one that leads Government
for two consecutive mandates. A few days before being dismissed (December 31
1913), he presents the Parliament with the famous “Green Card”, where the
reasons for why Romania had a latent neutrality in the first Balkan War were
written, as well as in the case of its full involvement in the second confrontation.
Externally, Romania had signed a treaty with the Triple Alliance countries (Italy,
Germany, Austro-Hungary) since 1883, but this detail does not mean that the
Romanians did not try a shift between the two blocks.

The importance Romania posed on an international level was also shown
by the choice of representatives from great forces to be sent here. Among the ones
that can be remembered we can find: Bulow, Goluchowski, Kiderlen, Aerenthal,
Czernin, White, Giers Jr. Etc. Bucharest was considered by German diplomacy as
the “central observation and estimation point of the entire complex around the
Oriental Problem” (Kinderlen, 1925). As I pointed out at the beginning of this paper, foreign affairs relied exclusively on the monarch’s preferences. A conclusive example is that of Romania, where Carol I chose to forge an alliance with Germany, not only because it was one of the main European Powers of the time, but especially form personal reasons, being a descendant of the Hohenzollern-Sigmaringen family, which was at the helm of Germany. Inclining towards the Central Powers had adepts among Conservative and Liberal supporters.

Yet, the efficiency of the 1883 treaty is diminished by its secret character. Bismark insisted on this form, in order to avoid certain reactions from Russia, and Romanian diplomats had to agree to it, because of the public opinion’s attitude towards Austro-Hungary. In 1888 the treaty was extented for three more years, then it was renewed in 1892, containing a clause which stated that the treaty would continue to exist until one of the participants would opt out. Nothing would change, concerning this alliance, until the moment Romania decides to enter its first global conflict.

Because of this alliance, the diplomatic ties Romania had with its Balkan neighbors, also coincided with the way those states would get along with Germany and Austro-Hungary. Thus Bulgaria, a faithfull ally of the Czarist Empire, was plotting a future control over the Dobrogea region in Romania. Along these secret wishes, the actions committed by Bulgarians in Macedonia have caused an irritation in Bucharest, where the Macedo-Romanian minority’s case was also pleaded by some of its representatives, had a big echo. (Agrigoroaie, 1980) Greece, due to the way it treated Macedo-Romanians, was given a cold shoulder on the diplomatic front, leading up to the interruption of diplomatic relations. The Serbian Government tried to get closer to Bulgaria and Russia, as a result of the way Austro-Hungary, an ally of Romania, was treating citizens of Serbian ethnicity. This fact had repercussions on bilateral ties between Romania and the Serbian Kingdom.

France tried to exploit the sympathies of a lot of Romanian politicians, but it could not neglect the fact that Romania found itself protected by the Central Powers. Théophile Delcassé, the French foreign affairs minister, would warn Caillaux, the finance minister that:
“The strong political ties that Romania has with Germany and Austro-Hungary, are designed in such a way in which it is of no interest to us to make efforts in order to facilitate financial aid demanded by Bucharest”
(thus referring to the Romanian Government’s plea for a loan).

This conviction has continued to influence the conduit of French diplomacy regarding Romania, with Russia having the same attitude. This will change, once the new Foreign Affairs Minister of Russia takes office, Sazonov (1910), who, according to Blondel (French representative in Bucharest):

“Russia sets everything in motion, in order to prepare a favorable future in Romania. (Agrigoroaiiei, 1980)

During the Balkan conflicts, the Austro-Hungarian and German diplomatic corps have made visible efforts in order to keep the political orientation of Romania unchanged (official visits, loans, etc.). The surface for the Allied Powers’ diplomatic actions was largely set in place, through the intervention of new differences that occurred between the allies, which appeared at the same time as the 1908 events aimed at the status quo established at the Berlin Congress. Romania had constantly manifested in favor of maintaining the status quo in the south-eastern region. The situation was relatively favorable for a rise in Franco-Russian influence, but it was countered by an internal event. On January 1991, the Romanian Government was taken over by the Conservatives, with P.P. Carp as Prime Minister and Titu Maiorescu at Foreign Affairs. Both of them were in favor of an alliance with the Central powers.

It can be said that Romania remains a relatively faithful ally to the Central Powers, a faithfulness that actually belonged to a few political circles which were advantaged by the position they held at the top, yet declining in numbers. The conflicts which took place between 1912 and 1913 would also bring along changes within them.
REFERENCES


Buxton Noel, Europe and the Turks, London, 1907.


Chirol Valentine, The Middle Eastern Question or Some Political Problems of Indian Defence, London, 1903.


Kiderlen-Wacher, Der Staatsmann und der Mensch, Volum I, Stuttgart, 1925.


Von Eckardstein Hermann, Ten Years at the Court of St.James. 1895-1905, London, 1921

Young George, Diplomacy Old and New, London & New York, 1921.

Tourism and Peace

Dr. Serdar Tarakçıoğlu
Gazi University

Fulden Nuray Gürəl
Gazi University

ABSTRACT

Tourism is a dynamic and competitive industry that requires the ability to adapt constantly to customers’ changing needs and desires, as the customer’s satisfaction, safety and enjoyment are particularly the focus of tourism businesses. Tourism is an important, even vital, source of income for many countries. Among the positive benefits attributed to the economic, social and cultural effects of tourism is the promotion of goodwill among the people. Peace is when people are able to resolve their conflicts without violence and can work together to improve the quality of their lives. Commonly understood as the absence of hostility and retribution, peace also suggests sincere attempts at reconciliation, the existence of healthy or newly healed interpersonal or international relationships, prosperity in matters of social or economic welfare, the establishment of equality, and a working political order that serves the true global interests. The role of tourism as an ambassador and vehicles of international understanding and peace has been recognized by international bodies such as the United Nations. Besides all the positive effects of tourism to peace, the truth is; if there is not peace, the tourism will not subsist. Nowadays in Turkey, there are several attacks to southeast of Turkey and some cities such as Istanbul and Ankara, and also the political crisis between Turkey and Russia, the tourism is steadily getting worse. The aim of this study is to reveal the effects of peace to tourism in Turkey.

Keywords: Peace, Tourism.
1. PEACE THROUGH TOURISM

Peace through tourism intends to reduce root causes that create situations where violence has been perceived as inevitable. It is not a replacement for various other kinds of tourism practice, but is rather intended to be a facilitator to enhance sustainable development and positive peace through the tourism industry (Kelly, 2016). According to the World Tourism Organization (WTO), “Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes” (Goeldner & Ritchie, 2006), Hunziker and Krapf, Swiss researchers of tourism and professors, define Tourism as the “sum of phenomena and relationships arising from the travel and stay of non-residents, in so far as they do not lead to permanent resident and are not connected with earning activity” (Raina & Agarwal, 2004). These two definitions indicate certain characteristics of tourism that distinguish it from other forms of traveling. Principally, the definitions identify tourism as temporary travel to an unfamiliar setting with no intention of permanent settlement or permanent employment. According to United Nations World Tourism Organization (UNWTO) Secretary-General, Taleb Rifai (2012): “Tourism is not only an important economic activity but it is also about the millions of conversations and interactions that take place every day as visitors and host communities come together. And it is because tourism means exchanging ideas and beliefs that it can be one of the most effective tools to promote mutual understanding, tolerance and peace.”

Tourism as a force for peace is further reflected in the UNWTO Global Code of Ethics, a set of guidelines for the development of sustainable and responsible tourism, approved by the UNWTO General Assembly in 1999 and endorsed by the UN General Assembly in 2001 (UNWTO, 2012). Also a “Tourism and Peace” project was held by UNTWO and the Universitaet Klagenfurt, Austria.

2. THE EFFECTS OF CONFLICTS TO TOURISM

“A state of opposition between ideas, interests, etc; disagreement or controversy.” War, often known as armed conflict (Mitchell, 1981). Terrorism represents a serious threat to law and order and undermines stability and security
in political, economic and social arenas (Sonmez, 1998). Tourism is not spared from these effects and has been seen to be especially exposed and sensitive to incidents of terrorism, whether directed at visitors specifically or the wider community (Aziz, 1995; Pizam and Smith, 2000; Richter, 1999; Richter and Waugh, 1986; Sonmez, 1998; Sonmez and Graefe, 1998; Sonmez et al., 1999). 

There are few explanations of why tourists and tourism are sometimes deliberately targeted, the reason being the publicity generated worldwide and especially in the countries of origin of international visitors caught up in events. A fall in tourists and their spending also weakens economies and may cause social tensions, placing governments under stress and contributing to realizing the terrorist goal of general destabilization. It has been argued that tourists may be unpopular in the local community, leading to a condoning of the action by residents who themselves are spared. Enmity toward tourists can be acute in developing countries where tourism symbolizes the inequalities between the developed and Third World. Finally, the sector is a relatively straightforward target because of its size, diversity and extent. Many tourists are easily recognizable and tend to gather in large numbers at identifiable sites such as famous attraction venues, beaches, hotels and transport termini (Dimanche, 2004; Horner and Swarbrooke, 2004; Richter and Waugh, 1986).

3. NOWADAYS IN TURKEY

Since Russia became a party to the war in Syria at the end of September, there has been a significant risk of open confrontation between Moscow and Ankara. Russia has thrown its support behind the troops loyal to Syria's unscrupulous dictator Bashar Assad while Turkey is supporting the rebels who would like to topple his autocracy (Der Spiegel, 2016). The conflict intensified at the end of November when Turkey shot down a Russian warplane and now Putin has forged an alliance with the Syrian Kurds, Erdogan's archenemies. The Turkish president holds the Syrian Kurds responsible for the attack on Wednesday in the Turkish capital, which saw an explosion in central Ankara kill 28 and wound 61. Syrian Kurds have denied responsibility, but the bombing has ratcheted up tensions between Ankara and Moscow even further (Der Spiegel, 2016).

Besides this crisis, there were few bomb attacks to Ankara and Istanbul, lots of country announced Turkey Travel Warnings. Because of this crisis and
attacks, few agencies warned their customers not to go to Turkey (Turizmguncel, 2016).

Due to these conflicts, the number of tourist who comes to Turkey has decreased compared to last five years’ first three months.

Table 1: The Number of Tourists Coming to Turkey, January-February-March (2011-2016)

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January</td>
<td>975,723</td>
<td>981,611</td>
<td>1,104,754</td>
<td>1,146,815</td>
<td>1,250,941</td>
<td>1,170,333</td>
</tr>
<tr>
<td></td>
<td>February</td>
<td>1,079,505</td>
<td>997,571</td>
<td>1,268,440</td>
<td>1,352,184</td>
<td>1,383,343</td>
<td>1,240,633</td>
</tr>
<tr>
<td></td>
<td>March</td>
<td>1,617,782</td>
<td>1,460,563</td>
<td>1,841,154</td>
<td>1,851,980</td>
<td>1,895,940</td>
<td>1,652,511</td>
</tr>
</tbody>
</table>

TURSAB, 2016

Turkey saw a dramatic drop in the number of foreign arrivals from Europe and Russia in the first 11 months of 2015, according to temporary official data. Although the number of total foreign arrivals saw only a slight decline (around 1.36 percent) in the period compared to the first eleven months of 2014 - due to an increase in arrivals from Gulf countries - tourism revenue is the main indicator that should be considered (Hurriyet Daily News, 2016)

Accepting the permanence of terrorism and regional political problems is a requisite to managing them. This is pertinent not only for governments of nations afflicted with terrorism or political disturbances and tourist-generating nations but also for the international tourism industry. When the tourism industry experiences negative events caused by natural disasters, greater public and industry understanding and tolerance are invoked. But, human-caused events, especially those involving political violence, trigger public outrage or intimidation. Although the problem at hand is exceptionally complex, the hope for effective and applicable solutions lies in additional research and cooperative efforts of practitioners, government agencies, and academicians. It is high time for the academic community and tourism industry to view these problems as crises in need of management rather than periodic problems (Sonmez et al., 1999).
Government and the sector should sort out the problems and reflect on how to resolve these problems.

Firstly, it is impossible for Turkey to lure tourists if worries about its security continue to increase. A positive image cannot be built up without an atmosphere of peace. Nobody wants to visit an unsafe destination for leisure, business or health. Secondly, sector players need to develop new models, rather than stick to the all-inclusive hotel concept. The latter is generally the most popular preference among Russian tourists, and it has long been the sector’s main motoring force. Thirdly, efforts should focus on diversification of tourism areas. One of the most promising new tourism areas for Turkey is medical tourism, although the share of income from medical tourism is still very low in the total. Turkey managed to increase its tourism income from $8 billion in 2000 to around $35 billion in 2015, making it the 12th highest tourism income earner in the world. The sector will recover some of its losses sooner or later, but for this to happen Turkey needs to resolve the crisis in the perception of its safety.
REFERENCES


Euro-Scepticism in Turkey: Assessment on Turkey in the Era of Justice and Development Party

Dr. Hülya Eşki Üguz
Selcuk University

Rukiye Saygılı
Selcuk University

ABSTRACT

Turkey has always attached great importance to become a member of the European Union (EU) since the early 1960s. Initiating the formal association with the European Community (EC) with the signature of the Ankara Association agreement in 1963, Turkey made its official membership application in 1987 and was granted official candidate status in 1999. Throughout this long process, Turkish political elites perceived EU membership as an ideal for Turkey and highlighted their commitment to the realization of Turkish accession to the EU (Gülmez, 2013). However, European Union, which was assumed to be an ideal for a long time, has turned into a “suspected” concept and especially from beginning of 2005, the suspicion towards EU has increased. The power of the mentioned suspicion to determine the Turkey-EU relations requires thinking about the suspicion. Thus, within this context, in this study first of all, the concept of Euro-scepticism will be discussed, and secondly the causes of Euro-scepticism and how this has impact on Turkey-EU relations will be analyzed.

Keywords: Euro-Scepticism, Turkey, Justice and Development Party.
1. INTRODUCTION

The European Union project, one of the ultimate factors in establishment of peace in Europe after centuries of wars, has been supported with a great faith by many countries. Nevertheless, the faith in the European Union has turned into a suspicion, initially, due to economic concerns, then, due to political reasons following the Maastricht Treaty. Thereby, this counter stance referred to as Euro-scepticism has become the basic policy of several political parties in member and candidate countries over time (Gülmez, 2015).

While initially the rhetoric of "becoming part of Europe-the civilized world" was passionately embraced by both political elites and intellectuals in Turkey and EU membership was evaluated in an idealist framework; the developments in the course of membership have eroded the said idealism in Turkish society, and changed the relationships with EU into a more pragmatist and sceptical structure. In this context, the study aims to analyse the reasons of Euro-scepticism in Turkey with particular focus on AKP, and how this suspicion would affect the membership course.

2. FROM FAITH TO SUSPICION: EURO-SCEPTICISM

A term with a rapidly increasing popularity in our day despite dating long back, "scepticism in European integration" or "EU scepticism (Euro-scepticism)" has first been suggested in 1986 to describe the attitude of Margaret Thatcher, Prime Minister of England, against the European integration. It is possible to mention of two different appearances of the term that implies approaching sceptically to and distrust in both the idea of European integration and EU, the applier of this idea (Hooghe&Marks, 2007) in the most general sense, which are hard and soft, by reference to Taggart and Szszerbiak. Accordingly, hard Euro-scepticism means the “outright” and “unqualified” rejection of the European integration both in economic and political terms right from the beginning. Hence, hard Euro-scepticism is against the very idea of European integration. The principled objection comes from the belief that the EU is counter to deeply held values or, more likely, is the embodiment of negative values. This kind of Euro-scepticism is seen in parties who think that their countries should withdraw from membership or candidacy. On the other hand, soft Euro-scepticism implies “contingent and qualified opposition to European integration”. This means that
those adopting soft euro-scepticism oppose a certain policy within the integration process, or exert opposition with the motivation of preserving national interest while generally in favour of the European integration (Taggart and Szczerbiak 2004; Gülmez, 2008).

Reasons of the Euro-scepticism are varied in the historical process. Until the 1990s, scepticism involved macroeconomic performances of the countries; suspicion was rising as inflation and unemployment increased, whereas, falling as inflation and unemployment decreased. In the subsequent years, we confront the individual economic suspicions characterized as a reaction to the common market as the reason for suspicion. According to this explanation, the increasing job insecurity of individuals brings about an anger at EU and a suspicion emerging on anger. In the 1990s, despite good economic conditions, the increase in suspicion about EU brought about shift of the attention in understanding scepticism from economic reasons to social and political reasons. This is mainly because that, following Maastricht Treaty, as the European integration advanced from establishment of a common market to formation of an administrative method, scepticism began to combine with the concern of erosion of national sovereignty and national identities. Based on these explanations, it is possible to suggest that the policies conducted by EU are determined within the framework of their relationship with national interests. A scepticism emanates from the perception that EU poses a “cultural” threat to what is national and the economic interests (Köklü, 2013).

3. EURO-SCEPTICISM IN TURKEY OF AKP PERIOD IN THE CONTEXT OF TEMPORARY TENSIONS AND PERMANENT INTERESTS

Reasons of Euro-scepticism that may vary in each candidate or member country show variation in the context of Turkey, as well. It is possible to provide a long list of reasons of Euro-scepticism in Turkey considering the “problematic areas in EU-Turkey relationships” and the “issues concentrated on by political leaders”. In this context, the Customs Union participated in without becoming member, the Cyprus problem hindering opening of the negotiation chapters, Copenhagen political criteria as one of the reasons increasing particularly the nationalist reactions, Turko-scepticism describing opposition of EU members states to EU membership of Turkey, and the partnership relation which did not end up with membership, as well as the membership course that has been continuing.
for a long time. In addition, the Sevres Syndrome describing the thought that EU demands would abolish the nation-state structure of Turkey, EU demands do not solve the terrorism problem, but rather they further strengthen it, and the religion difference emphasizing that the EU consisting of Christian countries would not make Turkey, with a great majority of Muslim citizens, can be stated to be as much important reasons at least as those in the first group (Tezcan & Aras, 2015).

While this study aims to discuss the Euro-scepticism in Turkey with particular focus on AKP, it should be firstly noted that only AKP does not hear of a suspicion about Europe, various parties have had suspicion about EU due to the reasons listed above. However, what differs AKP from others is the fact that it sees the course of membership to EU as a practical instrument for achieving its goal. In fact, the origin of this attitude can be found in the National Vision Movement, where AKP has its roots. National Vision Movement is known to show an explicit opposition to the West, which constitutes the main axis of Turkish foreign policy, thus, to EU. Erbakan, the founding leader of National Vision Movement, and his parties criticized EU for economic, cultural and political reasons. According to Erbakan, EU was a Christian club with imperialist desires on Turkey. As will be discussed in the following part, National Vision Movement under the leadership of Erbakan modified its rigid stance towards the EU over time. Despite the Movement’s Euro-sceptic stance, particularly in late 1990s the party adopted a more positive discourse to the EU. In Turkey, political Islamists have been repressed for being a threat to secular character of the state and their parties have been closed for multiple times. In the 1990s, EU placed much more importance to the democratization and human rights, and the political Islamists in Turkey perceived EU as a tool to transform Turkey particularly in the areas of democratization, human rights, religious liberties and the influence of military on politics. Verney claims that, as of 1990s Islamists left behind their rigid Euro-sceptic approach since they realized that “Europeanization, as a path to democratization, could create a framework that allows the establishment of a stable Islamist government”. While the assumption of establishment of an “Islamist government” is too assertive, it is a fact that, particularly following 28 February period, political Islamists have, as

---

35 28 February 1997 is one of the most important dates in Turkish democratic history. At the regular meeting of National Security Council on 28 February 1997 the government in which Erbakan was the Prime Minister was given a list of proposals aiming to “prevent what the Council saw as Islamization of the country”. After the National Security Council summit harsh discussions on the secularist structure of the state were made in political and public level. For some circles Erbakan
will be seen in the next part, used Europeanization to enhance human rights and democratization in Turkey for their own interests (Çiçek, 2012). It is possible to say that AK Party took over as an instrument for its own period the pro-EU stance of the National Vision that was dominant in their most recent period, turned it into a strategy which it put into practice or used in the area of domestic-foreign policy (Tezcan & Aras, 2015). As expressed by Balcı (2013) and Alessandri (2010), complete acceptance of the EU objective by AKP, which was in more need for international support than other political parties since 2002 to gain political legitimacy, has served the process of legitimization of the party in Turkey and international areas. In addition to being part of the said legitimization process, the encouraging expressions of EU in the summits 2000, 2001 and 2002, also, the emphasize on establishment of civil control on the military (Yankaya, 2009) have turned harmonization with EU norms as the only peaceful means of restricting role of the military in democracy of Turkey (Doğan, 2005) into a useful instrument. In short, EU norms have been seen as an opportunity for expanding the political, economic and cultural space that had contracted for Islamic groups in the 28 February period, the democratic terms stipulated by EU prior to participation have both strengthened and legitimated the positions and demands of Islamic groups (Yankaya, 2009). Additionally to all, in early 2000s there was a huge public support for the EU membership in Turkey and it was rational for the newly-established AKP to adopt a pro-EU stance. In 2002, rate of the supporter of Turkey’s membership to EU was around 64%. Taking a pro-EU approach AKP also aimed to get support of liberal and central media, business organizations like TUSIAD and civil society organizations. EU membership was so popular among the public that pro-EU approach helped to the electability of the AKP. The EU objective was particularly important in order to continue the political reforms and to unite different groups around the reforms. And the AKP comprehended this atmosphere in Turkey and embraced the EU process. As the majority of public was enthusiastic about membership, it would have been irrational for the AKP to adopt a Eurosceptic approach (Çiçek, 2012).

and his party were accused of being against secularism. As a result of these pressures the Erbakan government resigned in June 1997. This period was called 28 February Process and post-modern military coup in Turkish democracy literature (Çiçek, 2012).
This has lasted until 2005, the AK Party in power has constantly expressed its pro-EU views on one hand, and started to quickly realize the reforms require for harmonization on the other hand. So, Öniş (2008) designates the period through 2002 to 2005 as the gold age of EU process. In this period AKP combined domestic and foreign policy issues in order to use the external factors for the transformation of Turkey. In other words domestic politics in Turkey were Europeanized in this period (Çiçek, 2012). Following commencement of the negotiations on 3 October 2005, very interestingly and paradoxically, AK Party is seen to fall in a reform fatigue and the discourse is seen to have changed. According to Özcan (2010), what ended the golden age is the fact that AK Party, which had shaped its legitimacy and its difference from the former line on the basis of establishment of close relationships with EU, is not in need of this relationship as much as it was before. While agreeing with Özcan, it should also be stated here that there are other reasons which increased scepticism in Turkey in that period. The Cyprus problem and statements of the European leaders like Angela Merkel, Nicolas Sarkozy, expressing that Turkey does not belong to Turkey in geographical, historical and cultural terms, and therefore proposing privileged partnership apart from membership, has been determinant in emergence of this stage (Tezcan & Aras, 2015). Beside the Cyprus problem, Double Standard Treatments and French-German Attitudes, negative perceptions among the Muslim and Western world also played an important role in the rise of Euro-scepticism among Turks. Following the September 11 attacks by the Muslim terrorists, Islam phobia started to rise and European’s view of Islam changed from bad to worse by the influence of the European media. This eventually resulted in a decrease of the support of European people for Turkey’s membership to EU, which in turn reduced the enthusiasm of Justice and Development Party for EU Membership (Güler, 2011). The decree of European Court of Human Rights (ECHR) on Leyla Şahin in 2005 was totally a breaking point. The fact that ECHR justified not allowing use of hijab in public agencies right in the said action has strengthened the Euro-scepticism of AK Party. This decree has been evaluated considered by AK Party as that EU did not see the issue of hijab among religious liberties, and this compromised the affirmative view on EU (Tezcan & Aras, 2015).

Despite all these suspicions and thought of the then Prime Minister Erdoğan involving participation in the Shanghai Cooperation Organization instead of EU so as to expressly show Brussels that it is not the only option for Turkey, as also expressed by Tezcan and Aras (2015), EU membership desire of AK Party
continues in principle. This does not mean that Euro-scepticism has come to end in AKP, but implies that AKP has realized the perceptual distinction between Europeanness and EU membership, and that it has succeeded to approach the issue of EU pragmatically.

4. CONCLUSION

In signing convention with EEC, Turkey did had done this due the concern of not being excluded from the organizations in Europe, which it regarded as the tie to modernization, on one hand, and as a result of a pragmatic concern like security. Regarded as a foreign policy and security instrument in the beginning, EU could not receive much support from publicin this respect, but remained merely the preference of economic and political elites. However, several segments become passionately desirous about membership to EU for economical motives, while some desired for its values inherent in modernity. Besides the faith in modernity, it worth to note that Turkish people have always had the suspicion about Europe and its integration due to various reasons. In this context, it can be suggested that the concerns about Europe as reflected in discourses of AK Party cannot be attributed only to AKP, but that the public and almost all of the political parties in the arena of politics have the same concern. What makes AKP unique in this respect lies in that they have turned the course of membership to EU into a practical instrument for their own goals by realizing the perceptual distinction between Europeanness and EU membership.

REFERENCES


Köklü, P. (2013), “Ekonomik Krizle Artan Avrupa Şüpheciliği”, http://www. abmaliye.gov.tr/ABID%20Raporlar/Ara%C5%9Ft%C4%B1rma%20ve%20%C4%B0nceleme%20Serisi/Ekonomik%20Krizle%20Artan%20Avrupa%20Birli%C4%9Fi%20%C5%9E%C3%BCphecili%C4%9Fi.pdf


Alevis in Turkey: From the Battle of Chaldiran to Gezi Park Protests

Ali Yıldırım
İstanbul Bilgi University

ABSTRACT

Based on the report released by the police on November 2013, this article analyzes high Alevi involvement to the Gezi Park protests which took place across Turkey in 2013 summer. To do so, the article seeks to understand the dynamics of Alevism in Turkey and its relationship with the governments throughout the history. It aims to establish links between the past and present time of Alevism in Turkey in the process leading to the Gezi Park protests. After outlining the different aspects of the Alevi question through the Alevi initiative of current AKP government which has Sunni-Islamist roots, the article discusses high Alevi participation to the Gezi protests as the next step. Because the media has been discussed so much during the protests, this paper also presents an overall picture of the representation of Alevism in the Turkish print and visual media in the context of the Gezi Park movement. It concludes by arguing two main things. First, high Alevi involvement to the Gezi protests was the product of a process which has historical and social origins, and it cannot be regarded as coincidence. Second, Turkish mainstream media has showed problematic aspects during the Gezi protests and there were just implicit references to the Alevi identity of Gezi casualties in general.

Keywords: Alevi Identity, Alevis of Turkey, Gezi Park Protests, Turkish Media.
1. INTRODUCTION

1.1. The Subject and Aims of the Study

According to the report that was prepared by Republican People’s Party (CHP) Istanbul deputy Sabahat Akkiray and her brother Hasan Akkiray in 2012 December, there are 12 million 521 thousand Alevi citizens in Turkey. This data was interpreted as, half of the Alevi citizens are assimilated and most of them have to hide their identities. So that, even though the history of Alevi sect goes back to centuries ago, besides the conflicts which happen because of political and religious reasons between Sunni Ottomans and Shia Safavids, Alevi had to stay against the government all the time. For decades, the difference between Alevi and Sunni Islam beliefs, traditions, practices and lifestyles have been discussed. Alevi could only be organized around their identity-culture demands since 1990’s. The official statuses of Cem Houses, mandatory religious courses are the main issues of organized Alevi society. During 2000’s, Turkey’s Justice and Development Party (AKP) has been the first and maybe the only political party in the history which has minded those issues. Alevi Initiative of the AKP government which was started in 2009 has been one of the most important events of near past. Another important event of the near past is the Gezi Park protests in 2013.

The sensitivity towards environmental causes such as destroying the only green area left at the center of the Istanbul city, turned into a social movement against the AKP government in 2013 summer. Gezi brought so many people from different social groups together and that’s why it turned into a historical reality and case. The fact that most of the people who died during the Gezi Park protests were Alevi, has started another process where being an Alevi in Turkey was questioned. This paper is not aimed to portray the Gezi Park movement as an Alevi uprising; it aims to understand high Alevi involvement to Gezi Park protests in the light of historical, socio-cultural perspectives. Moreover, representation of the dialogues between the politicians and the relatives of Alevi victims, the funerals from Cem Houses and other related issues on Turkish print and visual media.

---

37 Cem Houses are the most common gathering and worship places of Alevi.
38 Ethem Sarsülük, Mehmet Ayvalıtaş, Ali İsmail Korkmaz, Abdullah Cömert, Medeni Yıldırım, Hasan Ferit Gedik, Berkin Elvan, Ahmet Atakan, were among those killed during and after the Gezi Park protests.
media are generally referred in this article to better understand the perception of Alevis in the Gezi Park protests.

1.2. Method and the Scope of the Study

In order to understand the Gezi Park movement and its relationship with Alevi citizens of Turkey, the dynamics between Alevi and the governments throughout the history were outlined in the first place. Then the AKP's Alevi Opening was discussed to comprehend the demands of the Alevis in the current system. Following the initiative process, the general policies of the AKP which triggered high Alevi involvement to Gezi Park protests were discussed. In the next part of the study, the Gezi Park movement and its relationship with Alevis have been generally viewed as a case study. Further, Alevis' (Gezi casualties) representation in the Turkish mainstream media was generally summarized by some examples. The reports conducted by different foundations and the interviews done with the relatives of the victims of the Gezi protests were important to understand the Alevis' position both in Turkish society and in the mainstream media. These interviews were made through the e-mail except the one done with Sami Elvan, who is the father of Berkin Elvan. In the scope of the study, there are also interviews done with the relevant authorized persons as former AKP deputy, Reha Çamuroğlu, and the executive editor of Yön Haber and Yön Radio, Erdal Emre.

2. A STRUGGLE FOR RECOGNITION & EQUALITY

2.1. Alevism in the Pre-Republic Era and in the Early Years of the Republic

Anatolian Alevism is differentiated from other belief systems - especially Sunni Islam - through its nomadic origin, mystical tradition and different elements. This difference has been the subject and crucial cause of the old and new Alevi-Sunni conflict with the effect of social, economic and political factors since the beginning of Ottoman-Safavid relations. The sectarian conflict in Turkey has occurred between opposing groups which seek to have control over each other such as “rightists-leftists” and “religionists-seculars” throughout history. It seems that all periods have opened a new chapter in Turkey’s sociopolitical life and Alevi-Sunni issue has shown many aspects of the problematic nature of mass media in Turkey. At every period of history, the explanations and interpretations
of the sources relating to the conflict between Alevi and Sunnis have been shaped according to the political atmosphere. This study is built on the premise that the relationship between the Gezi Park protests and the Alevi and its representation in Turkish mainstream media, cannot be examined without knowing the dynamics of near and distant past events and what happened in the media during that time.

All the scanned reports in the academic literature agree on the relationship of religious and sectarian identities with politics has begun in Ottoman time. Some Sufi currents with apparent Alevi characters such as Kızılbaş and Bektashis also appeared in the Ottoman Empire by sixteenth century (Yıldırım, 2014: 93). Alevi and other small heterodox communities were not accepted as privileged group like Muslims, or rather Sunni Muslims, and they could only survive by following the rules of the central political authority. The reason of why Alevism was perceived as such religious opposition by Ottomans is because nomadic Kızılbaş tribes were integrated with Safavid sheikhs that were centered in the northeastern of modern Iran. The Safeviye was originally a Sunni order which turned to extreme Shi’ism in the mid-15th century when the sheikhs of the order began to seek political and material power against the Sunni Ottomans. It is argued that the Safavid leaders used Kızılbaş Alevi for seeking political advantage and territorial gains by ensuring the dominance of the Twelver sect within Shi’a Islam. In other words, religion has been used as a means to certain ends like justification, legitimation and agitation in the struggle for material wealth or socio political status by the parties (Karolewski, 2008: 437). Especially in the 16th century, the Kızılbaş were labeled as the ones who sided with the Safavids and followed expansionist policies by spreading revolt against the Ottoman Empire. After they became dominant in Eastern Anatolia, conquered Azerbaijan and all of Iran, Anatolia became the scene of long-term warfare between the Sunni Ottomans and the Sufi-Shi’a Safavids (Kehl-Bodrogi, 1988: 8-15; Zeidan, 1999: 75). Under the command of Sultan Selim I, the Ottomans ended the influence of the Safavids in the battle of Chaldiran at which there were heavy losses for both parties. The first persecution of the Kızılbaş tribes also took place at that period, under Selim I, the ninth emperor of the Ottomans. The very often imposed death penalties, the banishment of families, custody or heavy labor on galleys were the harsh measures taken against Kızılbaş Alevi within the Ottoman Empire (Sohrweide, 1965: 192-195; Karolewski, 2008: 440). Thus the Ottomans kept the Alevi in hardship to avoid further Safavid propaganda among them.
In fact, the results of the military struggle between two sides are still being debated in modern Turkey. One of its most recent examples occurred on May 29, 2013 in which the construction of the third Bosporus bridge of Istanbul began officially. The name of the bridge was announced by Abdullah Gül, living former State President, as “Yavuz Sultan Selim” on that date. The choice of name of the bridge has been protested by Alevi citizens in Turkey because they assert that over 40,000 Kızılbaş Alevis killed in wars by orders of Selim I. They also say that Selim I initiated the process of Sunnification of Anatolian society by recognizing Sunni Islam as the official religion of the Ottoman Empire. According to the executive editor of Yön Haber and Yön Radio, Erdal Emre, this can also be evaluated as an event illustrating why Alevi participation in the Gezi Park protests was very high. In his statements Emre said,

*Gezi Park protests broke out in Istanbul on May 31, 2013 against a new urban project for Taksim Square. Two days before that day, the name of the other project was announced as Yavuz Sultan Selim Bridge, in honor of Ottoman Sultan. There were two important agenda items here. First, the bridge construction would destroy tens of thousands of trees and damage to natural habitats. This aspect of the project was greatly associated with the starting point of the Gezi Park events. Second, the naming of the bridge as Yavuz Sultan Selim showed that there was an implicit and provocative agenda about the Alevis in those days.*

When these two facts are considered together, the sensitive position of the Alevis in the Gezi Park protests can be understood more easily. It seems that the collective memory retains a lot of information about the troubled history between Sunni Ottomans and Shi’a Alevis and can trigger today’s events in some way.

After the Ottoman period which lasted more than 600 years, the new regime called “republic” was established in Anatolia. The founder and first president of the Turkish Republic, Mustafa Kemal Atatürk, and his colleagues have made the major reforms (Kemalist reforms) for bringing Turkey to the level of contemporary civilizations. Unlike the Ottoman period, the Alevis’ position in Turkish society has been affected mostly positive by some of these reforms and they became great supporters of the new regime. Building roads through Alevis’ formerly isolated areas, introducing compulsory schooling, improving social
communications and drawing the marginalized Alevi into active contact with broader Turkish society were some of positive impacts of Kemalist ideology on Alevi. This is why Alevi are still proud of their co-operation with Atatürk (Vorhoff, 1995: 71-72; Zeidan, 1999: 76-77). They did not protest even the law which closed the places of worship of religious sects as all dervish tekkes they use, in order to establish good relations with the republic. However, they were unable to obtain the rights which make life easier for them, despite all good intentions.

2.2. Towards Democratization and the Alevi Opening

Alevi strongly opposed the anti-secular, right-wing political parties for a long time, after the Kemalist regime is over in practice. Alevism which have secular and democratic structure made an alliance with the left-wing opposition in Turkey (Bozarslan, 2003:3; Taştan, 2012: 2). Hence, the majority of Alevi have not voted for the right-wing, conservative and nationalist parties in the election for years. The new generation of Alevi that turned to leftist politics had problematic relations with the State elements during 1970s. In the same period, the radical Islamist movements have also increased in Turkey. A series of social problems lasted for years arose from the struggle between Alevi portrayed as leftist and Sunnis regarded as rightists at that time. Alevi faced violent attacks in several cities such as Kahramanmaraş, Bingöl, Malatya, Çorum and Sivas. The State failed to protect the Alevi in those incidents. Unfortunate events that occurred in 1970sshowed the fact that ideological polarization seen in the political area turned into the close combat between Alevi and Sunnis in public area.

It is unquestionable that the military coup regime in 1980 opened a new and dark period in Turkey. The military's dominance over Turkish political life has created social unrest across the country. Already existing social and cultural divisions have increased further as a result of such pressure. Alevi became aggrieved party over again by the reason of the discriminatory policies of military leaders in the 1980s. One of the most visible examples of this was forbiddance of the ceremonies of the Hacı Bektaş for several years (Akbulut & Usal, 2008: 436). Besides, one of the major lasting effects of the totalitarian military regime took place in the mid-1980s. The prime minister of the period, Turgut Özal, fostered the Sunni-orthodox and nationalist unity ideology which was first introduced by the 1980 military regime in order to suppress leftist movements (Hiro, 1994: 62; Zeidan, 1999: 77). Consequently, Alevi identity remained under pressure for years
while Sunni fundamentalism rises constantly with this State propaganda. Turkey has experienced renewed inter-communal violence events in 1980s and 1990s with the growth of Islamism, the Kurdish issue and the pressures on the left movement. One of those events occurred in the city of Sivas in July 1993. 37 people, mostly Alevi intellectuals, who had gathered for the Pir Sultan Abdal Alevi cultural festival in Sivas were burned to death at a hotel called Madımak. As seen in the documentary made by the prominent journalist, Can Dündar, radical Islamists gathered in front of the Madımak hotel were protesting the intellectuals by using slogans like “Damn Secularism” and “Allahu Akbar”. In those moments, the State security services did not interfere effectively to the angry protests. Similar bloody events took place in the neighborhood of Gazi in 1995 in which the centre-right political party, Welfare Party (RP), received the highest vote in the general election (Ertan, 2015: 50). After several tea-houses used by Alevi residents of Gazi district were riddled with bullets, the four-day lasting unrest across the country began immediately. Dozens of people died or wounded as a result of the clashes between the Alevi demonstrators and the police forces accused of taking actions too slow at the beginning of the event.

Furthermore, every incident did not include actual violence at the time. There was also a psychological warfare in the Sunni-Alevi conflict. For instance, “Istanbul municipal leaders from the Welfare party (RP) tried to raze an Alevi monastery and close the Ezgi cafe where young Alevis frequently gathered” in 1994 (Zeidan, 1999: 78). An interesting point is that the mayor of Istanbul in 1994 was Recep Tayyip Erdogan who became the prime minister and the president of the country later on. He was also head of the executive branch during the Gezi Park events in 2013 summer. It is likely to be a relationship between Erdogan's past policies with high Alevi involvement in the Gezi Park movement. All these happenings in the recent history of Turkey reveal that Alevism that defends the secular principles was not welcomed by many layers of society as the time of the Ottoman Empire and the Islamic movement has gained wide currency throughout the country.

The other thing that should be addressed here is Alevi politicization process in late 1980s which will be named as Alevi Revival in 1990s. The process also named as “Alevi Enlightenment” depends on several sociological and political factors. As classified in the research of Shah (2013: 266-267) the rural migration which reached its climax during the 1970s, the collapse of the socialist
block in Eastern Europe at the end of the 1980s, the rise of Islamic fundamentalism over years, the significant population of Alevi Kurds and their civil rights struggle, the Alevi Manifesto written in March 1989 and the European Union regulations are important factors which triggered the Alevi revival process. In parallel with these developments and the constructional conversion of Turkey with the liberal politics which have been applied in late 1980s, the Alevis have experienced “the coming out process” in public life. According to Zeidan (1999: 75-78) Alevis who increased their political activism fought for legitimacy as a unique Islamic community, legalization of their religious rituals, integration of their doctrine into the state education system, and a fair allotment of broadcasting time in the official media. The notable yields of this process were the establishment of different Alevi associations and Alevi religious communities, and the public practice of Alevi religious rites. In short, Alevis began to use all democratic means in order to represent their identity politically in public sphere through the resurgence phase. According to the overall assessment of former AKP deputy, Reha Çamuroğlu on this topic, the visibility of Alevi identity has been associated with the Kurdish issue and rising Islam so much and the Alevis have used democratic ways to obtain their rights even since 1960s.

It is necessary to add that the process of politicization of Alevi identity has been associated with developments in the media. To mention the impact of media over the Alevi identity in those days may be important to understand how today’s media covers the Gezi Park movement based on sectarian differences. In late 1980s, a new economic and political liberalization plan was applied in Turkey. After the government has eliminated some articles from the Turkish Penal Law in 1989 and created a new environment for the expression of opinion, the media groups had a chance to draw attention to Alevism (Çaha, 2004: 329). The Alevi way of life, the Alevi belief and practices have been discussed on mainstream TV channels. Thus Alevis had the power to make their own representation through the media channels at that time. The first visible signs of Alevi revival were also the emergence of Alevi periodicals and newspapers and a great number of publications by Alevi authors on Alevism (Çamuroğlu, 1996: 25-27; Karolewski, 2008: 451). On the other hand, Alevis were not always favored in a positive way in the media. Anti-Alevi rumors or propagandas were taking place in some way. One of them took place in a television show called “Turnike” in 1995. “In the course of a conversation that was designed to be funny, the show’s host Güner Ümit asked an actress whose role was that of a pregnant woman to reveal the
identity of the baby’s father. After some exchange of words, the woman said, the baby’s father was her father as well” (Karolewski, 2008: 451). Then Ümit, consciously or not, asked the actress whether she was a Kızılbaş Alevi. This anecdote showed that the widespread rumor about the “mum söndü” ritual39 was still in people’s minds. Besides all these, Alevi’s response to the events seen in the media40 is as important as the event itself. According to Çaha (2004: 333-334) Alevi have used protests to present their identity in the public sphere and their organizational activities might serve the identity construction of Alevi groups, as well as the clarification of their demands. It means that Alevis have taken place in the street movements to make their identity more visible in the public sphere. The struggle for such representation of the Alevis in the community (and in the media) is still in the progress under different headings with different actors.

One of the major actors is the Justice and Development Party (AKP) established by Recep Tayyip Erdogan and his colleagues in 2001. It has been the ruling party of Turkey since November 2002. Turkish society has been undergoing a major transformation under the leadership of the AKP which is essentially defined as “social conservative” in the last decade. Ongoing Sunni-Alevi issue was also brought up to the agenda of the country like many other social issues by AKP in its second term in government, starting from year 2007. In the scope of the coping process with Alevi issue (known as Alevi Opening), seven workshops were organized over a year with the participation of hundreds of people. “These workshops provided the first platform at such a scale for Alevis in the history of the Turkish Republic” (Borovalı & Boyraz, 2014: 482). The AKP government has invited the secular and religious leaders of Alevi groups, Alevi intellectuals, representatives from various Alevi associations of different political views to the workshops. For ensuring social consensus around the question, the non-Alevi public opinion leaders, theology specialists, members of civil society organizations, media representatives, academics and political parties were also invited by the AKP leaders (Soner & Toktaş, 2011: 430).

39This widespread rumor knows as “mum söndü” in Anatolia is based on the idea that Kızılbaş Alevis engage in any type of sexual intercourse prohibited in the holy book.
40Another important event that ended up with great reaction of Alevis was “One Minute of Darkness for Permanent Light” campaign. For more information see; http://www.hurriyetdailynews.com/one-minute-of-darkness---back-for-democracy.aspx?pageID=438&n=one-minute-of-darkness---back-for-democracy-1997-04-04, accessed May 14, 2015.
At this stage, it is essential to look at the contents of the workshops. As summarized by Borovalı & Boyraz (2014: 482-483) there was a dispute between the parties regarding the theological definition of Alevism in the workshops. According to this, the government needed to know the basis of demands of Alevis for certain measures, i.e., the government was closely interested in understanding of the problem in all its aspects including the exact definition of Alevism. Apparently, for the government, society-wide understanding was essential for a successful resolution of the Alevi issue. Necdet Subași (2010: 171) indicated that because the Sunnis and even all other Turkish citizens are directly concerned with the question of what Alevism really is, Alevism with its historical and theological tradition should be treated by distinguishing the differences deriving from the Alevis’ diversity. On the contrary, Alevi representatives developed a discourse based on rights of equal citizenship instead of finding a proper religious definition of Alevism. Even if those Alevi representatives have different backgrounds as emphasized by Subași, they insisted on sharing issue-based agenda items which would facilitate the daily lives of Alevis. According to Erdal Emre, a good example of this occurred between the Pir Sultan Abdal Cultural Association and the Cem Foundation during the workshops. In his statements Emre said, “These two organizations who oppose each other in many aspects agreed on two main issues; compulsory religious courses should be elective and the Cem Houses should be officially recognized as places of worship like the mosque by AKP government.” Employment of Alevi dedes as public servants like an imam and an apology for all the injustices done to Alevis like Madımak Hotel tragedy of 1993 can also be seen as other demands of the Alevis in the process. In this new rapprochement process, one way or another, a right-wing government began negotiations with the Alevis for the first time. Even though there was ambivalence about the objectives of the process, the historical relationship between the Alevi citizens and the governments which have Sunni-Islamist roots regained different specifications as "rapprochement" and "reconciliation" following "revival" period.

As listed in the study of Soner & Toktaş (2011: 430) the definitive framework for Alevism, problems of identity, the legal and constitutional boundaries, the Directorate of Religious Affairs (DRA), the issue of the Madımak Hotel in the city of Sivas, compulsory religious courses at schools, the status of Alevi religious leaders and the legal status of Cem Houses were eight main headings in the final document of the workshops. Nevertheless, the results were not fully satisfactory for Alevi representatives because many things remained in
theory. There is still lack of legal regulations which would provide Alevis the same social, political and legal status with Sunni citizens of Turkey. Beyond all question, there may be some parameters that restrict the AKP government about taking serious actions related to the Alevi question. According to Erdal Emre, for example, the government party does not bring the law proposal about the Cem Houses and the compulsory religion lesson to the parliament owing to ideological and religious reasons. “AKP recognizes only Sunni Islam as official religion in Turkey with a traditional mentality. The discourse of ‘if you are a Muslim, come to the mosque’ shows this fact” Emre said.

Given these circumstances, there seemed more than one factor complicating the resolution of the Alevi question during the workshops. However, as time progresses, the Alevi Opening process came to a standstill. Further developments hampering the solution of the issue began to emerge one by one within years. Reha Çamuroğlu who played a significant role in the rapprochement process as chief advisor to the prime minister and then resigned from AKP, summarized the current situation as follows:

When the AKP launched the Alevi initiative years ago, the condition of the country and government were so different. Alevi citizens had clear expectations from this process at that time. However, today there is a government which is increasingly becoming authoritarian and there is long and inconclusive process directed by it. In my opinion, Alevis have no expectations from the government anymore. For instance, Islamic press has been committing hate crime against the Alevis for years and this also continues despite the rapprochement process. Alevis are anxious for their rights. Deceased Hrant Dink’s ‘pigeon-like timidity’ analogy is valid to a certain extent for Alevis.

Such statement of a former deputy of the AKP demonstrates that the balance in the Alevi-AKP relations has changed dramatically compared with several years ago. In fact, it would be more appropriate to say that the dialogue between the AKP government and large masses including Alevis has changed in recent years. As might be expected, the primary things showing this change are the AKP’s new discourses and policies criticized even by the masses advocating different principles. An example of this happened during the Gezi Park movement.
Millions of people from different origins participated to the Gezi Park movement in 2013 summer in order to protest government policies of the AKP. More importantly, a report prepared by Turkish security forces in November 2013 revealed that 78% percent of Gezi Park protests detainees were Alevis. Based on this much-discussed report, it can be theorized that the Alevi street movement that began in the revival period of 90s has come to life once again with more intense opposition in spite of the rapprochement process. Moreover, it doesn’t seem like a coincidence that most of the casualties of the Gezi Park protests were Alevi when the official police report is considered. In light of this information, it is necessary to summarize the dynamics of the Gezi Park movement and its relationship with Alevis in this part. Then, Alevis’ representation in the media during the events will be outlined through the reports conducted by different foundations and the interviews done with the families of the victims.

2.3. Alevi Presence at the Gezi Park Protests & Media Representations

The very first thing that provoked the Gezi Park events was an urban development project of the AKP referred to the "Project for the pedestrianization of Taksim". Within the project, the demolition of the Gezi Park which is a small green area of 38.000m² in the city center of Istanbul was planned for the construction of a replica of 19th-century Ottoman barracks and a shopping mall in the area. The project can be counted as one of “crazy projects” which were announced by the AKP government during the 2011 general elections. According to Cünük, Dee and Gül (2014: 67) the AKP government used Istanbul as the showpiece for its ideology and policies at times, as past Ottoman and Republican governments did. For example, Kemalist loyalists saw Taksim district of Istanbul where Gezi Park is located as a purpose-built urban space representing the spirit of the republican cause whereas Islamist and conservative groups have always viewed Taksim’s secular character as problematic. So that, AKP leaders may have attempted to redefine the nature of urban space in Taksim with the new project shaped by their own conservative ideology. To this end, on 27 May 2013, around midnight, bulldozers and demolition machines entered the Gezi Park to

---


274
remove trees. A group of environmentalist including the members of Taksim Solidarity immediately prevented this attempt by halting the heavy construction equipments. Next day, many people who were aware of the situation through social media came to the Gezi Park for stopping the destruction. Istanbul Peace and Democracy Party (BDP) deputy Sırrı Süreyya Önder also came to the park and blocked the bulldozers. Then, it was understood that the demolition workers did not have any legal permission to cut down the trees. Later in the day, the police has intervened the crowd trying to prevent the destruction and some trees were felled with bulldozers. “The police spraying tear gas at a young woman in her casual red dress became one of the iconic images of the Gezi protest, and a symbol of unbalanced power” (Öztürkmen, 2014: 45). "Whatever they do, we have made up our minds and will do it" the prime minister said at that day. On May 30, the riot police have used large amounts of tear gas to disperse the protesters surrounding and occupying the park. Thousands of people began to come to the park as reacting to the excessive usage of tear gas of the police. Protests spread across the country in a short time.

According to the numbers released by the Turkish Ministry of Interior, by 23 June 2013 totally 2.5 million people took part in demonstrations in 79 cities except Bingöl and Bayburt. In this sense, the Gezi Park movement can be portrayed as one of the massive public demonstrations in recent Turkish history. İrem Inceoğlu (2014: 25) remarked that the Gezi Park protest refers to a larger scale collective reaction - not only to existing and ongoing urban remodeling projects but also to the mounting political authoritarianism that affects daily life in Turkey. Similarly, “while many viewed the Gezi Park protests as a revolution, others described the events as an awakening, an act of resistance, the people’s warning shot to the government, and a popular movement” (Taştan, 2013: 34). Either this or that way, the Gezi Park became the symbolic place mobilizing the multiple identity groups against the repressive government policies. Powerful
examples of such moments from the occupation include Kurdish groups holding Kurdish flags with Öcalan’s photo in collaboration with Turkish nationalists holding Turkish flags with Atatürk’s photo, or football fans reputed to be homophobic and sexist standing on the barricades next to LGBTIs” (İnceoğlu, 2014: 26). The common slogan of these groups emerged at the beginning of the events: Everywhere is Taksim, Everywhere is Resistance! An online survey conducted by Bilgiç & Kafkaslı (2013: 8) revealed that the prime minister’s authoritarian rule, unbalanced power used by the police, the violation of democratic rights, and the restrictions on liberties became significant reasons for protesting. In same survey, 81.2 % of the people supported the protests defined themselves as libertarians while 64.5 % defined themselves as secularist. Referring to these results, participation of the Alevi communities advocating a secular Turkish society since the Republican period to the demonstrations might have been higher as stated in the official police report.

As a matter of fact, the all research conducted for this paper proved that decision of the destruction of the Gezi Park was the last straw for the Alevis in 2013 summer. The previous developments hampering the solution of the Alevi issue mentioned before may have triggered the intense participation of Alevis to the Gezi Park movement. In particular, a number of developments since 2010 have damaged the rapprochement process between the government and the Alevis. Some of these were related to the discourses of the prime minister of the period, Recep Tayyip Erdoğan. One example of this took place in the city of Gaziantep in August 2010. Speaking at the rally Erdoğan said ”the lineage is important” referring to Kemal Kılıçdaroğlu who is the Alevi leader of the main opposition in Turkey. According to Erdal Emre, this is an understanding speaking only to a certain group of people’s subconscious with a wrong use of certain terms like the lineage. Thus, Alevis perceive every word used by the AKP towards Kılıçdaroğlu’s family as an insult against Alevism. In like manner, in February 2013, Erdoğan refused to recognize Cem Houses as official places of worship, saying “Alevis are Muslims too; do not confuse cultural locations with places of worship”48. This can be interpreted as a partial denial of the Cem Houses where the Alevi perform their religious rites. Such personal involvements of Erdoğan in

---

any event related to Alevism led to an increase in the number of Alevis during the Gezi Park events. According to Gezi Report published by KONDA Research and Consultancy company (2014: 23-69) many Alevis pointed out police brutality and the statements of the prime minister as the reasons which triggered the protests. 55 percent of the Alevi said that the prime minister was at fault from the beginning. More than 70 percent of the Alevis identified the protesters as citizens who demand for their rights. This data revealed that the Alevi who participated actively to the Gezi Park events were fairly opposed to Erdogan regime.

Again, some other developments also had great influence over the relation of AKP with the masses including Alevis as much as Erdogan's governance style. The Gezi Park became the place of expressing the collective grievances arising from those developments in 2013 summer. İnceoğlu (2014: 25) has listed some of the events as followings: “the bombing of civilians in Roboski in December 2011; bomb attacks in the border town of Reyhanlı in April 2013; the media blackout during these two events; the restrictions that have been imposed on women’s reproductive rights; the clampdown on May Day demonstrations; the restrictions on the sale of alcohol; the neoliberal urban transformation projects, such as the project for the third bridge across the Bosporus named as Sultan Selim, famous for his massacre of Alevis”. The emphasis on Sunni identities of the victims of the Reyhanlı bombing attacks, the removal of outdoor tables and chairs of the bars and restaurants selling alcohol in Taksim, the increasing discourse on polarization in society can also be added to the list of İnceoğlu. Apparently, these happenings have affected the Alevi directly or indirectly in the process leading to the Gezi Park events. In the end, Alevi were in a sensitive position regarding the protests.

Apart from these, it was determined in this article that polarization in lifestyle triggered by the government for years might be one of strong justifications of the Alevis for taking part in the Gezi Park events. Since the Alevis' principles, beliefs, rituals and practices are generally differ from Sunni Islamic belief and practice, the practice of everyday life for Alevis also becomes different from Sunni majority that is the AKP's electoral base. For example, even the removal of the outdoor tables in Taksim (restrictions on access to alcohol) may be perceived as a lifestyle intervention by an Alevi citizen who likes to drink alcohol on the street whereas it may not mean anything for a Sunni citizen who does not prefer to use alcohol. In this connection, KONDA Gezi Report (2014: 50) indicated that the rate of respondents who support the prime minister during the
Gezi Park events increased significantly as the lifestyle cluster shifts from modern to conservative. The reason of this difference can be the AKP’s prevalent religious arguments in the political context. Actually, an incident showing those religious arguments also took place during the events. It is known as the Kabataş incident based on the allegations that a veiled woman with her baby was harassed by a half-naked and leather-glowed group of Gezi protestor in Istanbul’s very centrally located Kabataş. She was the daughter-in-law of an AKP mayor from an Istanbul municipality. The story was brought up to the agenda by the pro-government columnists and used by Erdogan against the Gezi movement. The video footage of the event was not shown to the public as promised and it remained doubtful. However, still Erdogan’s discourse over the headscarf during the event created a rupture in society. The unproven story created a bias on the masses advocating the freedom for different lifestyles in the Gezi Park. The religious sensitivities of a segment of society have been highlighted often by the government channels as a tool for years.

It is obvious that the Gezi Park was appealing for the Alevis because they have serious problems with the current system in Turkey. Therefore, most of the serious incidents happened in neighbourhoods where Alevis are the majority during the Gezi Park protests such as Okmeydanı, Nurtepe, Gazi (Istanbul) Tuzluçayır (Ankara) and Armutlu (Hatay). According to Erdal Emre, Alevis living in these neighborhoods were always felt threatened by the domestic politics because of the on-going problems in these neighborhoods. For instance, Okmeydanı has always been a hot spot of political protests in Istanbul because of its politicized character. The reason for the increase in protests was the urban transformation project planned by the local Beyoğlu Municipality of the AKP in recent years. The project has led to tough debates between the AKP and the Alevi residents of Okmeydanı. Similarly, the Gazi district has also been the place of mass demonstrations since 1995 events in which an Alevi religious leader was killed. The police raids, tear gas became a regular part of daily life for the residents.49 Later, in Tuzluçayır (Ankara) and Gülsuyu (Istanbul) districts inhabited by mostly Alevi population, people have accused the AKP government of

not taking measures against the drug sales in neighborhood boundaries\textsuperscript{50}. For these reasons, the Alevi citizens may have internalized the Gezi events in parallel to their own urban problems.

The Gezi Park events continued across the country especially in June and into early July. According to The Turkish Medical Association, by 1 August 2013 five individuals died and a total of 8163 injured sought medical care. 106 people suffered from head trauma and 63 from severe injuries. Eleven people were reported as having lost an eye and one person had to have his spleen removed\textsuperscript{51}. The uses of tear gas, water cannons, rubber bullets, beatings, verbal assault were various means of use of force. In the book published by Human Rights Law Research Center of Istanbul Bilgi University, human rights violations in Gezi Park protests have been examined\textsuperscript{2013}. Right to life, the right to liberty and security, the freedom of expression, the freedom of assembly and association, the right to free movement, the right to work, the right to respect for home, the right to health, and the academic freedoms have been subject of interference during the events. Serkan Kızılyel (2014: 253) underlined that among these, the right to life is the most fundamental right regulated in the European Convention on Human Rights. Other rights and freedoms enshrined in the Convention become meaningless if the right to life is not protected well enough by the governments.

Sadly the AKP government has failed in protecting the right to life of the citizens during the Gezi Park protests. The demonstrators or other members of the public became the victim of the use of unnecessary, excessive, arbitrary and abusive force. Despite the casualties, the Prime Minister Erdogan congratulated the police forces and said they had written a “heroic saga” during the Gezi Park interventions\textsuperscript{52}. Such discourses praising the problematic police actions have increased tension during the events. Also, the government’s general provocative attitude towards the demonstrators has affected the Alevi in the first place. One of the most concrete examples took place during the funeral of Berkin Elvan on 12 March 2014 in Istanbul. Elvan was a little 15 year old boy who died after 269 days


being in a coma. He was hit in the head by a tear gas canister fired by police in his neighborhood (Okmeydanı) during the Gezi Park events. Hundreds of thousands of people gathered for the funeral in central Istanbul. Then, the peaceful funeral march was ended by extreme police violence. Twenty people were reported injured as police clashed with protesters. İrem İnceoğlu (2014: 28) said that “the situation was made worse when Prime Minister Erdogan claimed during a campaign rally that Berkin Elvan was a terrorist, and that is why he had been shot”. Erdogan also blamed the mother of Berkin Elvan for agitation and provoking the public. This directly oppositional attitude of the government against a grieving Alevi family caused great reactions in society and in media. Many believe that Erdoğan would not have displayed such callousness if Elvan and his family had been Sunnis.

All in all, the Gezi Park protests changed the climate of Turkey in an instant in 2013 summer. Millions of people including Alevi took to the streets for life they want. The sectarian and exclusionary attitude of the government has become an important factor for Alevi make up the majority of protesters. Alevi’s struggle for existence has continued during the Gezi Park movement. The only reason for taking part in the protests of Alevi was not their "heterodox" Alevi identity surely. For example, lawyer Gürkan Korkmaz who is the brother of Gezi victim Ali İsmail Korkmaz, stated that Ali İsmail attended the protest for being a human rights supporter and lover of nature. He showed his attitude against the oppressive behavior of the government as a university student. Similarly, Mustafa Sarıüşlükg who is the brother of another Gezi victim Ethem Sarıüşlükg emphasized that Ethem participated the protests for criticizing the current system. He took to the streets for freedom and democracy struggle of the oppressed class. These messages of the families of the victims despite all the human rights violations are very important to build a better future in Turkey.

Another important issue highlighted during the Gezi Park protests was the freedom of the media. The main subject of discussion related to media freedoms over the course of Gezi Park events was the censorship. According to Arzu Öztürkmen (2014: 48) the main national news channels completely censored the

---

53 Ali İsmail Korkmaz was a 19 year old university student who was beaten to death by a group of officers and civilians in the Central Anatolian province of Eskişehir during the Gezi Park protests. Today, there is a foundation opened in his memory.

54 Ethem Sarıüşlükg was shot in the head by a policeman in the capital of Turkey, Ankara.
battle between police and protesters. For example, CNN Türk has failed to cover the initial events around Taksim. CNN Türk has shown a pre-scheduled two-hour documentary on penguins and it became a symbol of self-censorship in the eyes of many protesters. NTV and Habertürk were also not successful enough to cover the proteststhat people even protested their way of covering the news. NTV History, a popular history magazine was closed down as it was preparing a special issue on Gezi Park events. PEN International (2014: 12) reported that “even when the media began to cover events, news editors and media owners were reluctant to stray from state rhetoric or to cover human rights violations”. PEN also stated that the journalistic independence and integrity were ruined as a result of the vested interests of media owners and the deep-seated paranoia of the state. In the same context, The Journalists Union of Turkey has shared some statistics related to the working conditions of the members of the media during the Gezi Park events. According to the union's report, 22 media staffs were laid off, 37 were forced to resign, 28 journalists were injured by gas canisters, water cannons and rubber bullets, at least 22 journalists had been beaten, verbally assaulted and abused, some were detained. It is understood that informing the public about the newsworthy events during the Gezi protests was quite challenging for the media staff. Thus people were deprived from the right to obtain accurate information.

In such media conditions, it was also important understanding the representation of Alevi in the Gezi Park movement in general. Nagehan Alçı who is a young journalist advocating the AKP policy has attempted to portray the Gezi Park protests as an Alevi rebellion in a television program on November 2013. A year later, on November 2014, İbrahim Karagül who is the editor-in-chief of Yeni Şafak Newspaper said that the Gezi Park movement was transformed into the Alevi rebellion by groups that have been manipulated by Western intelligence.

57 PEN International is the worlds leading association of writers, working to promote literature and defend freedom of expression around the world.
circles. It appears that the members of the media supporting the government tend to characterize the Gezi Park movement as an Alevi rebellion despite the diversity seen among the protesters from the beginning. This can be interpreted as a perception operation of the political power through the media. Surely, the primary motivation source of such tendency became the politicians and their disjunctive rhetoric in the process leading to the Gezi Park events. To put it another way, the press organs in Turkey remained under the influence of political, economic and ideological factors in stage of news selection and presentation about Alevi and Alevism as always (İşik, 2011: 197). In a similar manner, the hate speech in Turkish politics towards Alevis observed in the mainstream media has also affected the news coverage on Alevism. In his statements Reha Çamuroğlu said,

*Especially the Islamist press has been often committing hate crime against Alevis and there has been no change in this regard despite the Alevi initiative process of the AKP. On the contrary, the Islamist press advocating the AKP policies has begun to use more offensive language against the Alevis in recent years including the Gezi protests.*

Here, it is necessary to reiterate the fact that one of the things that make Alevis more visible during the Gezi Park events was the funerals of the victims held in Cem Houses. It means that the people who had lost their lives during the Gezi and subsequent protests had Alevi religious background. This reality has relatively increased the interest of the media on the Alevis in the Gezi Park movement. However, this interest remained fairly implicit in printed and visual media except for certain exceptions as the speech of Nagehan Alçı. For example, The Hrant Dink Foundation has examined the news on Hasan Fırat Gedik’s funeral in a report. Hasan Fırat Gedik was a young man who had been murdered in September 2013, in a shooting carried out by a group of people in the Gülsuyu (Istanbul) neighborhood populated mostly by Alevis. This event took place during a protest march against drug gangs in Gülsuyu while the Gezi Park forums continue. Then, Gedik was called one of the Gezi victims in Istanbul due to

---


61 People had decided to gather in public spaces for public debates as a part of the Gezi Park movement. People have expressed their thoughts, ideas and visions in such forums held in various places.
suspicions about the relationship between the police and gang. The police did not allow a commemoration ceremony at the incident venue for three days and there have been some problems about the funeral transfer from the Cem House. According to the report of the Hrant Dink Foundation (2013: 73-74) “this conflict was given coverage in the media with a highlight on the neighborhoods, and images of armed persons attending the funeral were published”. More clearly, the newspapers printed pictures of young masked men holding Kalashnikov rifles in the funeral and the articles often mentioned the Gazi and Gülşuyu neighborhoods where the investigation was held, and highlighted the DHKP-C organization. The spatial perception intended for the Alevi populated neighborhoods was clearly negative during the funerals of Gezi victims. The media has shared the stories showing those neighborhoods as crime zone. Although those news articles and opinion columns did not make any direct references to the Alevi identity of Hasan Fırat Gedik, the Alevism has been exposed to discriminatory discourse as in the past.

Further, similar discriminatory discourses were found also in the news related to Ahmet Atakan who had died during the protests in the city of Hatay in September 2013. For instance, the Hrant Dink Foundation reported that “on September 14, below the news story titled ‘No Trace of Capsule’, on the cause of the death of Ahmet Atakan, Yeni Şafak Newspaper placed another newsarticle titled ‘Garbagemen in the Streets’, where it linked protestors in Antakya with the Gezi events”. The newspaper has associated protestors with violence through the use of their photographs and titles. Likewise, another pro-government newspaper, Star Newspaper, has published the news article titled “Death Trade” discussing the cause of death of Ahmet Atakan on September 12. In that article, all the Gezi protesters including Atakan were described as a lobby group of foreign countries. This "lobby" analogy has been initially proposed by Erdogan.

---

Alongside of these examples, it should also be emphasized that the media coverage of Gezi casualties was the reflection of social disunity and partisanship observed in Turkey in recent years. On one side there was pro-government media affirming the police brutality. On the other side there was opposition media organizations which generally remained neutral on news coverage. One of the most striking examples of this took place on 7th June during the protests. Seven pro-government newspapers were published with an identical headline in support of Erdogan at that day. Similar ideas were expressed by Mustafa Sarıșülük who is the brother of Gezi victim Ethem Sarışülük in the interview done for this study. In his statements Sarışülük said,

One side of the media was talking about unjust treatment, human rights and conscience in the news on Ethem Sarışülük. However, the other side of the media has portrayed Ethem more negatively by using the words like enemy or unfair. This situation was understandable for us because nearly everyone has been forced to choose a side during the Gezi resistance.

The father of Berkin Elvan, Sami Elvan, also indicated that there is a news about Berkin in nearly everyday.

I have rarely seen the news which characterize Berkin as Alevi child. The approach of the media was generally humanitarian. Berkin was mostly presented as a public figure because he was an innocent child murdered by the official police. However, still I have observed that the pro-AKP media has approached more rigidly to the incident.

It should also be noted that the media has covered the news on Gezi casualties without analyzing the historical and political background of the relationship between Alevis and the Sunni governments which was mentioned in previous sections. Because Turkish society is very fragile and open to manipulation, all media organs in Turkey has to evaluate the Gezi casualties.

---

67An example of this was seen in the incident of “men with machetes” during the protests. See http://www.hurriyetdailynews.com/turkish-court-releases-men-with-machetes-that-attacked-gezi-protesters.aspx?PageID=238&NID=50168&NewsCatID=341
considering those historical facts. This sensitivity was also expressed by Gürkan Korkmaz as follows:

_There is no need to go back to 2013. Recently, a publishing house used a photo of Ali İşmail on the 6th grade religion education test to indicate a wrong prayer act_. I think this was an intentional behavior to create an Alevi-Sunni discrimination.

Intentional or not, a publication that reaches the public like the newspaper should be sensitive on this issue. Otherwise, there might be new tragic events like Sivas, Maraş in such a conjuncture. Instead of making discriminatory publications, all media tools should be with families of Gezi victims for announcing the ongoing difficulties in the trial process experienced by them. As Sami Elvan said, families of the victims need the media for making their voices heard in the society. All in all, the Alevi identity of Gezi casualties did not take part in the media in a significant level. The dominant mentality did not allow the mainstream media to portray Alevis as "rightful" party. Change of this overall picture in the media depends on the government's further "democratic" initiatives.

3. CONCLUSION

The Gezi Park movement was initially an urban protest but later turned into a wave of massive mobilization against the AKP government in 2013. People from different backgrounds have formed an unprecedented opposition against the government through street politics and demonstrations. This historic event demonstrated that the AKP government has not yet addressed many social and political issues, including the Alevi question in a satisfactory way. The Gezi Park became the place of attraction in the eyes of many Alevis who have problems with the current system as it was for many others who are not Alevi. Alevism was not the factor which triggered the Gezi protests and Alevis did not take part in the protests in an organized manner. In the framework of the Gezi Park movement, Alevis took to the streets as the environmentalists, human rights defenders, seculars, socialists, Kemalists, democrats, homosexuals, trade unionists, college students and etc. The common desires of all those Alevis were most probably the freedom and equal citizenship rights as for years. Actually, Alevism identified

---

with the communist and leftist movement in the past, was asked to associate with the Gezi Park events by the pro-government media for political purposes from time to time but it has failed. Indeed, portraying the Gezi Park movement as an Alevi uprising would be completely incorrect. The police report mentioned before in this study, which indicates intense Alevi participation to the protests is also open to debate. The disclosure of people’s religio-cultural sub-identities by the law enforcement forces can be the sign of ethnic profiling. Additionally, after the police cracked down on Gezi rallies in central areas like Taksim, the rallies continued in predominantly Alevi neighborhoods. Not surprisingly, it was observed that the police violence has increased in those places. The social and political identity of people from different backgrounds living in politicized Alevi neighborhoods, have been perceived as a threat by the State since past. At the end, the official view of the Turkish government regarding the Gezi protests resulted in the casualties. Most of the Gezi casualties had Alevi religious background and this also angered the Alevi groups. Namely, the present alienation and casualties have created severe effect on Alevis combined with the historical memory of discrimination and persecution accumulated since the battle of Chaldiran.

Another issue that has caused the reaction of large masses during the Gezi events was the Turkish mainstream media. The printed and visual media that remained under the influence of political power, have covered the news on Alevis in the Gezi Park protests very implicitly. The relatives of those who died in the protests also agreed on the same fact that there was no direct reference to the Alevi identity of Gezi casualties in the mainstream media. The media has not dealt with whole dimensions of the Gezi Park protests and its relationship with Alevis yet. In further studies, the Alevi representation in the Gezi Park protests can be studied in more detail by making an archive research or by examining the Alevi journals.
REFERENCES

Ayata, G. .. et al. (2013). Gezi Parkı Olayları: İnsan Hakları Hukuku ve Siyasi Söylem Işığında Bir İnceleme. İstanbul: İstanbul Bilgi Üniversitesi Yayınları.


According To the Turkish Red Crescent’s Archive Documents: Aids of Hindu Muslims to the Ottoman Red Crescent Society (1912-1916)

Dr. Yücel Namal
Bülent Ecevit University

Hasan Karakuzu
Bülent Ecevit University

ABSTRACT

The Ottoman Red Crescent Society had taken humanitarian position during wars; natural disasters and the periods while the epidemics were experienced from the 1877 date that is the foundation of it. The society established the mobile hospitals, tents, public soup-kitchens during the wars and natural disasters, and relieved the civil and military people by providing the blanket, food, tent and clothes. Another important task of the society is to establish the communication between the war prisoners and their families, and to deliver the aids to the prisoners. The Hindu Muslims took the Ottoman Red Crescent Society’s side by sending either the money they collected or health teams during the most difficult days between the years 1912-1916 in the archive of Turkish Red Crescent. So, the scope of this work consists of the documents related to India in the Turkish Red Crescent archive between 1912-1916.

Keywords: The Ottoman Red Crescent Society, India, Hindu Muslims, Turkish Red Crescent Archive.
1. INTRODUCTION

The Ottoman Red Crescent Society carried out its activities with the help of the aids, especially which come from the Ottoman world and abroad countries. In this context, we may categorize the aids collected by Ottoman Red Crescent Society into collected in three groups: First is the aids which were collected by and sent from Ottoman territory, second from Islam countries and third from foreign countries. The Society conducted assumed the first big task during the Turco-Italian War after its foundation. During this period, the Sultan became the honorary president of society and carried out the necessary arrangements related to the Society. Thus, the Ottoman Red Crescent Society, which also with the help the Ottoman government’s protection, established the representative agencies abroad, especially in the locations where the Muslims were concentrated, and spread its presence worldwide. As a result of this, the society got stronger economically with the donations and contributions abroad countries (Osmanlı Hilal-i Ahmer Cemiyeti Salnamesi 1329-1331).

In this work, there are two sections supporting our arguments. In the first section of the work explores the monies and other aids sent by Hindu Muslims to the Ottoman Red Crescent Society by using the documents available in the archive of Turkish Red Crescent Society. Under the light of those archive documents, it is understood that the Hindu Muslims collected the monies in huge amounts in the Indian cities such as Karachi, Calcutta, Delhi, Bombay and Rampur for Ottoman Red Crescent Society during 1912-1918 and sent them to Istanbul. In this regard, comparing the aids sent from India and other countries where the Muslims lived, it is found that Hindu Muslims provided the most significant aid. In this work, it will be shown that the friendship atmosphere between the Ottoman Government and Hindu Muslims emerged as a result of aids based on the aforesaid issues under the light of archive documents from Turkish Red Crescent.

2. AIDS OF HINDU MUSLIMS TO THE OTTOMAN RED CRESCENT SOCIETY

When we look at the aids sent to the Ottoman Red Crescent Society from abroad, we see that major part of them are sent by the Hindu Muslims. The most important reason of this situation is that India population was more than 60 million at that period. (“Hindistan ve Alem-i İslam”, 1326)
India, where the Muslim population and Red Crescent branches were concentrated, provided the significant support during Turco-Italian War, 1911-1912 (Tripoli War)\(^6\) and Balkan Wars, 1912-1913 and World War I, 1914-1918 (Akgün and Uluğtekin 2000). In this context, the Hindu Muslims tried to provide the donations to the Ottoman Red Crescent Society time to time through announcements to Hindu Muslims in the newspapers owned by themselves. These newspapers were Al-Musheer published in Muradabad (Weekly Paper containing political, moral, social, educational articles), Zemindar in Lahor, Meşrutiyet, Vatan, AmricarVekil, Bombay Political Bohemyo and the magazine, The Zia-Ul-Islam (Monthly magazine containing literary, social, historical and religious contributions from eminent men of letters) (Osmanlı Hilâl-i Ahmer Cemiyeti Salnamesi 1329-1331).

The monetary aid, sent by the “readers” of Vatan newspaper published in Lahore province of Punjab State of India until 1910 to the Ottoman Red Crescent Society, reached to 98628 Indian Rupees. During this period, the newspapers owned by Muslims of India, were punished by authorities due to the articles that they published in their newspaper\(^7\). Mr. Muhammet Fazıl Hüseyin, the owner of newspaper, Al-Musheer newspaper, that was published in Muradabad, India, transferred the monies which he collected for Ottoman Muslims to the head office of Ottoman Red Crescent Society in Istanbul via British National Bank to the head office of Ottoman Red Crescent Society in Istanbul.

\(^{6}\)This paper is supported by Bülent Ecevit University within the scope of scientific research project, no.2016-YKD-11391710-01.

\(^{7}\)The Muslims in Bombay, Madras, Hyderabad, Delhi and Amristar, India protested the invasion of Tripoli and Benghazi by Italians in the presence of British Government. In this context, they boycotted the Italian goods in India. Please see for the aids by Indian Muslims during Turco-Italian War. (“Hint Müslümanların Hissiyatı”, 1328; “Hind Müslümanların Trablus Mücahidlerine Muavenetleri”, 1328; “Hindistan Müslümanları ve Besledikleri Emeller”, 1330).

\(^{8}\)Thus, it was reported that there were not any Muslim-owned newspaper there and which was not punished and Muslim journalist who was not imprisoned in India. (“HintistanMatbuat-ı İslamiyesi ne haldedir?”, 1330; “HicazHattıveHindistanMüslümanları”, 1330; “Bir gazeteciye hükümet tarafından ıhtıname teblığı”, 1330; “Hind Müslümanlarındanı İntibahn Tesiratı”, 1329)
Table 1: The Monies Transferred by Mr. Muhammet Fazıl Hüseyin, the Owner of Newspaper, Al-Musheer to Ottoman Red Crescent Society

<table>
<thead>
<tr>
<th>Date</th>
<th>Donation Amount (British Pound)</th>
<th>Date</th>
<th>Donation Amount (British Pound)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 October 1912</td>
<td>86 £</td>
<td>1 January 1913</td>
<td>220 £</td>
</tr>
<tr>
<td>7 November 1912</td>
<td>70 £</td>
<td>8 January 1913</td>
<td>100 £</td>
</tr>
<tr>
<td>18 November 1912</td>
<td>200 £</td>
<td>28 February 1913</td>
<td>260 £</td>
</tr>
<tr>
<td>28 November 1912</td>
<td>185 £</td>
<td>17 June 1913</td>
<td>3000 Indian Rupee</td>
</tr>
<tr>
<td>4 December 1912</td>
<td>80 £</td>
<td>19 June 1913</td>
<td>200 £</td>
</tr>
<tr>
<td>11 December 1912</td>
<td>200 £</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Turkish Red Crescent Archive (TRCA), 18/125, 18/125-a, 18/125-1a.

The problems occurred time to time related to the aids sent from India. One of the problems was miswriting the names of those helped to Ottoman Muslims wrong or missing in the Red Crescent Yearbook and newspapers. In this context, Qamarshah Khan from Ramphur, India, transferred the monies in the amounts of 11,337, 1,475, 8,792.75 and 50,100 kurşu in 1914, and Red Crescent Society in India declared that those amounts should have been added to the Ottoman Red Crescent yearbook. But it seems those donation amounts were written wrongly in the yearbooks.

After starting of Balkan Wars, upon the Muslims were slaughtered brutally and tyrannically by the Westerners, Indian Muslims hated the British people deep in heart. The Indian Muslim people began to conduct activities against British people in India and put their activities in practice through the societies and committees that they established due to the Westerners’ venomously behaviors to the Muslims and Muslim Governments, especially to the Ottoman State and nation (Tevfik, 1329). The monetary aids were collected upon opening the aid books, the speeches were made and meetings were organized in many Indian cities, as being before during the Balkan Wars. The interesting aspect of these aids is that sensitiveness of Muslims against Western people were also supported by the Hindus, and Zoroastrians. (Tevfik, 1328a) Islamic scholars in India also gave fatwa declares that it was the religious duty to support Ottoman State and the obligatory alms might be sent to Ottomans (Özcan, 1992). Furthermore, some
Muslim newspapers collected the monetary aids in the name of Red Crescent Society to be sent to Istanbul. 

Table 2: The Monies Transferred by Qamarshah Khan from Ramphur, India to Ottoman Red Crescent Society during 1911-1912

<table>
<thead>
<tr>
<th>Date</th>
<th>Donation Amount (Ottoman Kurush)</th>
<th>Date</th>
<th>Donation Amount (Ottoman Kurush)</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 March 1911</td>
<td>11337</td>
<td>21 November 1912</td>
<td>35595</td>
</tr>
<tr>
<td>24 March 1911</td>
<td>1475</td>
<td>21 November 1912</td>
<td>59015</td>
</tr>
<tr>
<td>12 September 1912</td>
<td>16956</td>
<td>11 December 1912</td>
<td>121191</td>
</tr>
<tr>
<td>12 September 1912</td>
<td>10955</td>
<td>12 February 1912</td>
<td>52449</td>
</tr>
<tr>
<td>26 November 1912</td>
<td>8792,30</td>
<td>7 July 1912</td>
<td>10959</td>
</tr>
<tr>
<td>5 November 1912</td>
<td>50100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


The event, which was experienced related to the solidarity and sensitivity showed by the Indian Muslims during the Balkan Wars, could not be forgotten: "As the aids were collected in Peshawar, a poor woman, who had nothing to give, tried to sell her child in swaddle in despair and explained that she would give the amount gained by the selling of the child to the Ottomans for aid purpose. Finally, the event, were extremely affected. Finally, the event resulted in a good manner upon a rich man gave the money in the amount that the woman requested to the provident fund in her name" (Özcan, 1992).

The victories, gained by the Ottomans during the Balkan Wars, created a big enthusiasm among the Indian Muslims. Islamic clubs, mosques and small mosques in India were furnished with the Ottoman flags. Mr. Tevfik, Ottoman journalist in India, reports that Indian Muslims pray that Ottomans become

There is not any limitation on collecting the aids in India. The elephant race was organized as the war aid and 22000 British Pounds were collected. Moreover, the shows were organized, the Muslim Tradesmen in Bombay donated from their commercial revenues, the public opinion was created in order to collect the aid to the Ottoman Red Crescent Society in India through the aid collection statement, issued by the university students with 64 articles. So much aid was collected that the "war aid" became, so to say, the "war tax" and the people fulfilled it with love as long as the war continued. ("Hindistan: Hilâl-i Ahmerlânântindalhiläs", 1330; Tevfik, 1328c)
successful in war and pray for Ottoman martyrs. Furthermore, Balkan wars are represented as “Christian-Muslim” fight in the Indian newspapers (Tevfik, 1328b).

The main body of aids, which Indian Muslims provide to Ottoman country due to the Balkan Wars, is formed by the aids to the Red Crescent Society. It is understood that those aids mostly consist of the money, health commissions and health equipment regarding the diversity. 263,000 lira, which was sent from the Islam countries to the Ottoman Red Crescent Society during the Balkans War until the end of 1912, was the most significant amount of that period. Except that amount, the amount of 28,000 lira, which was transferred via British banks without stating the location, was mostly likely transferred from India. For this reason, we see in the Yearbook of Ottoman Red Crescent that the amount of monetary aid from India was not considered as 157,000, but 185,000 lira upon adding such amount which was transferred without name to that amount. As understood from the table below, the most of aids was provided by Hindu Muslims to the Ottoman Red Crescent Society within the Islam world.

Since the number of patients and injured persons increased during the Balkan Wars and World War I, the hospitals, owned by Ottoman Red Crescent, started to become insufficient. Upon this, the new hospitals were established with the contributions from committees consisting of the doctors and caregivers among Indian Red Crescent Health Committees. Except this, the Indian Red Crescent Society also donated the health tools and equipment to such hospitals that were established new. The poor Indian Muslims in Bombay, India, transferred 80,000 rubles to the Ottoman Red Crescent Society in order to establish a health team, and this was followed by the monetary aid of 90 lira and 15,000 kurus from Emasiye. 1700 pounds were transferred via Hacı Ahmet Abdullatif Efendi, the cashier of Calcutta Red Crescent Society, 300 liras by Muslims in Lahor, 3500 British pounds by Muslims in Rangon. As can be seen from these examples, the Hindu Muslims lent the hand to the Ottoman Red Crescent Society during the Balkan Wars (Akgün and Uluğtekin 2000).

Two Indian health teams came to Istanbul during 1912-1913 Balkan Wars in order to take charge under the protection of Ottoman Red Crescent Society. First group consisted of the rich persons of India and their names were AbdülhakBey (South Hyderabad-student in Oxford), SeyyidÂli İmran (Sencur
State, Niktel, student in Oxford), Seyyid Mehmed Hüseyin (South Hyderabad, student in Oxford), Seyyid Hasan ĀbidCaferi (Delhi state, Akre, student in Oxford) who were educated in London. This committee took charge in Haydarpuşa Military Hospital, Istanbul and Ömerli mobile hospital.

**Table 3: The Monies Transferred by Islam World to Ottoman Red Crescent Society In 1912**

<table>
<thead>
<tr>
<th>Country</th>
<th>Donation Amount (Ottoman Lira)</th>
<th>Country</th>
<th>Donation Amount (Ottoman Lira)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>157044</td>
<td>Russia</td>
<td>19464</td>
</tr>
<tr>
<td>Algeria</td>
<td>13804</td>
<td>South Africa</td>
<td>13211</td>
</tr>
<tr>
<td>Egypt</td>
<td>9857</td>
<td>Bosnia-Herzegovina</td>
<td>6210</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>3734</td>
<td>Romania</td>
<td>3255</td>
</tr>
<tr>
<td>Iranian</td>
<td>2597</td>
<td>Batavia</td>
<td>1599</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>986</td>
<td>Cyprus</td>
<td>963</td>
</tr>
<tr>
<td>Tunisian</td>
<td>612</td>
<td>China</td>
<td>372</td>
</tr>
<tr>
<td>West Australia</td>
<td>294</td>
<td>Cretan</td>
<td>75</td>
</tr>
<tr>
<td>Benghazi</td>
<td>7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Osmanlı Hilal-i Ahmer Cemiyeti Salnamesi 1329-1331.

The second group consisted of Dr. FeyziBey, the director, Dr. Mehmed HüseyinBey, the Head Doctor, Dr. NemkarBey, Dr. MoliyenBey, Dr. Nizar Ahmed Bey, Dr. SelimBey, RusenBey, the pharmacist, Clerk Seyyid Abdülvaheid Efendi, Seyyid Mehmed ŞerifMeşhedi Efendi, the head caregiver, Hekim Siraceddin effendi, the administrative officer, Abdüllatif Efendi, the fund bailed, twelve caregivers and three caretakers. As the Indian health teams were leaving Istanbul after Balkan Wars, they stated their emotions as follows (Osmanlı Hilal-i Ahmer Cemiyeti Salnamesi 1329-1331):

"It is not possible to describe the appreciation of members of the General Indian Red Crescent Health Committee against the aids, facilities and hospitality provided by Ottoman Red Crescent to them in this hospital. All members of Ottoman Red Crescent, from President, Vice-President and inspector general to
the caretakers, showed us the hospitality and courtesy specific to Turks. The hospital manager gained a respectful place in our hearts upon making things the self sacrificing easier for all matters. He is the live symbol of diligence and humanity. We felt the love and appreciation for Kadırğa Hospital through the efforts both by manager and other attendants. General Indian Health Committee leaves Kadırğa with these emotions. Dr. M. A. Ensâri, the Director of General Indian Health Committee”

Some part of aids, sent from India to the Ottoman Red Crescent Society consists of the aids from Red Crescent Society’s branch in India, and some part the aids which are sent by Hindu Muslims individually or institutionally. The sizable aids were sent from the big cities, notably Muradabadd, Ramphur, Bombay, Delhi, Lahor, Calcutta and Tango in India to the Ottoman Red Crescent Society (TRCA, 18/125, 19/169, Yearbook 1329-1331).

The monetary aid’s amount, transferred from India to the Ottoman Red Crescent Society, reached to 22,399.8 pounds during 1912-1913 (TRCA, 98/130). Calcutta Anjuman Muhammed Islamic Society, one of the Islamic Societies in India, takes place among the institutions which provide the aid to the Ottoman Red Crescent Society. However, the most aid was provided by the branches of Indian Red Crescent Society among the Red Crescent branches abroad.

Indians, who donated more than one hundred lira to Ottoman Red Crescent Society in India during 1913-1915, are as follows: Indian Bhopal Magistrate Excellency (1546 liras), Indian Madrasta Hacı Mehmed Padişah and partners (1,087 liras), Excellency BarelyQuamarshah in India (950 liras), Indian Madras Hacı Mehmed Asaf and partners (363 liras), Hacı İsmail Han from Calcutta (233 liras), İlahibaş Efendi in Calcutta (219 liras), Muhammed Hacı Nur Muhammed (158 liras). Indian persons and institutions, collected the monetary aid more than one hundred to Ottoman Red Crescent during 1913-1915, are as follows: Consulate General in Bombay, Consulate General in Madras, Zafer Ali Khan, the owner of newspaper LahorZemindar, Rangpur Ahmet Molla Davud Efendi, Zafer Ali Khan, the owner of newspaper LahorZemindar, Muhammed Fazıl, the owner of newspaper Al-Musheer in Murabad, Şarampur Red Crescent Society in Calcutta, The Calcutta Councilor, Muhammed İslâm, the newspaper Political Bohemyo in Calcutta, HacıKasımArif Efendi from Calcutta, the newspaper Meşrutiyet in Lahor, Excellency İ İlahibaş Efendi in Miru,
Excellency Muhammed İşaallah Efendi in Lahor, Excellency Muhammed İbrahim Veziri Efendi in Harpor, Excellency Hacı Abdullah Harun Efendi in Faraşi, Excellency Qamarshah in Rampur, the newspaper Vatan in Lahor, Ali Tahsin Efendi, the owner of newspaper AmricarVekil, MünişreHanım Efendi, the chairman of Bombay Turkish and Arab women, Mr. Ekrem and Mr. Muhammed Nafi in Delhi, Khan Muhammed Ömer in Bombay, Excellency Bami Efendi in Bhopal (Osmanlı Hilal-i Ahmer Cemiyeti Salnamesi 1329-1331).

We see that the branches of Red Crescent Society were established in many cities of India during the World War I and the Muslims in such cities helped to the Ottoman Red Crescent Society. Therefore, the Ottoman Red Crescent Society, which was aware of those aids, sent the society’s representative to India in order that he thanked the Indian Muslims for the aids sent during the war (TRCA, 18/115).

Increasing of donations to the Ottoman Red Crescent Society during the future years of war provided a significant contribution to the state treasury was completely empty at those times. Despite of increasing in the aids, the Red Crescent Society deemed meaningless to send the letters of thanks for the donations. We may say that the religious expression, “When you do something which is obligatory in the religion, it is not thanked for this”, was considered. However, we find that the receipts related to the monies that were transferred both from country and abroad were persistently requested (Akgün and Uluğtekin 2000). The reason of it was that the grantors would like to see whether the monies were delivered to the society. In this sense, some problems came into existence time to time related to sending the receipts of donations that were collected in India. Delaying of sending these receipts had put those who collected the money donations in favor of Ottoman Red Crescent Society in a difficult position against the public in India and caused the occurrence of allegations, “not transferring the monies, but spend for themselves”.

Muhammet Fazıl Hüseyin Bey, the owner of newspaper Al-Musheer and one of the victims of this situation, stated that the receipts were not sent to him despite of many letters which he sent to the head office of Ottoman Red Crescent Society and for this reason; he was in the difficult position against the Indian people. He added that thus, the people made the accusation against the newspaper and it would be difficult to collect the money for Turkey in the future. The
journalist mentioned, “Some of them among us are against Ottoman in India. They spread the humor that the monies transferred from here are spent by the Ottoman officers” in his letter, dated July 1st, 1914 (TRCA, 18/125, TRCA,18/125-a, TRCA,18/125-1a).

Table 4: The aids, sent from India to the Ottoman Red Crescent Society during 1914-1916, are as follows:

<table>
<thead>
<tr>
<th>City</th>
<th>DonationAmount (Ottoman Lira)</th>
<th>City</th>
<th>DonationAmount (Ottoman Lira)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calcutta Red Crescent</td>
<td>372354.75</td>
<td>Muzafferpur</td>
<td>3030</td>
</tr>
<tr>
<td>Rangoon Red Crescent</td>
<td>67804.55</td>
<td>Bombay Red Crescent</td>
<td>55094</td>
</tr>
<tr>
<td>Karachi Red Crescent</td>
<td>177445</td>
<td>Koshin Red Crescent</td>
<td>44125</td>
</tr>
<tr>
<td>Saharanpur Red Crescent</td>
<td>129213</td>
<td>Hyderabad Red Crescent</td>
<td>243047</td>
</tr>
<tr>
<td>Rampur Red Crescent</td>
<td>26180</td>
<td>Ramphur Red Crescent</td>
<td>8800</td>
</tr>
<tr>
<td>Ambala</td>
<td>13267</td>
<td>Barisal</td>
<td>33150</td>
</tr>
<tr>
<td>Bareilly Red Crescent</td>
<td>66069</td>
<td>Diğer Hindistan şehirleri</td>
<td>22690089.45</td>
</tr>
</tbody>
</table>

Source: Kitabçe-i İânât-ı Hindüstan 1330-1332.

Therefore, we see that there were disputes time to time between the journalists related to the aids from India to Ottoman Red Crescent Society and the disputes reached to the slander and those slanders were carried to the head office of Ottoman Red Crescent Society through the letters. We show the slanders of authors of Indian Al-Musheer newspaper and Lajnatul Ulema newspaper against each other through the letters from them to the head office of Ottoman Red Crescent Society as the example of this situation. We find that Muhammed İshak Bey, the clerk of Lajnatul Ulema, alleged in his letter, dated July 2nd, 1914 that the manager of Al-Musheer newspaper did not transfer the monies which were delivered to him to the Ottoman Red Crescent Society, and it could be found out the correctness of this allegation from the examination that was carried out by
Islam Committee of the city. The content of letter from Muhammed Ishak is as follows (TRCA,18/125-1a):

“Lajnatul Ulema, Moradabad, (India) No:844 Dated: 2nd of July
1914

Sir, It is to be proposed that during the war of Tripoli and Balkan the Mohamedans od Moradabad collected a subscription for Turks, their heirs and orphans and gave it to Fazıl Hüseyin, the editör of Al-Musheer newspaper, issued in Moradabad, so that he may forward it to Usman Hilal Ahmar (Ottoman Red Crescent). But here an enquiry had been made by the Mohamedan committee and by which it is concluded that the said Fazıl Hüseyin did not send the whole sum of money to Usman Hilal Ahmar. Therefore it gegged that if the editor Fazıl Hüseyin asks for any receipts or accounts from you then you must take care when giving in looking over the incomings in the registers of Usman Hilal Ahmar so that no illegal advantage can be derived from your writings. Yours Mohamed Ishaq Beg
Secretary Lajnatul Ulema Moradabad, U.P. (India)”

Against this slander, another letter from Muahmmed Fazıl Hüseyin, the owner of Al-Musheer newspaper, was received as a response on July 9th, 1914. In this letter, it is stated that if the aids from India are not published in the newspapers of Red Crescent, no aid can be collected in India in the future. During the war, the newspapers, Zemindar, Elhilal and Al-Musheer, stated that huge amount of money was collected, and “some drifters in India made propaganda saying that they did not transfer to Istanbul today” and even no information was available related those monies in the yearbook of Ottoman Red Crescent Society in every opportunity. Furthermore, he told about Muhammed Ishak in his letter as follows: “There is a man, named Muhammed Ishak here. This person worked in Al-Musheer newspaper before. Then, he left the newspaper, and established a society, called Lajnatul Ulema. Furthermore, this person writes the assays against Vatan, Zemindar and Al-Musheer in Lahor” (TRCA, 18/127a). It is not possible to determine which party says the truth from these letters, but the aids, sent by Al-Musheer newspaper, are shown in the Yearbook of Ottoman Red Crescent.

We see that the Hindu Muslims, out of India, also made the aid among the aids to the Ottoman Red Crescent Society. In this context, the content of letter from the manager of “Hindustan Ghadar” newspaper, which was published in California, San Fransisco, USA, dated April 10th, 1916, stating that he transferred 210 US Dollar to Ottoman Red Crescent Society, is as follows (TRCA, 282/60):
“Office Hindustan Gadar San Fransisco, California April 10th, 1916

The Secretary Turkish Red Crescent Society, Constantinople

Dear Sir, I beg to send you a cheque for Two Hundred and Ten ($210) American Dollars, equivalent to 1105 Marks on behalf of the Hindustanee residents in the United States for the aid of war sufferers. Hoping that you will accept this small token of friendship of the Hindustanee workingmen of the Pacific Coast in the same spirit as they offer it, I am. Sincerely yours, Ramchandra Editor, Hindustan Gadar”

3. CONCLUSION

From the foundation of Ottoman Red Crescent, the significant part of its income resources consists of the donations, especially provided from the countries where mostly the Muslims lived. It is determined through this paper that the monetary aid was mostly provided by the Hindu Muslims to the Ottoman Red Crescent Society during 1912-1916 upon examining the yearbook of Ottoman Red Crescent Society and archive documents of Turkish Red Crescent. Those aids were increased though the newspapers and magazines such as Al-Musheer, Vatan, Meşrutiyet, The Zia-ul-Islam which the Hindu Muslims owned upon making propaganda in favor of Ottoman Red Crescent Society during the Turco-Italian War, Balkan Wars and World War I, and they sent the money which they collected to the society. Furthermore, Islamic Societies in India also organized such aid campaigns in the cities where they located. However, since the Ottoman Red Crescent Society had the religious thought, “When you do something which is obligatory in the religion, it is not thanked for this”, it did not send the receipts of such aids time to time. As a result of this, it caused that some persons against Ottoman Empire in India slandered that those aids were not delivered to the society or those, who collected them, spent the money. This would also cause the reduction in the aids which the Ottoman Red Crescent Society would collect in the future periods. During the World War I when the Indians’ interest in the society decreased, it was reflected to the reports of the representatives whom were sent to India.
REFERENCES


“Bir gazeteciye hükümet tarafından ihtarname tebliği”, (1330) Sebiliirreşad, Aded: 297, Cilt: 12, 8 Mayıs, p. 47.


Kitabçe-i İânât-ı Hindüstan (1330-1332), İstanbul.

Osmanlı Hilal-i Ahmer Cemiyeti Salnamesi (1329-1331), Ahmed Îhsan ve Şürekası Matbuatı Osmanlı Şirketi, İstanbul.


Tevfik, S. M. (1328c)”Mekâtib: Hind Yolunda 26, Hindistan’da Hissiyât”, Sebiliirreşad, c. X, adet 239, Dersaadet 1328, s. 82.

Turkish Red Crescent Archive (TRCA), Box no: 18, Document: 125, Date: 02.07.1914.

TRCA, Box no: 18, Document: 125-1a, Date: 02.07.1914.

TRCA, Box no: 19, Document: 169-2, Date: 15.04.1914.

TRCA, Box no: 19, Document: 169-3, Date: 15.04.1914.

TRCA, Box no: 18, Document: 125, Date: 02.07.1914.

TRCA, Box no: 19, Document: 169, Date: 15.04.1914.

TRCA, Box no: 18, Document: 115, Date: 23.04.1914.

TRCA, Box no: 18, Document: 125, Date: 02.07.1914.

TRCA, Box no: 18, Document: 125-a, Date: 02.07.1914.

TRCA, Box no: 18, Document: 125-1a, Date: 02.07.1914.

TRCA, Box no: 18, Document: 127a, Date: 09.07.1914.

TRCA, Box no: 282, Document: 60, Date: 10.04.1916.

TRCA, Box no: 98, Document: 130, Date: 11.05.1917.
The Travel to the World of the Orient and Becoming Hybrid in Lord Byron’s Don Juan and Samuel Taylor Coleridge’s “The Rime of the Ancient Mariner”

Gizem Kaptan
Kocaeli University

ABSTRACT

Orientalism is a particular and longstanding way of identifying the East as the inferior other of the West. Although it is seen inferior, at the same time, paradoxically, it is seen as fascinating, exotic, mystical and seductive. It was put into theory by Edward Said and its literary history goes back to Chaucer’s time. In the eighteenth century, the writers used Orientalism in their works because of their interest in travelling to other lands to experience the air of the other and to dramatize an engagement between the self and the world. The two poets of the period, Lord Byron and Samuel Taylor Coleridge were two of them. In Byron’s Don Juan and Coleridge’s “The Rime of the Ancient Mariner”, both Juan and the mariner experience the other in the lands of the Orient and become hybrid by being exposed to their lifestyles. This paper aims to study the employment of Orientalism and becoming hybrid as a result of it in the field of literature. It analyses the fact that a person from the West becomes a part of the Orient, adopts their behaviours and becomes hybrid by being exposed to the culture of the Orient when he / she enters the lands of the East. In this respect, the characters Don Juan in Lord Byron’s Don Juan and the mariner in Samuel Taylor Coleridge’s “The Rime of the Ancient Mariner” will be analysed together with the process they undergo in the Orient.

Keywords: Orientalism, Hybridity, Romanticism, The Other, Coleridge, Lord Byron.
1. INTRODUCTION

The act of travelling dates back to mythical times since it is the most common and ancient aspect of human beings. At first, ancient people such as the Egyptians, Babylonians, Phoenicians, Cretans, Jews and Greeks were not aware of the fact that there were other people living around the world, so they regarded their territories as the centre of the world. Sometime later, however, they “meet neighbours and other peoples by travelling to their countries, exchanging goods, sharing experience and building up their spiritual life” (Rabotic 7).

In the seventeenth and eighteenth centuries, travelling for educational purposes became very important. The reason was to study Arts and widen the minds of the people, so Grand Tour was the necessary stage in the life of an aristocrat to learn other languages with three or four years of education, then return their homeland with a widened horizon. In the Romantic period, Grand Tour is experienced by poets such as Byron, Keats, Shelley and Browning (Cruz 47). Accordingly, the Romantic poets travelled across the countries and employed the theme of travel in their poems. Blanton in his book declares that their main purposes in employing the travel to other lands “is to introduce us to the other” and to “dramatize an engagement between the self and the world” (xi).

In the light of this declaration, it is thought that in the Romantic period, some of the writers’ works can be criticized from the perspective of Orientalism since there was a great interest for it by the Romantic poets (Khan 38). Accordingly, its literary history goes back to Chaucer’s time. His ‘The Man of Law’s Tale’ (1386), Knolles’s History of the Turks are the earliest ones. It continued with the writers such as Dryden, Waller and Milton. In the eighteenth century, with the publication of Bibliotheque Orientale (1697) and Antoine Galland’s Arabian Nights Entertainment (1704-12), there was a demand for the Eastern tales and settings. Thus, the Romantic poets were fascinated by China, India, Arabia and their elements in their culture. Hence, they did not hesitate using those elements in their works (Khan 38). This paper analyses the fact that a person from the West becomes a part of the Orient, adopts their behaviours and becomes hybrid in Bhabha’s terms by being exposed to the culture of the Orient when he / she enters the lands of the East. In this respect, the character Don Juan in Lord Byron’s poem Don Juan and the mariner in Samuel Taylor Coleridge’s “the Rime
of the Ancient Mariner” will be examined together with the process they undergo in the Orient.

2. THE THEORY

In his critical study Orientalism, Edward Said employs the word Orientalism to describe the Western approach to the Orient. He states that:

“Unlike the Americans, the French and the British – less so the Germans, Russians, Spanish, Portuguese, Italians and Swiss – have had a long tradition of what I shall be calling Orientalism, a way of coming to terms with the Orient that is based on the Orient’s special place in European Western experience. The Orient is not only adjacent to Europe; it is also the place of Europe’s greatest and richest and oldest colonies, the source of its civilizations and languages, its cultural contestant, and one of its deepest and most recurring images of the Other.” (1)

Accordingly, it is obvious that Europe defines the Orient according to its image of the “Other”. He presents the cultural representations that are the bases of the Orient. It defines West’s patronizing perceptions and fictional depictions of “the East”- the societies and people who inhabit the places of Asia, North Africa, and the Middle East. Said utters that “it is a style of thought based upon an ontological and epistemological distinction made between “the Orient” and (most of the time) “the Occident” (2). In other words, they are not inert facts of nature since they are manmade” (Said 4). Their relationship is a “relationship of power, of domination, of varying degrees of a complex hegemony” (Said 5). Therefore, it is a particular and longstanding way of identifying the East as the inferior other of the West. Although it is seen inferior, at the same time, paradoxically, it is seen as fascinating, exotic, mystical, and seductive. He also adds that it is “timeless eternal”, so the Easterners are “always symmetrical to, and yet diametrically inferior to, a European equivalent” (Said 72). The reason is “while Europe is powerful and articulate; Asia is defeated and distant” (Said 57).

In his study The Location of Culture, Homi Bhabha states that hybrid is becoming neither the one thing nor the other (49). He defines the term as follows:

Hybridity is the sign of the productivity of colonial power, its shifting forces and fixities; it is the name for the strategic reversal of
the process of domination through disavowal (that is, the production of discriminatory identities that secure the ‘pure’ and original identity of authority). Hybridity is the revaluation of the assumption of colonial identity through the repetition of discriminatory identity effects. It displays the necessary deformation and displacement of all sites of discrimination and domination. . . Hybridity is a problematic of colonial representation and individuation that reverses the effects of colonialist disavowal, so that other ‘denied’ knowledges enter upon the dominant discourse and estrange the basis of its authority – its rules of recognition. (159-162)

Accordingly, this process is undertaken by the colonial authority. When this authority tries to change the identity of the Other, the authority fails creating something new but familiar, so hybrid identity emerges from the mix of the identities of the coloniser and the colonised. This new hybrid identity is in between the coloniser and the colonised. Bhabha calls it the third space “where the negotiation of incommensurable differences creates a tension peculiar to borderline existences” (Bhabha 312).

3. ORIENTALISM AND BECOMING HYBRID IN BYRON’S DON JUAN

Firstly, travelling and the Orient had been fascinating topics for Byron since childhood (Irwing 3). In the letter he wrote to Lady Melbourne, he mentions his attraction to travelling:

“I am in the agonies of three different schemes—the first you know—the 2d is Sligo’s Persian plan—he wants me to wait till Sepr. Set off & winter at Athens (our old headquarters) & then in the spring to Constantinople (as of old) & Baghdad & Tairan. – This has its charms too & recalls one’s predilections for gadding-then there is Hobhouse with a Muscovite & Eastern proposal also . . . However I am going somewhere though my agents want me to stay where I am—an additional reason for wanting to get away. (Byron qtd. in Cochran 86).”

As it can be understood from the lines above, he gives detailed descriptions for his travel, yet, his destination is not certain. Cochran states that even if the destination is not exact, “his leaning is towards the Orient” (86).
Because of the death of his father and lack of affection from his mother, he became attached to his nurse May Gray who told him tales and legends when he was a child, so his “mind was filled with all sorts of tales of adventure and travel”. After learning how to read, travel and history books became his frequent choices, which resulted in his interest in the life and the literature of the East. He was influenced by the Arabian Nights and other Turkish tales. In addition to those, he read many books and created a list of them with his remarks. At the end of the list Byron states (Irwing 3-4):

“All the books enumerated I have taken down from memory. I recollect reading them, and can quote passages from any mentioned. I have, of course, omitted several in my catalogue; but the greater part of the above I perused before the age of fifteen. I have also read (to my regret at present) above four thousand novels, including the works of Cervantes, Fielding, Smollet, Richardson, Mackenzie, Sterne, Rabelais, Rousseau etc. (Byron qtd. in Irwing 6).”

Accordingly, after all the books he read, it is not surprising that he went to Cambridge to study. Byron, however, not only disliked Cambridge but also England in general, so he decided to go abroad to complete his education (Irwing 9). He wrote to Hodgson before starting his trip: “I leave England without regret—I shall return to it without pleasure” (Byron 148). It is clear that for such a person as Byron, who found adventure in reading travel books and oriental tales, he must travel and explore the places where those books were written.

Thus, he went to East Mediterranean with his friend John Cam Hobhouse with Grand Tour between the years of 1809 and 1810. They visited “Epirus, Albania, Acarnania, the Morea, Attica, on to Smyrna in Asia Minor, culminating on the shores of the Hellespont and the Ottoman capital Istanbul”. It was an inspiring travel for him to write his most of the poems especially Childe Harold’s Pilgrimage. In this respect, “the discourse of travel about the Eastern Mediterranean” can be observed in it (Leask 101). After that trip, he was writing a novel named Don Julian, yet he changed it into a prose novel written in the Italian burlesque ottava rima and changed the name to Don Juan. He “is a modern hero” whose voyages to the oriental lands are very mysterious and exotic (Bordoni 4).
Accordingly, the poem *Don Juan* revolves around the protagonist Don Juan who is sent to travel abroad for four years by his mother after she learns his secret relationship with her friend Donna Julia: “He should travel through / All European climes, by land, or, by sea / To mend his former morals, and get new” (Byron 1521-23). In this poem, Byron “draws on both his own travel experience and the perspectives of contemporary travel writers to self-consciously explore the identity between identity and place” (Gephardt 84). When Byron first introduces Donna Julia, he depicts her as a typical Oriental female:

The darkness of her Oriental eye
Accorded with her Moorish origin
(Her blood was not all Spanish, by the by;
In Spain you know, this is a sort of sin);
When proud Granada fell, and, forced to fly,
Boabdil wept, of Donna Julia’s kin
Some went to Africa, some stay’d in Spain
Her great-great grandmamma chose to remain (I. 441-48)

It is clear that Byron explicitly moulds her with oriental features such as ‘Oriental eye’ and ‘Moorish origin’. About this, Hill utters that Spain is a “Western house with the political and erotic shadows of the Orient within it” since it was once “occupied by the forces of the Orient”, so Donna Julia is the part of these shadows. In addition to this, Don Juan and Donna Julia are paired from the beginning and that is shown as a transgression inasmuch as her half Spanish blood is displayed as a sin (578-579). Byron goes on describing her with Oriental features: “Her glossy hair was cluster’d o’er a brow / . . . / Her cheek all purple with the beam of youth, / Mounting at times to a transparent glow” (481-85). As it is seen, he describes her with ‘glossy hair’, ‘purple cheek’ and ‘transparent glow’ which are the features of the Orient since it is sexually tempting (Said 188). This prepares the reader for the voyage of Juan through the Oriental lands.

Accordingly, in canto II it is clear that when he is sent abroad to travel for four years, it is actually an exile for him, more precisely, an expatriate since he is made to leave his own country. Said in his work *Reflection on Exile* utters the fact of being in a place which neither belong to the person nor the other, so this person is in a “perilous territory of not belonging” (177). It is clear that this creates a strange feeling on the individual and Don Juan feels the effect of “not belonging”: 
“I can’t but say it is an awkward sight / To see one’s native land receding through” (Byron 89-90). As it is seen from the lines, he feels strange inasmuch as he is exiled from his own country and sailed to go to the lands which he has never been before. In addition to this, his shipwreck in Mediterranean is his symbolic rebirth since he enters the lands of the Orient (Hill 579).

In the next stanzas of the canto II, after arriving to an island, Don Juan sleeps in the shore out of his tiredness and when he opens his eyes he sees “a lovely female face of seventeen” (Byron II. 896), so he encounters with the feminine other in the Oriental lands: “The greatest heiress of the Eastern Isles” (Byron II. 1018). Byron employs oriental features when depicting the feminine other, Haidee:

Her brow was overhung with coins of gold,
That sparkled o’er the auburn of her hair-
Her clustering hair, whose longer locks were roll’d
In braids behind; and though her stature were
Even of the highest for a female mould,
They nearly reach’d her heel; and in her air
There was something which bespoke command,
As one who was a lady in the land (II. 921-28).

As it is seen, Byron uses words such as “coins of gold” and “long locks” to describe her hair, which is a typical Oriental female look. In another words, the Orient is shown exotic with those depictions (Said 189). Furthermore, he sees her as the lady of the land inasmuch as she lives in the Oriental land, so she is displayed as the lady of the Orient. Byron goes on to describe the seductive features of her as follows: “Her hair, I said, was auburn; but her eyes / Were black as death, their lashes the same hue / Of downcast length, in whose silk shadow lies deepest attraction” (929-31). As it can be understood, she is presented as charming and tempting. Haidee and her maids nurse him in a cave for her father would sell him as a slave if she brought him to her house. Her nurses made him wear oriental clothes like Byron states: “And dress’d him, for the present, like a Turk, / Or Greek- that is, although it not much matter’d, / Omitting turban, slippers, pistols, dirk” (II. 1275-77). About this, Hill utters that “costumed as an Oriental, Greece and the West are already being subsumed by the Other” (579). This is a foreshadowing for his entrance into the heart of the Orient in the following cantos.
In canto III, the love of Haidee and Juan is described and their marriage without the benefit of clergy is told. They learn that Haidee’s father died in a piratical expedition, so they move into the house of Haidee as man and wife. The canto closes with the feast and entertainment of Haidee and Juan. In the canto IV, however, her father returns to house: “And Haidee clung around him; ‘Juan,’t is- / ‘T is Lambro- ‘t is my father! Kneel with me- / He will forgive us- yes- it must be- yes” (IV), so Juan is sold as a slave to Constantinople by Haidee’s father, Lambro. In the fifth canto, he fully enters the realm of the Orient, Harem when he is bought by the wife of the sultan. It is “one of those tropes through which Western fantasies of penetration into the mysteries of the Orient and access to the interiority of the Other are fantasmically achieved” (Yeğenoğlu qtd in Hill 580).

He describes the interior of Harem as follows:

> Along this hall, and up and down, some squatted
> Upon their hams, were occupied at chess;
> Others in monosyllable talk chatted,
> And some seem’d much in love with their own dress.
> And divers smoked superb pipes decorated
> With amber mouths of greater price or less (V. 418-423).

As it can be seen, the heart of the Orient is described in the words above. It is told as a place with people enjoying their time by chatting, smoking, playing chess, so it is shown as a place of enjoyment. Hill states that its description as “non-linear: a place where certainties break down” is important: “It seem’d, however, but to open on / A range or suite of further chambers, which / Might lead to heaven knows where” (V. 513-15), so it is a breaking point for Juan inasmuch as it is different from the places he is used to in his hometown. After that description, Byron moves on to Juan’s being dressing as a woman. In this, the features of the dresses of the Orient can be observed:

> And then he swore; and, sighing, on he slipp’d
> A pair of trousers of fresh- colour’d silk;
> Next with a virgin zone he was equipp’d,
> Which girt a slight chemise as white as milk;
> But tugging on his petticoat,
> . . . .
> Such gems was bound
As suited the ensemble of his toilet,  
While Baba made him comb his head and oil it (V. 609-632).

As it is seen, the dressing of the women in the orient is displayed in those lines above, so the use of ‘silk’, ‘gems’ and ‘oil’ for hair are the typical of an oriental woman clothing. Wolfson states that the cross dressing of Juan reflects a private issue of Byron’s homoeroticism (586). In terms of Orientalism, however, there is a transformation of the “Western male into the Oriental female. The subject finally penetrates the inner sanctum of the Other. . .in the erotic zoo of the harem-in Western eyes”, so Juan who was describing the feminised orient in the previous cantos now becomes one, so in this case, he is othered triple since he is a slave, oriental and dressed as female (Hill 581).

In canto the sixth, Juan is taken to Harem and given to a woman named Dudji who takes care of him. He is renamed by her as Juanna and his transformation is complete:

‘And next she [Dudji] gave her (I say her, because the Genderstill was Epicene, at least  
In outward show, which is a saving clause)  
An outline of the Customs of the East (VI. 457-60).

It is clear from the lines above that Juan becomes hybrid in the lands of the Easterners. When this canto is observed from a Saidian Orientalist perspective, it can be implied that Occident and Orient change roles in this poem. In the canto above, for instance, orient is the one renaming the occident and employing feminine aspects for the occident by using cross-dressing. After this canto, there is not an oriental setting or feature since Juan goes back to his home England and gets away from woman who sees marriage as something to be achieved and he tells the journey of himself through the mysterious lands of the East.

4. ORIENTALISM AND BECOMING HYBRID IN COLERIDGE’S “THE RIME OF THE ANCIENT MARINER”

“The Rime of the Ancient Mariner” is Coleridge’s longest poem made up of seven parts. It has a subtitle, “A Poet’s Reverie”, to emphasize that the poem is fictional, which his friend Charles Lamb thought as unnecessary. Nevertheless, as Lamb recognized later, it guides the reader to “consider the dream-like state of the
imagination in creativity” and also provides an “imaginative domain” for them (Lamb 2). “Coleridge’s first direct experience of the high seas came on his three day voyage to Hamburg in September 1798” when this poem is written and published in *Lyrical Ballads* (Powell 32). In this poem, a sailor stops a man who is about to go to a wedding to tell about his experiences he went through in a long sea voyage: “It is an ancient Mariner, / And he stoppeth one of three” (Coleridge 1-2). First, everything is in reality; there is a wedding, the mariner stops the wedding guest, and holds him to tell the story of his travels. Then, he starts to tell his voyage and how the storm drove their ship off to the South Pole in which everywhere was covered with snow, later, an albatross appeared and the ship was saved from the ice, yet, the mariner shot the bird. Accordingly, Fowke states that it was William Wordsworth who suggested Coleridge to centre the plot of the poem on “a sailor shooting an albatross”. At that time Wordsworth was reading *A Voyage round the World by way of the Great South Sea* by Captain George Shelvocke. The passage which inspired Wordsworth reads as follows (65):

“We all observed that we had not had the sight of one fish of any kind since we came into the southward of the streights of le Maire, nor one sea-bird, except a disconsolate black Albatross, who accompanied us for several days, hovering about us as if he had lost himself, till Hatley, my second Captain, observing in one of his melancholy fits,... that it might be some ill omen...he, after some fruitless attempts, at length shot the Albatross. (Shelvocke 73)."

After taking the advice of Wordsworth, Coleridge employed very much gothic landscape and incidents by using his imagination. Thus, both the mariner in the story and the reader travel into the unknown and mysterious nations when reading this poem. Accordingly, Masiello states that “Coleridge’s gothic writing style took the reader on a fantasy adventure surrounded by an atmosphere filled with darkness and obscurity. Readers were carried to an extraordinary place a drift at sea with no land in sight” (88). It is clear that after the killing of the innocent bird, albatross, the gothic atmosphere increases and mysterious things start to happen:

And I had done a hellish thing,
And it would work them woe:
For all averred, I had killed the bird
That made the breeze to blow!

...
Nor dim nor red, like God’s own head,
The glorious sun uprist:
Then all averred, I had killed the bird
That brought the fog and mist (88-97).

In the lines 90 and 96, he repeats that he killed the bird, which is an implication of the incidents that will happen later in the story. Furthermore, this action resulted in the blowing of the breeze and coming down of the fog. Accordingly, with the gothic role of the endless fog and mist together with the role of ocean and blowing breeze, Coleridge also creates an illusion of being stuck and all alone.

Accordingly, in this illusion of being stuck in an isolated place, the mariner, himself, was also stuck in his character. To make it clear, Coleridge shows his anxiety over the fate of the mariner who is actually the representative of British mariners since at that times, French-English wars led to transatlantic voyages for expansion and economic growth. Thus, Coleridge employed a mariner who was “a seafarer engaged in Slave Trade, guilty of the most appalling atrocities, but now endeavouring to come to terms with his deep despair and mental torment” (Rubinstein 16). Accordingly, together with this guilt, the mariner had a dual character since he “loses home while on the Pacific which leads to a crucial change in his cultural self-definition”. His state can be considered as both the colonized and the colonizer, a state of being “hybrid” in Bhabha’s term after shooting albatross because shooting the slave-like albatross is an implication of “the enslavement and murder of native peoples” (Ebbatson 198). Therefore, he is exposed “to the colonial world of the Pacific and the colonial subjects” and turns into “an unwilling victim of the slave trade” (Abbasi 1-2). Hence, through mariner and his actions in the Orient, Coleridge reminds the reader of colonialism and as a result of it, the reader is involved in this exotic and Oriental world:

Ah! Well-a-day! What evil looks
Had I from old and young!
Instead of the cross, the Albatross
About my neck was hung.

With throats unslaked, with black lips baked,
We could not laugh nor wail;

313
Through utter drought all dumb we stood
I bit my arm, I sucked the blood,
And cried, a sail, a sail! (139-161)

In those lines, mariner emphasizes that there is albatross hanging around his neck as a symbol of his sin instead of a cross and there is no water to drink, so they cannot speak or even laugh. It can be inferred that the behaviours of the mariner is like the stereotyped Orientals. For instance, Abbasi states that hanging the Albatross around his neck and sucking his own blood display his cannibalistic side. He also lacks speech, is dehumanized, alone, trapped, and lost his freedom like a slave (3). Hence, the sucking of his own blood and hanging the albatross around his neck displays that he becomes primitive like the Oriental people as Orientalism suggests. Therefore, he becomes a part of the Orient while adopting their behaviours at the same time. Like Bhabha argues he becomes hybrid in the lands of the Orient. In the following stanza, the stereotyped aspects of the Oriental people can be seen with the description of a seductive woman:

Her lips were red, her locks were free,
Her locks were yellow as gold:
Her skin was as white as leprosy
The Night-Mare LIFE-IN-DEATH was she,
Who thickens man’s blood with cold. (190-195)

It is clear that after the mariner urges the crew about a supernatural skeleton ship’s approaching, he sees a woman and describes her. From this description, it can be inferred that he uses the seductive colour, red, for her lips, and yellow for her hair which represents richness of the lands of the orient. Abbasi states that this red lips are the reminder of the blood of the slaves and the red fruit that was the sugar on the British tables” while the colour yellow is the reminder of wealth, charm, exoticism of the orient (5).

Besides, Coleridge touches upon “the issues of slavery along with the material conditions of fever, particularly the yellow fever” (Lee 49): “There passed a weary time. Each throat / was parched, and glazed each eye” (Coleridge 143-144). Lee sees the mariner as a victim of the yellow fever since at that time, the mariners who went to the voyages were seen as infected because their inevitable contact with foreign cultures; thus, their thirst and glazing of the eyes
are symptoms of yellow fever (49). In addition to this, the line “the cold sweat melted from their limbs / Nor rot nor reek did they” (Coleridge 254-255) shows other symptoms of yellow fever. They are sweating and their body feels very uncomfortable because of this disease.

5. CONCLUSION

As a result, Lord Byron who travelled more than any other Romantic poet was a fan of the Eastern lands. *The Arabian Nights* and other Turkish Tales influenced him very much. That is why he travelled to East to see the life of the people there. In his works, this impact can be seen inasmuch as he uses too much oriental props like turban and harem (Irwin 10). The journey of *Don Juan* into the world of the orient even into harem is told. Hence, Byron was very important in terms of employing the oriental travel inasmuch as he was a person who journeyed into those lands, so he gives clearer picture to the readers for them to visualise the Orient. Coleridge in his poem, “The Rime of the Ancient Mariner” employs the travel to strange lands and becoming hybrid in these lands with the mariner. When he shots the bird Albatross he becomes “hybrid” in Bhabha’s terms since he becomes slave-like in the lands of the native people (Ebbatson 198). Hence, Coleridge accomplishes to make the reader travel into the mysterious lands.

REFERENCES


Ottoman Palaces in Istanbul: Yesterday, Today and the Future

Fulden Nuray Güral
Gazi University

Dr. Ahmet Tayfun
Gazi University

Esin Aysen
Gazi University

ABSTRACT

About 470 years Istanbul was the capital city of the Ottoman Empire, which at its golden age stretched from Morocco to Crimea, from the borders of Iran to Italy. Conquered in 1453 by Mehmed II (1444–46, 1451–81), later known in Turkish as the conqueror, Istanbul became the capital of an ever expanding empire as Mehmed II’s successors, Bayezid II (1481–1512), Selim I (1512–20) and Süleyman I (1520–66) – the magnificent for the West, the lawgiver for the Ottomans – expanded the frontiers, conquering eastern Anatolia, parts of Iran, Syria, Egypt, the North African coast to Morocco, Rhodes, much of the Balkans, and reaching as far west as the gates of Vienna, which was besieged twice but not taken. This was the artistic and intellectual center of not only the Ottoman borders but also Europe, a commercial magnet for merchants from across the globe and the political piston of the empire. Its citizens lived surrounded by the glamour of power and spectacle, caught up in the violence of the capital, and sustained by the enormous web of welfare that kept the city together. This paper points a portrait of this vibrant, violent, dynamic and cosmopolitan capital’s major palaces; Topkapı Palace, Dolmabahçe Palace, Çırağan Palace, Yıldız Palace and Beylerbeyi Palace.

Keywords: Istanbul, Çırağan, Topkapı, Dolmabahçe, Tourism.

JEL Classification: Z320
1. THE BRIEF HISTORY OF ISTANBUL

As stated by the Greek geographer Strabo (63/64 BC –AD 24) Istanbul was founded as a Greek colony 7th century BC. Its name was Byzantium. For 854 years it was a free Greek city-state. (Deleon, 1999; Gül, 2009). In 330 AD by the decision of Constantine, Byzantium became the new capital of Roman Empire (Boyar and Fleet, 2010; Georgacas, 1947; Mansel, 2011). Constantinople, “The City of Constantine” was the capital city of Roman Empire for more than 1000 years (330-1453, 1123 years) until the Ottomans conquered it. When the Sultan Mehmet II conquered Istanbul than the empire disappeared (Kafadar, 1995; Mills, 2010; Scogamollo, 1993). The young Sultan Mehmet II of the Turks who took control of the city in the 15th century, (Mehmet the Conqueror) had a vision to be the emperor of not only the Turks, or the Islamic world but the whole world. He prepared the basis of an environment where the Muslims, Christians and Jews could live together. In 1453 Istanbul became the capital of Ottoman Empire, until 1923 during 500 years (İnalçık and Quataert, 1993).

Ottoman Empire entered the World War I on the side of Germany and Austria-Hungary. After the defeat of these countries, the victorious Allies attempted to control the Turkish territory and this led to the Turkish War of Independence (1918-1923). Under the leadership of Mustafa Kemal Atatürk, the Turkish Nationalists established the Republic of Turkey (Freely, 1998; Mansel, 2011). Turkish Republic was officially proclaimed in 1923 after the Treaty of Lausanne of the same year which led to the international recognition of the sovereignty of Turkey as a successor of the Ottoman Empire (Dervis, Tanju&Tanyeli, 2008).

2. THE CHARMING PALACES OF ISTANBUL

2.1. Topkapi Palace

After the conquest of Istanbul by Mehmed the Conqueror at 1453, construction of the Topkapi Palace was started at the year 1460 and completed at 1478. Palace was built upon a 700.000 squaremeters area on an Eastern Roman Acropolis located at the Istanbul Peninsula between Sea of Marmara, Bosphorus and the Golden Horn. Topkapi Palace, was the administrative, educational and art center of the Empire for nearly four hundred years since Mehmed the Conqueror
until Sultan Abdulmecid who is the thirty-first Sultan. Although Palace was abandoned by the Ottoman Dynasty by moving to the Dolmabahçe Palace at middle 19th century, Topkapı Palace was protected its importance everytime (Çağman&Tanindı, 1996; Davis, 1970; Goodwin, 1999; Gülersoy, 1984; Gülersoy, 1990; Gülru, 1991; Kuban, 2010; Necipoğlu, 1991; Türkoğlu, 2000).

After the establishment of the Republic of Turkey, Topkapı Palace, was transformed into a museum at the date April 3th 1924 and it was also the first museum of the Republic of Turkey. Topkapı Palace Museum is covering approximately 400,000 squaremeters at the present day. Topkapı Palace divided from the city from the land-side by the Imperial Walls which is made by Mehmëd the Conqueror. It divided from the city also from the sea-side by the Byzantine Walls. Topkapı Palace is one of the biggest palace-museums with its architectural structures, collections and approximately 300,000 archive papers (Çağman&Tanindı, 1996; Davis, 1970; Goodwin, 1999; Gülersoy, 1984; Gülersoy, 1990; Gülru, 1991; Kuban, 2010; Necipoğlu, 1991; Türkoğlu, 2000).

There are surroundings like gardens and squares around the Palace. Palace which its Main Gate located at the Hagia-Sofia side, has four courtyards which has passages between them. At the first courtyard, Hagia-Irene Church which was used as Armory and the outer service buildings like Mint, Oven and Hospital were located there (Çağman&Tanindı, 1996; Davis, 1970; Goodwin, 1999; Gülersoy, 1984; Gülersoy, 1990; Gülru, 1991; Kuban, 2010; Necipoğlu, 1991; Türkoğlu, 2000).

Second Courtyard was the Divan Square (Square of Justice) that hosting the administrative buildings fort the Empire. This courtyard was also a ceremonial courtyard. Divan-ı Hümayün (Kubbealtı / Imperial Council) and Treasury of the Divan-ı Hümayün were located on that courtyard. Behind the divan structure, there is the Tower of Justice which represents justice of the Sultan. Dormitory of the Halberdiers with Tresses and the Entrance of Harem were also located at this courtyard. There are also Privy Stable structures at the same side around an inner courtyard. At the Marmara side of the Courtyard of Justice, there are the Palace Kitchens and additional service buildings. Babüssaade (Gate of Felicity) where coronation, funeral and festival ceremonies held is located at the Northern side of the Courtyard of Justice (Çağman&Tanindı, 1996; Davis, 1970; Goodwin, 1999;

The third Courtyard (Enderun – Inner Palace) was the section that the Palace aghas were educated and assigned to high ranks of the State. It formed by the dormitories and the structures belongs to the Sultan. Hall of Audience where Sultan accepts viziers and ambassadors, Enderun Library which was constructed by the Sultan Ahmed III. Treasury of Enderun also known as Conqueror’s Pavilion, Privy Room (Chamber of Sultan) and the Aghas’ Mosque which was constructed for the Enderunaghas at the reign of Fatih are the important structures of this courtyard. Courtyard is surrounded by the Big and Small Room Wards, Expeditionary Force Ward, Pantries’ Ward, Treasure Ward and the Privy Room Ward which added to the Privy Room at the 19th century ( Çağman&Tanindi, 1996; Davis, 1970; Goodwin, 1999; Gülersoy, 1984; Gülersoy, 1990; Gülru, 1991; Kuban, 2010; Necipoğlu, 1991; Türkoğlu, 2000).

From the Privy Room, and the Enderun Courtyard, there are passages to the Imperial Sofa courtyard which hosts to the kiosks and gardens. At the Marble Terrace part of this courtyard, there are Revan and Baghdat Kiosks, Circumcision Room and the Iftaree Canopy. Under this terrace, there is a hanging flower garden which surrounded by wooden Sofa Kiosk and the Tower of the Chief-Physician. At the Marmara side of this garden, there are Sofa Mosque, Mecidiye Kiosk and Wardrobe Room. It also known that there are lots of kiosks and service structures at the Privy Gardens which surrounds the Palace in axis of Marmara, Seraglio-Point and the Golden Horn ( Çağman&Tanindi, 1996; Davis, 1970; Goodwin, 1999; Gülersoy, 1984; Gülersoy, 1990; Gülru, 1991; Kuban, 2010; Necipoğlu, 1991; Türkoğlu, 2000).

2.2. Yıldız Palace - Chalet

Yıldız, covering an area of 500,000 square meters on a location overlooking the Bosphorus between Besiktas, Ortakoy and Balmumcu is a coppice of which settlement dates back to the Byzantine period. The coppice, named as “Kazancıoğlu Garden” after the Turkish conquest of Istanbul, probably became one of the private gardens of the sultan “Hasbahçe” during the reign of Sultan Ahmed I (1603-1617). The environment which also attracted attention during the reigns of Sultan Murad IV (1623-1640) and Selim III (1789-1807); began to be
called with this name due to a kiosk name “Yıldız” which Selim III has built for his mother Mihrişah Valide Sultan. This group of buildings which developed with the kiosks and pavilions, added during the reigns of Sultan Mahmud II (1808-1839), Sultan Abdulmeclid (1839-1861) and Sultan Abdulaziz (1861-1876); was given the name Yıldız Palace with the buildings constructed during the reign of Sultan Abdulhamid II. (1876-1909) Yıldız Palace became the fourth administration center of the empire following the Old Palace, Topkapi Palace and Dolmabahçe Palace. Chalet Kiosk, which is a part of Yıldız Palace and named as “chalet” meaning “mountain hostel” in French, is one of the most outstanding structures of 19th century Ottoman architecture. The kiosk consists of three adjacent sections built at different times in a garden surrounded with high walls. The first section of the kiosk was constructed in 1880. With the additional building built by Sarkis Balyan in 1889 the kiosk was enlarged with rooms and halls. The third section known as Meraşim Kiosk (Ceremonial Kiosk) and constructed by Italian Architect D’Aranco is known to be completed in 1898. The last two sections were constructed for German Emperor Wilhelm II for his visits to Istanbul. The Chalet Pavilion has the characteristics of a “state guest house” within the group of Yıldız Palace structures. The kiosk which was built as three-stored with the basement, is made of wood and stone. The Ottoman house plan tradition dividing the buildings as Harem and Selamlık is not observed at this building. The connection between the floors of the Chalet with seven doors and wooden louvered windows, is provided by elegant staircases, one of which is made of marble and the other two are of wooden. The most attractive place of the building is the magnificent Ceremonial Hall, with one piece Hereke carpet which is 406 square meters and with the ceiling decorated with gilded panels. It is known that the ceremonies were performed at this hall during the reign of Sultan Abdülhamid II. The furniture of the dining hall, also known as “Sedefli Salon” due to the doors with pearl inlay brought from Çırağan Palace, was made by Sultan Abdulhamid II at Imperial Workshop (Tamirhane-I Hümayün) within the body of Yıldız Palace. Except the dining hall reflecting the Ottoman taste, European style is dominant at the furnishing of the Kiosk. There are Sweden made big size Röstrand porcelain stoves among the outstanding elements of the decoration of the Chalet. Among the group of buildings of Yıldız Palace, a part of the stables named as İstabl-I Amire-I Ferhan and the buildings gained new functionality after the completion of their restorations. Classical Turkish Arts Center is situated at one of the buildings. The building was transformed into a conference hall which can be
allocated to congresses and seminars (Batur, 1985; Bilgin, 1993; Milli Saraylar, 2016; Şeçkin, 2000; Shaw, 1971; Pekol, 2012; Yıldız Sarayı Vakfı, 1982).

2.3. Beylerbeyi Palace

Beylerbeyi Palace was thought to serve as a summer residence of Ottoman sultans and a state guest house to entertain the foreign heads of state and sovereigns and it was constructed on demand of the sultan of the period, Sultan Abdülaziz (1861 - 1876). Construction of the palace was commenced on 6 August 1863 and it was formally opened to usage on 21 April 1865, Friday. SerkizBey (Balyan), the Ebniye-I Şahane Serkalfa (head master builder of the Palace), carried out the construction organization. Mehmed Efendi, Mahmud Efendi and Rıfat Efendi performed the duty of construction official, which can also be thought as supervision of the financial and administrative affairs, of Beylerbeyi Palace. It is estimated that the palace costed about 500 thousands Ottoman liras. Beylerbeyi Palace, which is the main building of the building complex is a two-storey construction, made of stone, on a high basement. The building was constructed on a land of about 2,500 square meters sits on a rectangular floor area. The South side of the Palace was organized as Imperial Mabeyn and The North side as Valide Sultan’s Apartment. There are total 6 halls, 24 rooms, 1 hamam and 1 bathroom at two storeys. Beylerbeyi Palace, which was constructed as a mixture of Western and Eastern styles, has the layout characteristics of traditional Turkish House with Harem and Mabeyn Sections. The roof of the construction was surrounded with a blaustrade hiding all edges. The palace has a plan composition based on a central sofa (hall) design with iwans. The schema of Beylerbeyi Palace consists of three parts: Imperial Mabeyn, Bedroom Apartment (Sultan’s Apartment) and Valide Sultan’s Apartment. The main Harem section, next to the Valide Sultan’s (sultan’s mother) Apartment and constructed in parallel with the sea, which belongs to kadinefendi (sultan’s wives) and the favourites, was constructed apart from the main building and it was not be able to survive until today. The facade of Imperial Mabeyn exhibits a design in which Neo-baroque style is more evident. Indoor arrangements of the Palace, like its mass and faces, are shaped with an eclectic understanding. Owing to the sea passion of Sultan Abdulaziz, who constructed Beylerbeyi Palace, sea and ship themes were drawn in some frames and cartridges on the ceiling of the Palace; moreover, Sultan Abdülaziz drew some patterns including sea and ship themes in order to give an idea to the painters (Aras,
2.4. Çırağan Palace

A former Ottoman palace, is now a five-star hotel in the Kempinski Hotels chain. It is located on the European shore of the Bosphorus, between Beşiktaş and Ortaköy in Istanbul, Turkey (Hamuloglu, 1988; Karduz, 1993; Kozluklu, 1990).

The palace, built by Sultan Abdülaziz, was designed by the palace architect Nigoğayos Balyan and constructed by his sons Sarkis and Hagop Balyan between 1863 and 1867, during a period in which all Ottoman sultans built their own palaces rather than using those of their ancestors; Çırağan Palace is the last example of this tradition. The inner walls and the roof were made of wood, the outer walls of colorful marble. A beautiful marble bridge connects the palace to the Yıldız Palace on the hill behind. A very high garden wall protects the palace from the outer world (Akşit, 1984; Bilgin, 1993; Deleon, 1999; Le Gall, 1989; Saz, 1994).

The construction and the interior decoration of the palace continued until 1872. Sultan Abdülaziz did not live long in his magnificent palace - he was found dead inside on May 30, 1876, shortly after he was dethroned. His successor, his nephew Sultan Murad V, moved into Çırağan Palace, but reigned for only 93 days. He was deposed by his brother Abdulhamid II due to alleged mental illness and lived there under house arrest until his death on August 29, 1904 (Akşit, 1984; Bilgin, 1993; Deleon, 1999; Le Gall, 1989; Saz, 1994).

During the Second Constitutional Monarchy, Sultan Mehmet V Reşat allowed the parliament to hold their meetings in this building. Only two months after, on January 19, 1910, a great fire destroyed the palace, leaving only the outer walls intact (Akşit, 1984; Bilgin, 1993; Deleon, 1999; Le Gall, 1989; Saz, 1994). In 1989, the ruined palace was bought by a Japanese corporation, which restored the palace and added a modern hotel complex next to it in its garden.

Today, it serves as luxury suites for the five-star Kempinski hotel along with two restaurants that cater to guests. The Palace was renovated again during the first quarter of 2007, now resembling the authentic palace with the baroque style and soft colors (Çırağan Sarayı, 2016).
2.5. Dolmabahçe Palace

Built in 19th century is one of the most glamorous palaces in the world. It was the administrative center of the late Ottoman Empire with the last of Ottoman Sultans was residing there. Dolmabahçe Palace was built by Sultan Abdulmecid (1839-1861) who was the thirty first Ottoman Sultan. The palace, whose construction commenced on June 13th, 1843, was brought into use on June 7th, 1856, upon completion of surrounding walls. The palace mainly consists of three parts, named as the Imperial Mabeyn (State Apartments), Muayede Salon (Ceremonial Hall) and the Imperial Harem. The Imperial Mabeyn was allocated for administrative affairs of the state, Imperial Harem was allocated for private lives of the sultan and his family and the Muayede Salon, placed between these two sections, was allocated for exchanging of bayram greetings of sultan with dignitary statesmen and for some important state ceremonies. The main building is three storeys including the basement on the side which is parallel to sea and it is four storeys at the land side involving the Harem quarters with the musandıra (garret) storeys. Evident Western influences, observed at the style, details and ornaments, are reflections of the esthetical values, changed through the last period of the Imperial. On the other hand, it is a building complex in which traditional Turkish House style was applied on a large scale with respect to space organization and relations between the rooms and salons. The outside of the building is made of stone, the interior walls are made of brick and the floors are made of wood. Electricity and central heating were installed in 1910-12 to the place which is open to the contemporary technology. After the foundation of the Turkish Republic in Ankara, Mustafa Kemal Atatürk transferred all government functions to the youthful capital but on his visits to Istanbul Atatürk occupied only a small room at Dolmabahçe Palace as his own. He stayed, welcomed his foreign guests and made a practical center for national, historical and language congress and for international conferences. Harem isn’t a building or building complex, set apart from the Palace anymore; but it is a special living unit, placed under the same roof within the same building complex. Dolmabahçe Palace, hosted 6 sultans at intervals and also the last Ottoman Caliph Abdulmecid Efendi from 1856 when it was put into service, until the abolition of the caliphate in 1924. The palace was used as Presidency office between 1927-1949. Gazi Mustafa Kemal Atatürk, the founder of our Republic, used Dolmabahçe Palace for his studies at Istanbul between 1927-1938 and died in this palace. The Palace which was partially open to protocol and visits, between 1926-1984 and was opened to visit as a “museum-

3. THE PLACE OF PALACES AMONG ISTANBUL’S MUSEUMS

Istanbul is one of the most cultural city in the World. The Travel and Leisure magazine readers rated Istanbul as the fifth most attractive city to be visited in Europe in 2015 and being on the list for ten years, Istanbul is in the Hall of Fame of Travel & Leisure (Travel & Leisure, 2016). Being a city of culture throughout its history, there are lots of museums all around the city, including palaces, monuments and other historical areas. Among the activities that will be held in the context of the Istanbul 2010 European Capital of Culture project, the Turkish Ministry for Culture and Tourism has provided special importance to the restoration and rehabilitation of the museums and historical monuments in Istanbul, indicating the importance given to these attractions (Altınbaşak&Yalçın, 2010).

Table 1: Most Visited Museums around Turkey, 2014

<table>
<thead>
<tr>
<th>Rank</th>
<th>Museum</th>
<th>Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Istanbul Hagia Sophia</td>
<td>3,574,043</td>
</tr>
<tr>
<td>2</td>
<td>Istanbul Topkapi Palace</td>
<td>3,553,078</td>
</tr>
<tr>
<td>3</td>
<td>Konya Mevlana Museum</td>
<td>2,075,056</td>
</tr>
<tr>
<td>4</td>
<td>Istanbul Topkapi Palace - Harem Section</td>
<td>1,068,275</td>
</tr>
<tr>
<td>5</td>
<td>Antalya Demre Museum</td>
<td>531,970</td>
</tr>
<tr>
<td>6</td>
<td>Istanbul Archaeology Museum</td>
<td>449,881</td>
</tr>
<tr>
<td>7</td>
<td>Istanbul Chora Museum</td>
<td>302,815</td>
</tr>
<tr>
<td>8</td>
<td>Ankara Museum of Anatolian Civilizations</td>
<td>273,551</td>
</tr>
<tr>
<td>9</td>
<td>Ankara Republic Museum</td>
<td>247,256</td>
</tr>
<tr>
<td>10</td>
<td>Nevşehir Hacibektas Museum</td>
<td>228,552</td>
</tr>
</tbody>
</table>

The museums of Istanbul, which is one of Turkey’s most important cities in terms of historical, cultural and natural values, are the structures that are— to a great extent – formed through transformation of historical buildings. There are 78 large and small museums located in Istanbul (Ozorhon&Ozorhon, 2015). All the palaces which is studied above (except Çırağan Palace) are national museums and not only the city of Istanbul but also the value of Turkey.
Table 2: Visitor Numbers of Museums in Istanbul, 2015.

<table>
<thead>
<tr>
<th>Name of Museum</th>
<th>Visitors with ticket</th>
<th>Museum card</th>
<th>Free pass</th>
<th>Agency pass</th>
<th>Total Visitor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Archaeology Museum</td>
<td>120.989</td>
<td>181.037</td>
<td>95.817</td>
<td>13.954</td>
<td>411.797</td>
</tr>
<tr>
<td>Hagia Sophia</td>
<td>1.507.841</td>
<td>493.730</td>
<td>412.648</td>
<td>1.052.419</td>
<td>3.466.638</td>
</tr>
<tr>
<td>Chora Museum</td>
<td>106.951</td>
<td>46.078</td>
<td>22.514</td>
<td>57.457</td>
<td>233.000</td>
</tr>
<tr>
<td>Islamic Sci&amp;Tec. Mus.</td>
<td>15.419</td>
<td>32.992</td>
<td>25.371</td>
<td>0</td>
<td>73.782</td>
</tr>
<tr>
<td>Hagia Irene</td>
<td>27.850</td>
<td>57.316</td>
<td>4.025</td>
<td>0</td>
<td>89.191</td>
</tr>
<tr>
<td>Mosaic Museum</td>
<td>26.284</td>
<td>55.124</td>
<td>4.509</td>
<td>901</td>
<td>86.818</td>
</tr>
<tr>
<td>Fethiye Museum</td>
<td>8.722</td>
<td>6.004</td>
<td>643</td>
<td>0</td>
<td>15.369</td>
</tr>
<tr>
<td>Topkapi Palace</td>
<td>1.344.425</td>
<td>507.324</td>
<td>428.835</td>
<td>971.940</td>
<td>3.252.524</td>
</tr>
<tr>
<td>Harem Section</td>
<td>620.787</td>
<td>160.932</td>
<td>38.330</td>
<td>57.282</td>
<td>877.331</td>
</tr>
<tr>
<td>Galata Mawlavi House</td>
<td>14.808</td>
<td>18.660</td>
<td>8.640</td>
<td>0</td>
<td>42.108</td>
</tr>
<tr>
<td>Turkish-Islamic Arts Mus.</td>
<td>49.060</td>
<td>75.855</td>
<td>29.164</td>
<td>0</td>
<td>154.079</td>
</tr>
<tr>
<td>Hisars</td>
<td>45.592</td>
<td>11.450</td>
<td>8.541</td>
<td>0</td>
<td>65.583</td>
</tr>
<tr>
<td>Yıldız Palace</td>
<td>6.223</td>
<td>5.059</td>
<td>17.727</td>
<td>0</td>
<td>29.009</td>
</tr>
<tr>
<td>Cihannüma Chalet</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Dösim, 2016.

Table 3: The Graphic of Number of Visitors Came to Istanbul (2011-2015)

![Graph showing visitor numbers from 2011 to 2015]

Istanbul İl Kültür ve Turizm Müdürlüğü, 2016
The museums above the list are a part of Istanbul museum’s which is managed by DOSIMM (Central Directorate of Revolving Funds). As can be seen above the graphic, the number of visitors who come to Istanbul is increasing year by year. But, it is seen that the number of visitors who visits Topkapi Palace is decreasing (Table 1 & Table 2).

4. CONCLUSION

Museums have a significant role in the competitions and development of cities. They contribute both to the economy of cities and to the renovation of them. Accordingly, as well as their content, their architecture and relations with cities gain importance. Now that, the Palaces in Istanbul are museums (except Çırağan Palace), they have an important role for tourism in Istanbul. Istanbul is a city which has been the capital of three big Empires for centuries. Its geographical position between Asia and Europe, unique natural beauties of the Bosphorus, and its immense historical heritage render Istanbul one the most attractive tourist and business destinations in the world. But year by year, the number of visitors who visiting the museums is decreasing. Prevent from this decreasing, both the Ministry of Culture and Tourism and the Municipality of Istanbul should develop plans.

Although the global crisis has affected the tourism sector all around the world, cities are creating new ways to attract tourists. Cultural events are always among the strongest differentiating activities (Altınbaşak & Yalçın, 2015). The museums are a form of bridge between a nation’s past and future; therefore they constitute an important part of the cultural environment of the city contributing to its image. Specifically, Istanbul with its strategic position, has always been a city of great significance in the world’s history. By that means, Istanbul and its museums provide a unique and vast cultural value to the visitors from all around the world. The museums of Istanbul offer valuable opportunities for further improving the image of this superb city. However, a sound marketing approach needs to be applied in designing museum management strategies and the related cultural activities.
REFERENCES


F.N. Güral, A. Tayfun and E. Aysen


Evaluation of Flipped Classroom Model in Teaching Foreign Language Reading and Vocabulary Comparatively

Dr. Hilal Bozoğlan
Süleyman Demirel University

Duygu Gök
Süleyman Demirel University

ABSTRACT

Today, rapidly changing educational technology paved the way for many innovative trends in teaching. Among the contemporary technology enhanced approaches to teaching, flipped classroom model has become particularly attractive. In the flipped classroom model, students are taught outside of the classroom by the means of lecture materials such as videos and power points, while they do their homework during the lecture time under the guidance of the instructor. The flipped classroom is designed to create a classroom experience that inspires lifelong learning with an emphasis on active learning and the enhancement of problem solving skills. This study aims to investigate the potency of flipped classroom model in teaching reading skills and vocabulary in an English as a foreign language learning (EFL) setting. In this context, an advanced reading course and a lexicology course were designed with flipped classroom model. 29 preservice English language teachers studying at a university in Turkey participated in the reading course for the first four months and then they took the lexicology course for the next four months. Then, semi-structured interviews were conducted with the participants. This study reports the analysis of preservice teachers’ reflections on the efficiency of flipped classroom model in teaching reading and vocabulary. The findings are discussed in terms of the pros and cons of flipped classroom model in teaching different components of language. To our knowledge, the present study is the first attempt to compare the use of flipped classroom model in different domains of foreign language learning.

Keywords: Flipped Classroom Model, English Language Teaching, Teacher Education, Foreign Language Reading, Foreign Language Vocabulary.
1. INTRODUCTION

Flipped classroom model is a new paradigm in the field of education. However, it has been present in literature for a long time under different titles such as ‘just in time teaching’ (Novak, 2011), ‘interactive learning’ (Crouch, Watkins, Fagen, & Mazur, 2007), ‘inverted classroom’ (Lage, Platt & Treglia, 2000), ‘inverted learning’ (Davis, 2013), ‘The Inverted Classroom’ (Baker, 2000), ‘Flipped Classroom’ (Bergman & Sams, 2012) and ‘Flipped learning’ (Network, 2014). Despite its long presence in literature, flipped classroom model remains relatively unexplored in the field of foreign language education. Thus, the present study aims at investigating preservice English language teachers’ perceptions about the use of flipped classroom model in reading and vocabulary instruction comparatively.

Basically, flipped classroom model includes shifting the place of lecture with homework. Thus, in a typical flipped classroom, students are taught outside of the classroom through video recordings and power point presentations. During lecture time at school, students do homework and have a chance to revise what they have learnt at home with their teacher (Lage et al., 2000; Talbert, 2012; Strayer, 2012). Flipped classroom provides a combination of “active, problem-based learning activities founded upon a constructivist ideology and instructional lectures derived from direct instruction methods founded upon behaviorist principles (Bishop & Verleger, 2013, p. 1). Additionally, it promotes student engagement and discovery-based learning in the classroom (Bergman & Sams, 2014; Hamdan, McKnight, McKnight, Arfstrom, 2013).

There have been several studies in literature that focus on the use of flipped classroom model in higher education. Previous studies have indicated that flipped classroom model is adaptable to various fields of education such as pharmacy, medicine, veterinary, nutrition, physics, chemistry, engineering, geometry, economics, statistics, management, sociology, psychology, history and technology (e.g. Chen and Chen, 2014; Mason, Shuman & Cook, 2013; McLaughlin, Roth, Glatt, Glarkholonareha, Davidson, LaToya, Esserman & Mumber, 2014; Moffett and Mill, 2014; Strayer, 2012). These studies have concluded that most of the students are in favour of flipped classroom model instead of the traditional model.
Despite the growing acceptance and popularity of flipped classroom model in the world in nearly every field of science, there are only a limited number of studies on English as a Foreign Language (EFL) context. However, as also suggested by Helgeson (2015) flipped classroom model can be integrated into all levels of foreign language education. Mehring (2016), Gross (2014), Correa (2015) and Hung (2015) tried to implement flipped classroom in foreign language education in their studies, and found out that that flipped and semi-flipped classrooms were more efficient than non-flipped classrooms in foreign language instruction. Although flipped classroom models fits foreign language education context, its use in teaching different language skills comparatively has not been touched upon by researchers. The present study aims to fill this gap, and investigates preservice English language teachers’ perceptions of the flipped classroom use in reading and vocabulary instruction comparatively.

2. METHOD

29 preservice English language teachers studying at a university in Turkey took part in this study. The participants were all 1st year students with an average age of 18. They all had an intermediate level of English language. In the context of the study, the participants took an advanced reading course based on flipped classroom model for the first 4 months. For the next 4 months, they registered to a lexicology course based on flipped classroom model. During these two courses the participants watched videos and powerpoint presentations related to the course content at home, and completed problem solving activities with their group members and the teacher in the classroom as homework.

With an aim to shed light on preservice teachers’ perceptions on the use of flipped classroom model in foreign language reading and vocabulary instruction, semi-structured interviews were conducted with the participants. The following questions were asked to the participants during the interviews:

- Do you prefer flipped or non-flipped foreign language reading lessons?
- Do you prefer flipped or non-flipped foreign language vocabulary lessons?
- What are the advantages of flipped foreign language reading and vocabulary instruction?
• What are the disadvantages of flipped foreign language reading and vocabulary instruction?

Content analysis was employed to identify the emerging themes. Additionally, frequencies and percentages for each theme were calculated.

3. RESULTS AND DISCUSSION

This section provides an analysis of interview results and the discussion arranged according to the interview questions.

Do you prefer flipped or non-flipped reading lessons?

With an aim to investigate preservice English language teachers’ preferences for reading lessons, they were asked to identify whether they preferred flipped or non-flipped reading lessons. Preservice English language teachers’ preferences for reading lessons are reported in Table 1.

| Table 1: Preservice English Language Teachers’ Preferences for Reading Lessons |
|---------------------------------|-----------------|-----------------|
|                                | Frequency (f)   | Percentage (%)  |
| Prefer flipped reading lessons | 16              | 55%             |
| Prefer non-flipped reading     | 13              | 45%             |
| Lessons                        | Total           | 29              |
|                                |                 | 100%            |

As indicated in the Table 1, more than half of the participants preferred flipped reading over non-flipped reading.

Do you prefer flipped or non-flipped vocabulary lessons?

In order to shed light on preservice English language teachers’ preferences for vocabulary lessons, we asked them whether they preferred flipped or non-flipped vocabulary lessons. Preservice English language teachers’ preferences for vocabulary lessons are reported in Table 2.
Table 2: Preservice English Language Teachers’ Preferences for Vocabulary Lessons

<table>
<thead>
<tr>
<th>Frequency (f)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prefer flipped vocabulary lessons</td>
<td>15</td>
</tr>
<tr>
<td>Prefer non-flipped vocabulary lessons</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
</tr>
</tbody>
</table>

As shown in the Table 2, more than half of the participants preferred flipped vocabulary lessons rather than non-flipped vocabulary lessons.

What are the advantages of flipped reading and vocabulary instruction?

In order to understand the effectiveness of flipped classroom model in reading and vocabulary lessons, preservice English language teachers were asked to identify the advantages of flipped classroom model in reading and vocabulary lessons. Table 3 reports the findings.

As reported in Table 4, a majority of the participants believed that flipped classroom model provided a flexible learning environment in reading and vocabulary lessons. The participants stated that flipped learning provided a flexible learning environment for them, and they could study wherever and whenever they wanted, as shown in the following extract:

“Flipped classroom model provides a flexible learning environment. There is no time limit, and we can read the passages again and again.” (p.9)

The second advantage stated for flipped reading and vocabulary lessons was time for pre-study. One preservice teacher explained this point in the following way:

“I can come to the lessons having prepared at home in flipped classroom.” (p.13)
Table 3: Advantages of Flipped Reading Lessons vs. Flipped Vocabulary Instruction

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Reading Frequency (f)</th>
<th>Vocabulary Frequency(f)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible learning environment</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td>Time for pre-study</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Compatible with the needs of 21st century</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Gaining responsibility for learning</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Supplementary materials</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Entertaining</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>No distracting factors</td>
<td>2</td>
<td>-</td>
</tr>
</tbody>
</table>

The participants also believed that flipped classroom model is compatible with the needs of the 21st century, and provides a technology enhanced atmosphere in the classroom. One participant stated:

“Thanks to flipped classroom model, we are integrated into the age of technology. It is good to try new methods other than traditional ones.” (p15)

The next advantage stated by preservice teachers related to the flipped classroom model was gaining responsibility. The participants argued that flipped classroom model helped them to take responsibility for their own learning, as shown in the flowing extract:

“In flipped classroom, I have to come to the lesson having prepared beforehand. Thus, I learned to take responsibility for my own learning.”

Moreover, preservice teachers believed that both flipped reading and vocabulary instruction provided them with a great deal of supplementary materials such as links to dictionaries or vikipedia, as reported in the following statement:
“In flipped classroom, whenever I want to look up a new word, or search for new information, I can google it and find the answer.” (p.3)

Additionally, preservice teachers also stated that both flipped reading and vocabulary lessons were entertaining. One participant explained his ideas in the following way:

“Flipped reading and vocabulary lessons are not monotonous. We watch videos, complete different activities, and we have a lot fun both in the classroom and at home.” (p.2)

Preservice teachers also explained that there were no distracting factors in flipped reading, and they could concentrate on the reading passages easily. This advantage was not stated for flipped vocabulary lessons. The following quotation explains this point:

“I believe reading lessons should not be carried out in crowded environments. In the classroom, there are so many distracting factors. However, in flipped classroom we can read the passages at home in a quiet atmosphere without any distracting factors.” (p.4)

What are the disadvantages of flipped reading and vocabulary instruction?

With an aim to investigate the disadvantages of flipped reading and vocabulary instruction comparatively, the participants were asked to list the disadvantages. Table 4 provides a summary of the findings.

The participants argued that the greatest disadvantage of flipped classroom model in both reading and vocabulary lessons was lack of teacher control on learning at home. The following quotation explains this point:

“The students cannot ask the questions they have in their minds while reading the passage or watching the videos. There is no teacher.” (p.17)
Preservice teachers also reported that they encountered some technological problems in flipped classroom such as problems with the internet connection. One participant stated:

“Sometimes my internet connection was gone, or it was too slow, and I had difficult time in downloading and watching the videos.” (p.3)

Table 4: Disadvantages of Flipped Reading vs. Vocabulary Instruction

<table>
<thead>
<tr>
<th></th>
<th>Reading Frequency (f)</th>
<th>Vocabulary Frequency (f)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No teacher control on learning</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Eye and mental fatigue</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Technical problems</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Adaptation problems due to traditional learning habits</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>No disadvantage</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>

Additionally, preservice teachers explained that as they were used to being taught with traditional lecture based methods both in reading and vocabulary lessons, they had some adjustments problems related to the implementation of flipped classroom model, as shown in the following extract:

“We have been taught with traditional methods for years. Now, it is really difficult to get used to a new model.” (p.5)

Another disadvantage of flipped classroom model in reading lessons as reported by preservice was eye-and mental fatigue. This disadvantage was not stated related to the vocabulary lessons. The following extract explains this point:

“Because of flipped classroom, I have to spend a lot time in front of the computer, and my eyes start aching after some time.” (p.11)
There were also some students who believed that flipped reading or vocabulary instruction had no disadvantage.

Overall, these findings suggest that preservice English language teachers preferred flipped classroom model rather than the traditional lecture based model in foreign language reading and vocabulary instruction. These findings comply with several studies in literature, which suggest that students are in favour of flipped classroom model (e.g. Chen and Chen, 2014; Mason, Shuman & Cook, 2013; McLaughlin, Roth, Glatt, Glarkholonareha, Davidson, LaToya, Esserman&Mumber, 2014; Moffett and Mill, 2014; Strayer, 2012).

CONCLUSION

This study was carried out with an aim to investigate preservice English language teachers’ perceptions of flipped classroom model in foreign language reading and vocabulary instruction comparatively. The results indicate that preservice teachers were in favour of flipped classroom model rather than the traditional lecture based model in both reading and vocabulary instruction. The current study sheds light on the use of flipped classroom model in different domains of foreign language education. However, it was limited to reading and vocabulary instruction only. Further studies can compare the use of flipped classroom model in other skills as well. Additionally, future studies can also investigate the use of flipped classroom model in different groups such as young learners. It is obvious that there is a lot to discover about the use of flipped classroom model in foreign language education.

REFERENCES


Legal Certainty Issue in the Balkan Peninsula: In the Context of Case Law of ECtHR

Dr. İsmail Köküsart
International University of Sarajevo

ABSTRACT

The principle of legal certainty is one of component part of the rule of law. It has three important sub-elements such as legal clarity, legal stability and legal predictability. These three sub-elements should be carried out in terms of decisions of three state bodies (legislative, executive and judicial). The legal certainty is also one of the fundamental principles of the European Council and European Court of Human Rights. The Court has stressed in several cases the legal certainty might be realized in contracting states through enforceability and finality of judgment, consistent and clear rules and administrative implementations, predictable decisions held by courts and administrative bodies etc. In the Balkan peninsula, there have been some individual applications to ECtHR, claiming the principle of legal certainty has been violated, so the Court delivered many cases whose breach of legal certainty and some of not about Balkan Countries such as Bosnia Herzegovina, Romania, Greece, Serbia, Albania, Macedonia and Bulgaria.

Keywords: Legal Certainty, Legal Predictability, Legal Clarity, ECHR, Balkans.
1. INTRODUCTION

If I ask to the all of countries and their people that “do you have and carry out legal certainty in your country completely”, the answer absolutely is going to be ‘no’ because none of them can have proper and complete legal certainty while the quality and level of legal certainty might vary from country to country. Particularly, some of the countries such as Germany, England, USA and France have higher level legal certainty in comparison to Balkan countries. However, it does not mean the level of legal certainty in Balkan countries cannot be increased. Nowadays, the principle of legal certainty is one of the touchstones to assess the level of democracy and human rights in a country, so international and domestic courts increasingly place more emphasis on the principle of legal certainty.

The part I of the article outlines the core of the general theory of legal certainty and gives basic elements of it. The second part of the article provides detailed information on legal certainty and its practices in the Balkans in terms of the case law of the European Courts of Human Rights (hereinafter, ECtHR).

2. BRIEF THEORETICAL FRAMEWORK OF THE PRINCIPLE OF THE LEGAL CERTAINTY

2.1. The Term of the Legal Certainty

The legal certainty lexically means ‘definiteness of the law’ while the concept of legal certainty terminologically has a different meaning. Indeed, absolute definiteness of the law is impossible in practice due to the nature of social sciences and ambiguity of rules. The term certainty might sound unusual and strange in law.

Legal certainty literally means that the law is reliable. The law cannot have this characteristic by itself. So, this reliance can be carried out through that rule makers and legal practitioners behave in accordance with legal certainty.

The term of legal certainty has terminologically been used as an equivalent of the German term of ‘rechtssicherheit’ and the France term of ‘la securité juridique’. So, the legal certainty corresponds to the legal security whilst the legal security has not been used widely in court decisions and legal studies. In the
English legal literature, instead of the term legal certainty is rarely used ‘the rule of law’ by some courts and legal scholars\textsuperscript{72}.

\textbf{2.2. Historical Background of the Legal Certainty}

At the outset, the existence of legal rules, the finality and enforceability of court judgments in a society can provide minimum legal certainty in its legal system. This minimum type of legal certainty can be called legal certainty in ‘lato sensu’ (broad sense). The legal certainty in ‘lato sensu’ can appear in the primary societies too if they have above mentioned requirements of minimum legal certainty\textsuperscript{73}. However, the existence of the rules, the finality and enforceability of court judgments are necessary but not sufficient for it, because both minimum legal certainty is not enough and the quality of rules are not always above the mark. The legal certainty in ‘stricto sensu’ (strict sense), which is my main subject of study, contains further requirements such as legal clarity, legal stability and legal predictability for three state bodies that it is going to be analyzed in next headings\textsuperscript{74}.

The term legal certainty terminologically originated from German legal tradition in the beginning of last century. The term ‘rechtssicherheit’ as a German equivalent of legal certainty principle was discovered for the first time in the 1910s in Germany. Nowadays, states like Germany, Turkey and France beside international organizations give wide coverage to this principle in their legal orders.

\textbf{2.3. Philosophical Foundations of the Legal Certainty}

Legal theories have different approaches on legal certainty because they have different considerations on what the law is or ought to be and on limits of judicial discretion. Main currents of legal philosophy are linked to the legal certainty directly or indirectly such as natural law, legal positivism, legal realism, Marxist and feminist legal theories etc. Some of them argue that legal certainty must be the main purpose of the legal systems and legal rules while the others argue the opposite. Among these legal theories, legal realists claim that there has


\textsuperscript{73}İsmail Kökünsar, \textit{Anayasa Hukukunda Hukuki Güvenlik İlkesi} (Ankara: Adalet, 2015), 20-21.

\textsuperscript{74}Kökünsar (2015), 20-21.
been no legal certainty in legal practice while these theorists do not reject the importance of legal certainty. In fact, one of extremist extension of legal realism, which is critical legal studies, pointed out that there has been widespread legal indeterminacy in the legal system.

The principle of legal certainty has mostly been advocated and has been seen one of main purpose of the law by the legal positivism. So it is not wrong to say the legal certainty is rooted in the legal positivism.

2.4. The Concept of Legal Certainty

The principle of legal certainty is an indispensable part of the rule of law principle although the issue of whether the legal certainty is formal part or the material part of the rule of law is arguable. In Brumarescu v. Romania\textsuperscript{75} and other several cases, the Court generally emphasizes the principle of legal certainty is one of the fundamental component of the rule of law. The most of the authors argue that the legal certainty is the formal part of the rule of law principle while a few of them defend that it is a material part of the rule of law\textsuperscript{76}. From my point of view, it is the formal part of the rule of law because the legal certainty is a principle that has no claims on the content of rule, so the matter that material fairness of the rule does not concern legal certainty. It just focuses the openness, stability, and predictability of rules, administrative, and judicial implementations that involve formal aspect of the rule of law.

The principle of legal certainty embodies three sub-elements: legal clarity, legal stability and legal predictability. These sub-elements are not numeros clausus while we regarded as these elements as main parts of legal certainty.

These three sub-elements of the legal certainty principle have also three dimensions regarding three state bodies such as legislative, executive and judicial

\textsuperscript{75}Brumarescu v. Romania, no. 28342/95, § 61, 28 October 1999; Balažoski v. The Former Yugoslav Republic of Macedonia, no.45117/08, § 29, 25 April 2013; See also Spaseski and Others v. The Former Yugoslav Republic of Macedonia, 15905/07, under The Law section, Chapter A, 1 b, 27 September 2011.

bodies. Accordingly, legal clarity, legal stability and legal predictability should be achieved in these three scopes.

Legal clarity, which is the one of sub-element of legal certainty, requires all of the legal rules, judicial decisions and administrative practices should be understandable, clear and precise to guide human beings; legal stability, second element of legal certainty, means that legal rules, judicial decisions and administrative practices should relatively be stable and should not be amended too often to such an extent that individuals are not able to follow them. Legal predictability, is the last sub-element of legal certainty, means that these three manifestations of state bodies should be predictable. The first aspect of legal predictability is that rules should provide efficient guidance for the people who are subject to the law, so they can know or predict the consequences of their acts. Next, judicial decisions should relatively be predictable in consideration with current rules. Finally, it requires that administrative practices are relatively predictable.

There are some important consequences of the legal certainty: The people and companies of the country in which legal certainty is carried out in practices from above-mentioned aspects can have more legal and personal autonomy\(^77\). Also, this country can have more foreign investments and enhance the welfare of it as a result of legal certainty.

Legal certainty has also regarded one of the main principles that helps to increase ‘lawfulness of measures’ to protect proportionally human rights. In this context, the Court has used ‘interference prescribed by law’. The lawfulness understanding of the Court has three dimensions that can vary from case to case: well-established judicial cases, well-established administrative practices, well-established rule. This understanding on lawfulness is narrower and provides narrower protection for human rights while the understanding of lawfulness based on the just well-established rule can provide broader protection for human rights because latter sets forth that human rights can only be restricted through the well-established code. For instance, the Constitution of Turkey 1982 has laid down ‘human rights can be restricted by laws’, so it has broader protection for human rights.

rights because it bans to restrict through administrative and judicial practices that do not base on a law directly.

3. SOME OF THE PROMINENT DECISIONS OF ECtHR ON THE LEGAL CERTAINTY

The Golder v. UK is the first case of the Court was mentioned to legal certainty term. In this case, the principle of legal certainty was used in the separate opinion of judge Verdross but not in the main part of the case that consists of the majority opinion. This demonstrates that the principle of legal certainty arose separate opinion of a Court judge. Similarly, in the context of Turkish Constitutional Court cases\textsuperscript{78}, the principle was firstly used in the dissenting opinion but not in the main part of the case\textsuperscript{79}.

The Golder v. UK case concerns that whether the article 6-1 of the Convention, related to jurisdiction of the court, might be interpreted broadly. Judge Verdross argued that the article 6-1 of the Convention should be interpreted strictly and it can not cover ‘the right of access to court’\textsuperscript{80}. He also pointed out the consideration of the majority does not comply with the legal certainty because the rights and freedoms defined in the Convention consist of the limits of Court jurisdiction and the contracting states should have the right to claim these limits be followed\textsuperscript{81}.

At the first time, the Court discussed the term of legal certainty in the case of \textit{Sunday Times v. The United Kingdom}\textsuperscript{82} and pointed out some of the considerations that are related to laws should be accessible and predictable. It, however, did not accept applicant’s claims based on the legal certainty and approached the term of legal certainty in a different manner than what the Court understood in subsequent decisions. According to the Court, the expression of ‘prescribed by law’ means that laws should be clear and precise: \textit{“Firstly, the law must be adequately accessible: the citizen must be able to have an indication that is adequate in the circumstances of the legal rules applicable to a given case.”} 

\textsuperscript{78} Turkish Constitutional Court, no. 1985/23 E.- 1986/2 K., 20 January 1986. Dissenting opinion is written by Judge Y. GüngörÖzden. 
\textsuperscript{79}Köküsarı (2015), 200. 
\textsuperscript{80}See. \textit{Golder v. United Kingdom}, no. 4451/70, Commission decision of 21 February 1975. 
\textsuperscript{81}\textit{Golder v. United Kingdom}, separate opinion of judge Verdross. 
\textsuperscript{82} \textit{Sunday Times v. United Kingdom}, no. 6538/74, § 46-50, Commission decision of 26 April 1979.
Secondly, a norm cannot be regarded as a "law" unless it is formulated with sufficient precision to enable the citizen to regulate his conduct:... Those consequences need not be foreseeable with absolute certainty..."\(^{83}\)

Interestingly enough, the Court pointed out in a few cases\(^ {84}\) the legal certainty is hidden in all the Articles of the Convention while it has reiterated in many cases the principle of legal certainty is one of the indispensable part of the rule of law principle.

4. THE CASES IN TERMS OF MATTERS ON LEGAL CERTAINTY

4.1. Finality of Court Decisions:

There are three requirements to achieve and protect the finality of judgments in consideration of the cases of ECtHR: ‘not to remain the matter in question’, ‘fulfilling final judgment’, and ‘not to re-examining the matters determined by final judgment’.

4.1.1. Not to Remain the Matters in Question

The Court reiterated in many cases concerning legal certainty that national courts have to solve the matter in dispute finally and do not have to leave in question matters. In the case of Brumarescu v. Romania\(^ {85}\), the Court noted the national courts should solve finally in questioned issue in the case. Toward the objection on six mounts rule in several cases, the Court declared that this rule serves to prevent domestic decisions and questions continually remain open\(^ {86}\). This consideration demonstrates that courts have to complete disputes in the cases materially and procedurally.

In a case, the Court concluded that not being able to reach a decision in a case did not comply with legal certainty, because plaintiff should be able to have a

\(^{83}\)Sunday Times v. United Kingdom, no. 6538/74, § 49, Commission decision of 26 April 1979.

\(^{84}\)Zolotas v. Greece (No. 2), 66610/09, 29/01/2013; Nejdet Şahin and Perihan Şahin v. Turkey, no. 13279/05, § 56, 20 October 2011; Stanković and Trajković v. Serbia, 37194/08, 37260/08, § 40/iv, 22 December 2015.

\(^{85}\)Brumarescu v. Romania, no. 28342/95, § 61, 28 October 1999; Driza v. Albania, no. 33771/02, § 64, 13 November 2007.

\(^{86}\)El-Masri v. the Former Yugoslav Republic of Macedonia, 39630/09, § 135, 13 December 2012; See also Pashov and Others v. Bulgaria, no. 20875/07, § 42, 05 February 2013.
final determination\(^87\). Also, the Court approached the legal certainty principle in the context of review powers of higher courts and pointed out that appealing courts have no power to put new considerations and determinations of a case during the reviewing\(^88\).

### 4.1.2. Fulfilling Final Judgment

The Court regarded as that implementations of administrative authorities that are not comply with the final judgment of a court breach the legal certainty. In that case, the Court held that the Bulgarian Ministry of Economy did not fulfill final judgment of Burga’s Regional Court determining compensation instead of restitution of land\(^89\). Also, for the Court the fact that the government did not enforce final judgment impairs with applicant’s legitimate expectations\(^90\). In the context of the finality of the judgments, the Court stressed in the case that government authorities have no power to reject and claim that the final judgment is incorrect or contrary to the law\(^91\).

For the Court, the finality of judicial judgment in the terms of legal certainty has two aspects: ad rem and ad persona. The first aspect concerns the parties has no right to retrial and review the final judgment and the second aspect embodies that courts have no power to put fresh consideration during the reviewing\(^92\). In the some other case related to Bulgaria, the Court rejected the claim about violation of legal certainty in the context of ad rem and ad persona. The Court concluded that even District Court did not examine the main issues raised between parties in the first instance court so it has not violated legal certainty and the Convention\(^93\).

The Court correlated with finality and enforceability of judgments and pointed out that unenforceable judgment in the current case eliminates finality of judgment and legal certainty. In this case, the decision held by Municipal Court of

---

\(^{87}\) *Marini v. Albania*, no. 3738/02, § 121-123, 18 December 2007.

\(^{88}\) *Vrioni and Others v. Albania*, no. 2141/03, § 53, 24 March 2009.


\(^{90}\) *Nedelcheva and Others v. Bulgaria*, § 69.

\(^{91}\) *Hadzhigeorgiev v. Bulgaria*, § 68.


\(^{93}\) *Ilieva and Others v. Bulgaria*, no.17705/05, § 36-42, 03 February 2015.
Bosnia and Herzegovina was unable to enforce and it left the case in question\textsuperscript{94}. In a similar vein, the Court finds the fact that execution of final judgment is delayed for three years and that government did not take required measures to enforce the verdict may infringe the legal certainty and right to fair trial\textsuperscript{95}.

4.1.3. Not to Re-Examining the Matters Determined by Final Judgment

It means that matters determined by final judgment of courts must not be subject to new or second trial. For example, in the case of\textit{Chengelyan and others v. Bulgaria}, the Court concluded that Bulgarian Courts examined two times the same matter in which parties are same, so the judgments of Bulgaria Courts breach the principle of legal certainty and the right to fair trial of the Convention\textsuperscript{96}.

The court stated in several cases that the requirements of legal certainty is not absolute and can be departed from it if circumstances impose the contrary\textsuperscript{97}. As pointed out by the Court, justice and legal certainty conflict each other in the same of specific situation, such as motion for retrial in the case of arising out the fresh evidences that do not exist in the former proceeding. In fact, the finality of judicial decisions (res judicata) requires to determine but not to review again the matters of the case in order to carry out the legal certainty. However, when new and fresh evidence showed up after final judgment, relevant parties can apply courts to retrial it for re-establishing the justice. That conflicts between the legal certainty and justice show that there are some unique cases in which legal certainty can be sacrificed for the justice.

4.2. Time Limits for Judicial Transactions

Time limiting should not be interpreted by domestic courts in the way that prevents applicant’s appeal. Otherwise this kind of interpretation would be contrary with effective judicial remedy right\textsuperscript{98}.

\textsuperscript{94}Dukic v. Bosnia and Herzegovina, no. 4543/09, § 31-33, 19 June 2012.
\textsuperscript{95}Pini and Others v. Romania, 78028/01, 78030/01, § 177-187, 22 June 2004.
\textsuperscript{96}Chengelyan and others v. Bulgaria, no. 47405/07, § 31-38, 21 April 2016.
\textsuperscript{97}Xheraj v. Albania, 37959/02, § 52, 29 July 2008; Ryabykh v. Russia, 52854/99, § 52, 24 July 2003.
\textsuperscript{98}Demerdzhi and Others v. “The Former Yugoslav Republic of Macedonia”, 19315/06, § 25-27, 10 June 2010; Fetaovski v. the former Yugoslav Republic of Macedonia, no. 10649/03, § 37-41, 19 June 2008.
In another case, Court held that statutory time-limit on bringing suit serves legal certainty and that in current case applicant’s right of access to court did not violated because legal rules during the Bosnia and Herzegovina civil war enabled the applicant to access courts.

As the Court has noted in several cases, the six months limit to apply the ECtHR provides legal certainty as well.

4.3. Inconsistence Decisions Made By Same Court on the Same Issue

The Court refers that there are three elements of assessing whether a decision is inconsistent and contrary the principle of legal certainty or not under the Article 6 of the Convention. These are respectively: “1) the existence of ‘profound and long-lasting divergences’ in the relevant case-law; 2) whether the domestic law provides for a mechanism capable of removing the judicial inconsistency; and 3) whether this mechanism was applied and, if so, what were the effects.” The Court noted, in another case, different interpretations of a rule by courts in the case law give rise to a person gains benefits while another does not gain on the basis of a rule. It is, also, pointed out unpredictable changes that are violating legitimate expectation in the case law cause legal uncertainty.

Besides, the Court accepted inconsistence decisions made by supreme courts on the same issue (or in the parallel proceeding such as civil and administrative chambers) breach the legal certainty principle.

---

100Mocanu and Others v. Romania, 10865/09, 45886/07, 32431/08, § 258, 17 September 2014; Varnava and Others v. Turkey, 16064/90 16065/90 16066/90..., § 156, 18 September 2009.
101Balažoski v. the Former Yugoslav Republic of Macedonia, § 32-33.
102Balažoski v. the Former Yugoslav Republic of Macedonia, no. 45117/08, § 30, 25 April 2013; also Spaseski and Others v. the Former Yugoslav Republic of Macedonia, 15905/07, under The Law section, Chapter A, 1 b, 27 September 2011. The Court also stated in the many cases that Contracting States are obligated to ensure a mechanism in their legal systems to prevent inconsistent decisions (see. NejdetŞahin and PerihanŞahin v. Turkey, no. 13279/05, § 55, 20 October 2011; Vrioni and Others v. Albania, no. 2141/03, § 58, 24 March 2009; Brezovec v. Croatia, no. 13488/07, § 66, 29 March 2011; Brezovec v. Croatia, no. 13488/07, §66, 29 March 2011).
103Beian v. Romania, no. 30658/05, § 31-40, 06 December 2007. See. also, Tudor Tudor v. Romania, no. 21911/03, § 27, 24 March 2009.
104Păduraru v. Romania, no. 63252/00, § 111, 01 December 2005.
According to the Court, vagueness of the law that sets out the starting point of arresting and different interpretation of the same provision breach the principle of legal certainty in the given case\textsuperscript{106}.

Essentially, as the Court point out in many cases, legal certainty in the case law is not indispensable rule that gives an acquired right to ask consistence decision\textsuperscript{107}. Although the Court has many cases emphasizing the importance of consistent and stable decisions at the national level, it also notes that the stability of the case law of national courts has not provided vested rights for the applicants because the case law should have dynamism to adapt new and radical social changes\textsuperscript{108}.

The consistency of the cases definitely means neither cases should stand firm forever nor change in such way individuals can not follow as behavior guide\textsuperscript{109}. In the other words, neither precedents are divine nor as unimportant as that can be disregarded\textsuperscript{110}. The determining of consistency in case law depends on several variables such as ‘period between cases’, ‘topic of cases’ and ‘social needs’.

The Court, existing of many different considerations among courts in the proceedings on whether ‘building permit’ consisting merits of the case is valid or not as conflicting legal certainty idea, regarded as conflicting legal certainty idea\textsuperscript{111}. The Court, particularly, emphasized that conflicting decisions created by chamber of cassation courts violate the principle of legal certainty\textsuperscript{112}. So indeed, inconsistence decisions created by both first instance and higher courts in the same issue extremely infringe legal predictability and legal certainty.

\textsuperscript{106} Delijorgji v. Albania, no. 6858/11, § 70-74, 28 April 2015.

\textsuperscript{107} Borg v. Malta, no. 37537/13, § 107, 12 January 2016; See also, Unedic v. France, no. 20153/04, §74, 18 December 2008.

\textsuperscript{108} Stanković and Trajković v. Serbia, 37194/08 37260/08, § 40/vi, 22 December 2015; Borg v. Malta, § 107.

\textsuperscript{109} Köküsarı (2015), 116.


\textsuperscript{111} Mullai and Others v. Albania, no. 9074/07, § 81-88 and 115, 23 March 2010.

\textsuperscript{112} Drizë v. Albania, no. 33771/02, § 64-65, 13 November 2007.
4.4. Incoherent Legislations

The Court, in the several cases, states legislative incoherence in the contracting states leads to legal uncertainty. In some of the cases, the Court focused legal certainty in terms of legislative and judicial consistency and emphasized the Contracting States have the responsibility to ensure a mechanism in their legal systems to increase legal certainty and consistency. In the case of Paduraru v. Romania, the Court concluded that inconsistent legislation leads to legal uncertainty and ambiguity for the people subject to the law.

4.5. Legal Certainty and Lawfulness as Limiting Condition of Liberties and Rights

Admittedly, the Convention laid down that any deprivation of rights and liberties has to embody condition of ‘prescribed by law’, that is, all rights and liberties might limit according to law, complying proper law making idea and legal certainty. Hence, as the Court stated in many cases, the phrase ‘prescribed by law’ means laws should be clear and precise to allow the person to predict consequences of norm and to know duties and powers, and prevent arbitrarily limitation of rights.

The Court has also stressed that any interference with human rights must be justified and lawful. According to the Court, the lawfulness of interference aims to prevent arbitrary restriction of human rights so the rules providing interference should be accessible and predictable. In the current case, the Court has concluded that title deed is the evident that ensures legal certainty cannot be disregarded by the national courts, and that applying the old Byzantine Roman law to the question in the current case, disregarding current Civil Code impairs legal certainty.

In this regard, the Court has considered that settled case law and administrative practices in contracting states can ensure the requirement.

113 Tudor Tudor v. Romania, no. 21911/03, § 27, 24 March 2009.
114 Beian v. Romania, no. 30658/05, § 31-40, 06 December 2007. See also, Tudor Tudor v. Romania, no. 21911/03, § 27, 24 March 2009; Păduraru v. Romania, no. 63252/00, § 111, 01 December 2005;
115 Păduraru v. Romania, no. 63252/00, § 99, 01 December 2005.
117 Vontas and Others v. Greece, 43588/06, § 34-43, 05 February 2009.
'prescribed by law'. If the applicants and citizens rely on this cases and practices, it should be remained by the state to ensure the legal certainty.\textsuperscript{118}

4.6. Frequently Amending Legislation

The Court has regarded that frequent changing of legislation, as well as inconsistent judicial decisions and ambiguous legislations, might give rise to lack of legal certainty.\textsuperscript{119} In the \textit{Manushaqe Puto and Others v. Albania} case, the Court stated that the property law changed by Albanian Government several times in the period of 2004 and 2010 breaches the legal certainty principle and the Convention\textsuperscript{120}. However, the period of amendment might vary from legislative area to another. For example, financial regulations, particularly tax-related matters and interest rates, can be amended more frequently because of the attitude of the market while criminal law and inheritance law need to less change. There is no certain and proper time period of the legislative amendment since amendment period of legislation depends on, inter alia, social and technological evolutions including subject of legislation.\textsuperscript{121}

5. CONCLUSION

The principle of legal certainty is theoretically one of the indispensable part of the rule of law despite the fact that the realization of it takes a long time. Many countries have domestic legal tools to realize it such as individual application to constitutional courts, bring suits to ordinary courts. After exhausting internal legal remedies, in international level, there is another way that is called individual application to ECtHR for contracting states of the Convention. Balkan countries have individual application to ECtHR as an international way too. ECtHR has held many decisions on legal certainty as a result of applications made by the citizens of the Balkan Countries. The Court has used the principle of legal certainty in the context of the right to fair trial (Article 6 of the Convention) in particular. However, in few cases, it has been pointed out the principle of legal certainty is implicit in all Articles of the Convention.

\textsuperscript{118}Canea Catholic Church v. Greece, no. 25528/94, § 40, 16 December 1997.
\textsuperscript{119}Manushaqe Puto and Others v. Albania, no. 604/07, 34770/09, 43628/07, § 110, 31 July 2012.
\textsuperscript{120}Manushaqe Puto and Others v. Albania, § 110.
\textsuperscript{121}See. Küküsr (2015), 104-110.
The case law of ECtHR on legal certainty in the Balkans shows us the number, reasons and kinds of the violations concerning legal certainty. The principle of legal certainty in the context of the case law of ECtHR contains following issues: ‘time limit in the proceeding and other legal processes, ‘inconsistency of judicial decisions and legislations’, ‘incoherent legislations’, ‘enforceability and finality of judicial judgments’ and ‘not to leave in question the matters by courts’. These fields of the legal certainty have examined by the Court in the cases brought by another countries’ citizen as well as Balkan countries.

My last consideration about the cases on legal certainty of ECtHR is that Romania, Bulgaria and Macedonia has kept leading position in terms of the number of cases held against them on legal certainty while there are relatively fewer cases about Bosnia and Herzegovina, Greece, Serbia.

REFERENCES
ABSTRACT

This study examines Malaysian commitment in the United Nations Peacekeeping Operation (UNPKO) from 1960-2009. Library research, field work, content analysis and interviews were among the methods used. This study argues that Malaysia had used UNPKO to build and consolidate its middlepowermanship aspiration. Evidently, it was poised to help Malaysia steadily create and retain its considerable soft power and international prestige so integral to its sustained quest for a non-permanent member seat in the UN Security Council, among other things. These, in turn, can be traced to identical Malaysian elites perception, of which common political base has been in power since 1957. In more ways than one, this helps to underscore; (1) the overriding influence of systemic imperatives and (2) the paramount significance of intervening variables in affecting multilateralism (UNPKO) of the prevailing international system. For future research, this study suggests a comparative analysis of countries with virtually similar characteristics vis-a-vis their commitments to UNPKO.

Keywords: United Nations, Peacekeeping, Malaysian Elites, Middlepowermanship.
Some say to be a big frog in a small pond is no great achievement, but we have proven that even a little frog in a big pool can thumb its nose at the largest, most powerful toad....there is no need to toady to the powerful.

(Mahathir Mohamad, 2011)

1. INTRODUCTION

The study begins with deliberation on Malaysia’s aspiration of middlepowermanship with a special focus on its activism in UNPKO. The time framework covers the eras of five Malaysia’s prime ministers (1960-2009). 1960 was the year the first Malaysia’s UNPKO was deployed – under the first prime minister - while 2009 was the latest Malaysia’s UNPKO deployment - under the fifth prime minister. The term of the current sixth prime minister is still ongoing since 2010. As such, the study limits its scope up to the fifth prime minister’s era only i.e. 2009.

Primarily, the study analyses the role of the country’s elite perception in inventing, substantiating and sustaining such an middlepowermanship aspiration. Such a role was visible in those decision-making processes involving the related intermediate-level of the politico-military institutions. Central to such an aspiration is the elite’s perception of the state’s relative power vis-à-vis the international system and the state’s material and physical resources. This is important because a power analysis has to rely on the strength and structure of states relative to their societies which, in turn will subsequently determine how much or how little the national resources the elites can appropriate from and allocate to for a certain policy of their choice (Rose, 1998).

All these, however, do not exclude the role of systemic pressures and incentives which ‘may shape the broad contours and general direction of a state’s foreign policy’ (Rose, 1998). In other words, Rose (1998) also described the influence of systemic factors is independent of distance and presence, close or otherwise. More often than not, the elites are usually conscious and well-aware of such a pressure, for example, in significantly limiting the menu of foreign policy choices that they can consider and take at a particular time. For all these reasons, it is only crucial to understand the triumvirate relationship between middlepowermanship, the elites perception of relative power (elites perception)
and Malaysia’s UNPKO - as part of the larger contexts within which the state’s foreign policy are formulated and implemented.

2. DISCUSSION

2.1 Middlepowermanship

Broadly defined, major powers refer to states with an extensive foreign policy agenda, a wide range of international interests, the ability to project power globally, and to be recognized for it. According to Levy and Jack (1983) and Krause and Singer (as cited in Reiter and Gärtne, 2001, p.15), Russia and France fit the bill. Subsequently, middle powers are resource-rich and have a moderately high level of military capability and hardware such as Australia and Canada. Specifically, Johan Saravanamuttu (2010, p. 331) defined the middle powers as ‘those which by reason of their size, their material resources, their willingness and ability to accept responsibility, their influence and stability are close to being great powers’. According to Riddell (as cited in Wood, n.d., p. 7) small powers, on the contrary, are states with limited diplomatic and material resources which confine them to giving more priority on the protection of territorial integrity than the pursuit of global objectives (Krause and Singer as cited in Reiter and Gärtne, 2001, p.16). Malaysia, Brunei and East Timor can be assumed as small powers.

UNPKO dovetails a state’s effort for enhanced global influence, global leadership, global systemic changes, global concerns, global conflict resolution and extensive multilateralism. It represents certain values with universal reach. It also embodies values like social order, national security, stability of society, world at peace, social justice, protection for the welfare of all people international security and social justice Feldman (2003). Of course, emphasis on values change over time. And since change is constant, for the sake of argument, a state's values are taken to be as the conscious representations of guiding principles. In addition, McClelland (1975) as cited by Winter in Sears, Huddy and Jervis (2003, p.128) argued it is by no means to say that only certain category of power (states), for example, middle powers posses these values. But, what makes these countries significantly apart from other states is their rigorousness in pursuing those in the international stage.
There are much smaller but richer states like Brunei, Qatar, Oman, and United Arab Emirates. Yet, these countries have not converted their rich resources into hard power. They appear to be more content with providing, as an instance, financial support than leadership for international commitments for which, the middle powers are commonly associated with. A good illustration of that will be Brunei’s financial support for Malaysia’s 400-strong contingent in Lebanon (UNIFIL). Since the UN only reimburses up to 60% of equipment provided by Malaysia, Brunei’s financial support substantially eased the latter’s financial constraints. In return, Brunei embedded 30 of its military personnel with Malaysian contingent albeit with different surveillance activities (Chiyuki Aoi and Yee-Kuang Heng, 2014, pp. 154-157).

These 30 Brunei peacekeepers were the largest Brunei’s contingent to UNIFIL since it began participating in it in 2008 (The Brunei Times, 2016). By convention, in terms of financial strength, Brunei was more than capable of sending more peacekeepers. Its Gross Domestic Product (2006-2010) was USD39,151.20. Malaysia’s, on the other hand, for the same period, stood at USD10,973.70 (World Bank, 2010, p.195). However, either because of Brunei’s lack of hard power or some other reasons of its own, Brunei’s participation in UNIFIL did not match or more than Malaysia’s. In fact, for the past fifty years, Malaysia’s UNPKO participation appears to have been more active and extensive than Brunei’s. Nevertheless, peacekeeping alone can not constitute a country’s *middlepowermanship*. However, being a middle power certainly requires one to be active in international peacekeeping operations as in the likes of Canada and Australia. True to form, Malaysia’s activism in UNPKO bodes well with Malaysia’s aspirations for *middlepowermanship* – akin of a small state with a seemingly middle power capability to consistently contribute, materially and morally, to the UNPKO (Johan Saravanamuttu, 2010, p. 195). So far, from 1960-2010, Malaysia had recorded a 57% UNPKO participation (33 out of 65). As a comparison, for the same period and numbers of UNPKO, both Canada and Australia had roughly recorded a 58% (35 out of 60) and 52% (31 out of 60) (Canadian Soldier, n.d.). These two countries, for example, generally considered as middle powers are much more renowned for their political influence than their military and economic might. One of the reasons being, as Nye Jr (2002) puts it, is due to the the inclusion of attractive causes like economic aid and peacekeeping, among others, as part of these countries' definiton of national interests representative of their national values, among others.
Indeed, the pursuit of universal values such as international peacekeeping and humanitarianism are vital for a state aspiring for *middlepowermanship*. As such, Malaysia’s five decades of UNPKO, apart from the pursuit of the universal values, had demonstrated the characteristics, visions, missions, and statecraft befitting that of middle powers as in the likes of Canada (Homes, 1979; Cox, 1996; Nossal and Stubs, 1997; Mustafa, 2007). For that reason, peacekeeping and the ensuing *middlepowermanship* have brought into prominence and consolidated two important upshots of Malaysia’s *middlepowermanship* which include; (a) soft power and (b) international prestige.

### 2.1.1 Soft Power

Soft power is not a monopoly of a *middlepowermanship*. In a 2010 ‘Soft Power Index Results’, developed by the British Institute of Government, the top four rankings were occupied by France, United Kingdom, United States of America and Germany. Traditional peacekeepers like Australia took the 8th, Canada 13th and Norway 14th. In 2012, the same major powers remained in the top four. However, middle powers like Canada and Norway respectively moved up 10th and 12th. However, Australia was down to 9th. Malaysia was ranked 37th with Indonesia at 40th (The New Persuaders, 2010 & 2012). However, central to a *middlepowermanship* is the use of soft power. As opposed to hard power such as military hardware, soft power cannot be physically stored and utilized right away. Even then, it takes many years to be built but less to lose one.

Inherently, soft power is a relative and intangible concept that depends on the ‘ability to get others to want what you want’ (Nye Jr, 2002). It is a circumstance in which one affecting the behavior of others so much so that all end up wanting the same thing, voluntarily. On one hand, Nye Jr (2002) also mentioned hard power, by forceful means induces or threaten others. Soft power, on the other, uses one’s own preferences to be willingly joined by others. It attracts, not coerces. It is a form of power that is essentially co-optive not commanding. Nye Jr (2002) asserts, ‘It is the ability to entice and attract. And attraction often leads to acquiescence or imitation’. It consequently makes the country’s foreign policy appear to be legitimate and therefore justifiable in the eyes of the international community. On a whole, soft power can be summed as ‘the national resources that can lead to a country’s ability to affect others through the co-optive means of framing the agenda, persuading, and eliciting positive
attraction in order to obtain preferred outcomes’ (Nye Jr, 2011). Invariably, a state with *middelpowermanship* criteria is well-known for its soft power and the ensuing capacity to provide a form of international leadership.

### 2.1.1 Soft Power: Malaysia’s Election As Non-Permanent Member of the UNSC

Malaysia’s military and economy figures pale in comparison even with its much smaller neighbor, Singapore. But, despite Singapore’s superior economy and military standing, Singapore had so far been elected only once as a non-permanent member of the UN Security Council i.e. 2000-2001 (United Nations Security Council, n.d.). Understandably, it can be attributed to among others, Singapore putting more attention on other international priority. The high costs for bidding the membership should also be factored in. Nevertheless, Malaysia’s election in 2014 – for the fourth time - had in more ways than one, validated Malaysia’s soft power. Previously, Malaysia held the seat thrice in 1965 (shared split-term with Czechoslovakia), 1989-1990 and 1999-2000 (Razali Ismail, 2014, p.17). There are ten non-permanent members of the 15-members in UNSC. Five seats are reserved for the permanent members i.e. the US, China, France, Russia and Britain.

In addition, for this one particular candidacy, Malaysia took thirteen years to lobby the support i.e. 2001-2014 (Malaysian Digest, 2014). Besides, Malaysia was the sole candidate from the Asia Pacific Group as opposed to Western European and Others Group which could not decide from Zealand, Spain and Turkey for the two seats designated for the group. Being a sole candidate can principally be taken to be suggestive of the extent of the Malaysia’s influence – at least in its group – for the UNSC seat. Besides, Malaysia’s candidacy also won the unanimous endorsement of the Association of Southeast Asian Nations (ASEAN) and the Middle Eastern grouping of the Gulf Cooperation Council (GCC). To put that into perspective, ASEAN has 10 member-countries while the GCC has six major gulf oil-producing countries of the Middle East. More or less, the support

---

122 Among others, Singapore commands air force superiority over Malaysia. The former has 102 combat capable aircrafts in contrast to the latter’s 63. Singapore Air Force boasts 60 F-16C Aircraft which Malaysia does not have. As cited in Johan Saravanamuttu, *Malaysia’s Foreign Policy, The First Fifty Years: Alignment, Neutralism, Islamism*, ISEAS, Singapore: 2010, p. 331

123 Angola was also the sole candidate for the Africa Group while Venezuela for the South America’s.
suggests that Malaysia had essentially earned the recognition of being an important member of international organizations such as ASEAN. In addition to it, Malaysia’s command of a seemingly considerable level of soft power had also brought about its appearance in mediatory role in international stage. For example, in 1980, Malaysia’s expertise was sought as a member of International Islamic Peace Committe (IPC) to deal with Iran-Iraq war, in 1986 to facilitate readmission of Egypt into OIC following its expulsion after signing David Camp Acords with Israel in 1978 and in 1987 to find amicable resolution for Pakistan-India conflict (Shanti Nair, 1997).

Although not all of these appointments resulted in the desired manners, the fact remains that Malaysia’s expertise and influence were sought and called upon by the international community. Consequently, they should as well be representative of Malaysia’s global standing in international politics. Still, notwithstanding the outcome, Malaysia’s four times membership of UNSC and the correlated global endorsements and appointments, to a considerable extent, can be generally taken to be part of the positive indication of Malaysia’s markedly level of soft power.

2.1.2 International Prestige

Based on Malaysia’s membership of UNSC, cross-checked with its UNPKO, this study is able to come up with the following.

<table>
<thead>
<tr>
<th>Year Terms</th>
<th>Number of Malaysia’s UNPKO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965 (split with Chechoslovakia)</td>
<td>1 @ 1960</td>
</tr>
<tr>
<td>1989-1990</td>
<td>2 @ 1988 &amp; 1989</td>
</tr>
<tr>
<td>2000-2001</td>
<td>19</td>
</tr>
<tr>
<td>2014-2015</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>33 Malaysia’s UNPKO</td>
</tr>
</tbody>
</table>

The table indicates a number of possible propositions. Among others, it shows that Malaysia’s first membership in UNSC in 1965 may be attributed to its
maiden UNPKO in 1960. In some ways, it could be taken to be as a reward by UN member states (and therefore the major powers’ endorsements) for Malaysia’s participation in ONUC. However, it might very well be unrelated whatsoever. Having said that, it can probably be related to Indonesia’s armed confrontation from 1965-1966 against the proposed formation of Malaysia in 1963. Interestingly, in the same year i.e. 1965, Malaysia was elected a non-permanent member of UNSC. Indonesia was not a member of UNSC due to its anti-UN stance for supporting the formation of Malaysia.

Malaysia’s membership then could as well be seen as indication of Western power’s support (Britain) for the formation of Malaysia which, among other things, meant to prevent the spread of communism (supported by Soviet Union) in Southeast Asia. In order to support its case, Malaysia smuggled in map and weapons seized from Indonesia’s commandos infiltrating Malaysia and showed them to UNSC members during their meeting. With such physical evidence, Malaysia won the support of some of the major powers and a sizeable numbers of states (Razali Ismail, 2014). Such a support then in part helped weaken Indonesia’s campaign. The following year, in 1966, Indonesia ended its military campaign against Malaysia. Subsequently, it can be stated that Malaysia had experienced how effective and useful being a member of UNSC from its maiden experience. Being a small power, Malaysia realized that it could as well pursue its national interests and protect its territorial integrity, apart from other defence and security treaties and arrangement such as FPDA, via being a member of UNSC. A small power can appear to be relatively influential and reliable in international sphere via its membership in UNSC, which is the most important body of the UN. Following that up, Malaysia began to consider being active in UNPKO, along with its other international and regional commitments, as one of the ways to build and enhance its prestige and thus its middlpowermanship aspiration.

However, due to the systemic constraints of the Cold War, Malaysia’s activism in UNPKO began to be noticeably in the post-Cold War era. Consequently, there were only two Malaysia’s UNPKO during the Cold War. Yet, it did help Malaysia to be elected for the second time into UNSC for the term of 1989-1990. Unarguably, in the post-Cold War, Malaysia’s UNPKO reached its peak. Malaysia’s third membership of UNSC for the 2000-2001 term came on the back of 19 Malaysia’s UNPKO in a 10 year period (1990-2000). The highest ever in Malaysia’s peacekeeping history. As aforementioned, the numbers, to some
extent, did affirm the relevance and prevalence of the international system to Malaysia’s UNPKO.

For the fourth membership, it came at the back of 11 Malaysia’s UNPKO. Evidently, UNPKO proved to be vital for Malaysia’s offering its candidacy for election to a non-permanent seat (the fourth time) on the Security Council for the term 2015-2016. It won the election alongside Angola, New Zealand, Spain and Venezuela (UN News Centre, 2014). The win generally spoke volume of Malaysia’s international prestige as a ‘key variable in the international calculus of power politics’ (Paridah Samad, 2008, p. 98). Just in as much as it spoke volume of Malaysia’s yet again good standing in the area of global peace and security (New Straits Times, 2014). Indeed, UNPKO has always been recognized as one of the most important pillars of global governance. Hence, Razali Ismail (2014) mentioned that a country’s activism in this regard will usually prove to be instrumental to make it into UNSC. A seat in UNSC is considered as a significant diplomatic accomplishment because being in accord members with a few distinct advantages. First and foremost, it enables the members to get the attention of the major powers and vice versa. It is here a member is able to have the most impact on various special interests and international issues, especially those which concern the member the most (Razali Ismail, 2014). In essence, it is about a member, no matter how small, having the opportunity and space to project a much credible, effective voice in the world stage (Malaysian Digest, 2014). More often than not, a member may either advance or frustrate a resolution of particular matters.

UNSC is basically the most important organ of the UN. Apart from making key decisions on crucial matters such as international sanctions, war and peace, UNSC also holds the prerogative power over UNPKO. As such, being a member of UNSC and therefore part of its decision – notwithstanding the member’s weight of role and vote - does result in it being seen as partly responsible for UNSC’s decisions. Hence, to some extent, being a member of UNSC may also cause attrition in a state’s foreign relations with other states (Patil, 1992). In 1965, Pakistan terminated its diplomatic relation with Malaysia as a measure of protest over what it considered as Malaysia’s doubtful impartiality in Pakistan’s conflict against India over Kashmir (Razali Ismail, 2014). The diplomatic relation was however restored a year after.
During Malaysia’s second membership of the UNSC from 1989-1990, Razali Ismail (2014) mentioned Malaysia aggressively advanced the Bosnian cause, apart from Middle Eastern’s and Palestine’s. At the height of the Bosnian conflict, Malaysia’s Permanent Mission office in the UN, New York became the main venue for the Bosnians to pursue their cause in the UN. Most UN resolutions on Bosnia were then drafted and prepared in the Malaysian office. When the UN eventually authorized a peacekeeping operation (UNPROFOR: 1993-1995) to Bosnia, Malaysia sent the biggest contingent (Mahathir Mohamad, 1995; Johan Saravanamuttu, 2010). Malaysia’s support of the Bosnian cause could serve as another proof of how a UNSC member could play its role in international matters. It could as well represent a measure of certain level of soft power and international prestige a UNSC membership might accord a state with. Invariably, by joining the UN peacekeeping operations in war-torn conflict countries, Malaysia has been implicitly exporting one invisible product, that is security (Leow Foo Chang and Dillon Mejoh, 1994). Therefore, equating Malaysia with security or vice versa is vital. It has almost practically become one of the key sources of Malaysia’s international prestige and accordingly, its international influence. Alternatively, being a regular contributors to UNPKO also bears a testimony of Malaysia’s longstanding reputation as a responsible member of the international community, particularly in the context of international peace and security (Leow Foo Chang and Dillon Mejoh, 1994).

Most importantly, Malaysia had experienced first-hand benefits of its being within UNSC as a non-permanent member. Not only had it helped to secure its political and territorial survival, it had also brought Malaysia closer, in desired terms and manners, to the centre of world power and thus centre of international attention. This too could have as well encouraged Malaysia’s activism in UNPKO so crucial to its middlepowermanship aspiration and thus its command of soft power and international prestige.

3. ELITE PERCEPTION

At its most basic, a state’s relative power and its subsequent place in the international system determines its foreign policy (Ümrân Üçbaş, n.d.). However, determining the policy is eventually the responsibility of the state’s elites. In general, the material capacity of a state does not necessarily pre-condition its international action and reaction to systemic imperatives which could account for
among the reasons why states with grossly similar structures and relative power behaving differently in international relations. In view of that, Ümran Üçbaş (n.d.) also mentioned by playing mediating role in utilizing a state’s relative power, the political leaders and elites’ perceptions of power can be suggestively more important than the actual power of a state. State power, on the other hand, can be taken to be a state’s ability to extract or mobilize resources as determined by its institutions as well as nationalism and ideology, among other things (Rose, 1998).

3.1 Malaysia’s Elite Perception

The ruling political party, Barisan Nasional (or formerly known as Parti Perikatan) has been in power since 1957. And so has the core and epicentre of the Malaysian leadership. It is virtually a domination of a small circle of elites and accordingly by the corridors of power within the ruling party (Ahmad Kamil 2014; Nair 1997; Ott 1971; Rajmah 2009; Saravanamuttu 2010). The elites and therefore their perception (and values), is considered to have exerted most significant impact upon Malaysian policy, domestic and external, as opposed to other factors that include, among others, historical influences, resource environment and human environment (Marvin, 1971). They are so important that ‘the values and perceptions of these individuals have been the most single determinant of policy’ (Ahmad Kamil Jaafar, 2013).

The dictum of international relation states that a state’s foreign policy is always the extension of its domestic policy. Subsequently, the objective of the foreign policy of any state, just as it is with Malaysia’s, is more or less premised on the necessity to safeguard and promote its national interests that without doubt draw a salient parallel with public interests (Ahmad Kamil Jaafar, 2013). Being a small, multi-racial, multi-religious country that is easily vulnerable to racial flare-up, Malaysia takes communal unity seriously. It feeds on stability and progress by adopting policies based on the principles of moderation and compromise that can contribute towards mediation efforts and the prevention of conflicts so instrumental in the pursuit of international peace, security and prosperity (Najib Abdul Razak, 2015). Accordingly, Malaysian public interests (unity) have to be founded on strong communitarian and normative values. Being communitarian, notes is being ‘sensitive to moral obligations expected of the members of the international community’ Ahmad Kamil Jaafar (2013). As such, the upholding and therefore the extension of Malaysian communitarian values help greatly in
explaining its notable participation in international humanitarian disaster relief and, more specifically, UNPKO across the world.

3.1.1 Malaysia’s Prime Ministers (1960-2010)

The analysis of Malaysia’s elite perception vis-a-vis peacekeeping, hence, should revolve mainly around the Prime Ministers. In congruent with the time framework of this study i.e. Malaysian peacekeeping (1960-2009), succinct analysis (with special focus to Malaysian peacekeeping) of the premierships of Tunku Abdul Rahman Putra, Tun Razak Hussein, Tun Hussein Onn, Tun Dr. Mahathir Mohamad and Tun Abdullah Ahmad Badawi are in order. Equally important are views and perceptions of other elite members of the administration such as former Foreign Minister like Syed Hamid Albar whose views were also taken noted of in the subsequent sections, wherever applicable. This is to be followed by a study of Malaysia’s ‘politico-military institutions’ which include mainly the Prime Minister Department, Ministry of Foreign Affairs and Ministry of Defence. A summary of Malaysia’s UNPKO during each of the prime ministers is as follows;

Table 2: List of Malaysia’s UNPKO According to the Prime Minister

<table>
<thead>
<tr>
<th>PRIME MINISTER/PREMiership</th>
<th>UNPKO / YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Tun Abdul Razak 1970-1976</td>
<td>-</td>
</tr>
<tr>
<td>3. Tun Hussein Onn 1978-1981</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2. UNTAG Namibia 1989 – 1990</td>
</tr>
<tr>
<td></td>
<td>3. UNSOGI Iraq 1990-1991</td>
</tr>
<tr>
<td></td>
<td>4. UNIKOM Iraq/Kuwait 1991-2003</td>
</tr>
<tr>
<td></td>
<td>5. MINURSO Western Sahara 1991-present</td>
</tr>
<tr>
<td></td>
<td>6. UNAVEM II Angola 1991-1995</td>
</tr>
<tr>
<td></td>
<td>7. UNAMIC Cambodia 1991-1992</td>
</tr>
<tr>
<td></td>
<td>8. UNPROFOR Bosnia 1992-1995</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>11.</td>
<td>UNOSOM II Somalia 1993-1995</td>
</tr>
<tr>
<td>12.</td>
<td>UNOMIL Liberia 1993-1997</td>
</tr>
<tr>
<td>13.</td>
<td>UNASOG Libya/Chad 1994</td>
</tr>
<tr>
<td>15.</td>
<td>UNMIBH Bosnia 1995-2002</td>
</tr>
<tr>
<td>16.</td>
<td>MONUA Angola 1997-1999</td>
</tr>
<tr>
<td>17.</td>
<td>UNMIK Kosovo 1999-present</td>
</tr>
<tr>
<td>18.</td>
<td>UNAMSIL Sierra Leone 1999-2005</td>
</tr>
<tr>
<td>19.</td>
<td>UNTAET East Timor 1999-2003</td>
</tr>
<tr>
<td>20.</td>
<td>MONUC Congo 1999-2000</td>
</tr>
<tr>
<td>21.</td>
<td>UNMEE Ethiopia and Eritrea 2000-2008</td>
</tr>
<tr>
<td>22.</td>
<td>UNMISET East Timor 2002-2005</td>
</tr>
<tr>
<td>23.</td>
<td>UNMIL Liberia 2003-present</td>
</tr>
<tr>
<td>24.</td>
<td>UNSGRC Cambodia 1994-1995</td>
</tr>
<tr>
<td>25.</td>
<td>UNMLT Cambodia 1993-1994</td>
</tr>
</tbody>
</table>

5. Tun Abdullah 2003-2009

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>UNMIN Nepal 2007 – present</td>
</tr>
<tr>
<td>2.</td>
<td>UNMIT Timor Leste 2005-2012</td>
</tr>
<tr>
<td>3.</td>
<td>UNOB Burundi 2004-2006</td>
</tr>
<tr>
<td>4.</td>
<td>UNIFIL Lebanon 2007 – present</td>
</tr>
<tr>
<td>5.</td>
<td>UNMIS Sudan 2009 – 2011</td>
</tr>
<tr>
<td>6.</td>
<td>UNAMID Sudan/Darfur 2009 - present</td>
</tr>
</tbody>
</table>

Source: Malaysia’s Defense Policy), 2010 and UN List of Peacekeeping Operations 2012

Tunku Abdul Rahman (Tunku) was the first Prime Minister of Malaysia and the first Minister of Foreign Affairs (then Ministry of External Affairs). Throughout his administration, Tunku used to have only one foreign minister i.e. Tun Dr. Ismail Rahman (1959-1960). Under Tunku, Malaysian foreign policy was overtly pro-West and anti-Communism (Shanti Nair, 1997). That Tunku's favouring the Western bloc and anti-Communism can be related to his personal outlook on world events, Communism insurgency in Malaysia and his British upbringing (Ramjah Hussain, 2009). Such a foreign policy posture, shaped by the elite ideology, of Western ideals and practices principles was translated into close alignment with the Western bloc nations in various international forums, especially in the UN (Paridah Samad, 1998).

Accordingly, Tunku welcomed the UN’s request for Malaysia to contribute troops in the latter’s peacekeeping operation in Congo (ONUC; 1960-1963). Despite being a relatively new country, ravaged by its own internal war against the local Communist insurgents since 1948, Malaysia could have turned down the UN’s request. Tunku, on the contrary, agreed to join ONUC, believing that it was an opportune time for Malaysia as a member of the UN, to show and prove physically and morally of its commitment in the principle of international peacekeeping and in the spirit of the UN Charter itself (“Tunku Abdul Rahman Putra Al-Haj”, 2008). Malaysia was the 16th country to answer the call, and one of the few third world countries accorded with such an invitation to participate in global affairs. Furthermore, it needs to be stressed that since UNPKO is the prerogative of UNSC, therefore, when a country is ‘accorded’ with the opportunity to participate in an UNPKO – especially during the Cold War, it could have well indicated the invited country’s international stature, prestige and influence among and within the major powers within UNSC (“Tunku Abdul Rahman Putra Al-Haj”, 2008). It is also not a far-fetched assumption to argue that ONUC was also important for Malaysia for two reasons, at the very least. Firstly, it allowed Malaysia to gain the trust of most third world countries and secondly, it offered Malaysia the legitimacy of a sovereign, newly independent country (“Tunku Abdul Rahman Putra Al-Haj”, 2008).
During the era of the first prime minister, there were six UNPKO, including ONUC (1960-1964). They were UNSF (West New Guinea, 1962-1963), UNYOM (Yemen, 1963-1964), UNFICYP (Cyprus, 1964-present), DOMREP (Dominican Republic, 1965-1966), UNIPOM (India- Pakistan, 1965-1966). ONUC was the only UNPKO that Malaysia joined in Tunku’s time. While there had not been much discussion or literature on Malaysia’s non-participation in the other five UNPKO, it could well be attributed to the fact that Malaysia had already committed 3,500 of its forces in Congo (ONUC), which happened be running concurrently with three other UNPKO i.e. UNSF, UNYOM and UNFICYP. Apparently, being a small power, more so during the early years of its independence, Malaysia’s resources were understandably limited. Hence, it was only logical that Malaysia did not have the sufficient capacity nor the capability to join a number of UNPKO simultaneously. DOMREP and UNIPOM, on the other hand, began after the conclusion of ONUC in 1964. Malaysia also did not join these two. There were few probable reasons. Insofar, Malaysia has never turned down UN’s invitation to participate in UNPKO (Mahathir Mohamad, 2013). As such, it was presumed that the UN had not invited Malaysia to participate in those two UNPKO. Besides, Malaysia might have not indicated in any ways of its willingness to participate in those UNPKO too. Such an indication, usually come in the form of formal request, is an important factor prior to the UN extending its invitation for potential participant-countries for a certain UNPKO.

Besides, Malaysia was also grappling with domestic issues such as the Communist insurgency, Indonesia’s confrontation and the Philippine’s sovereignty claim over the Malaysia’s state of Sabah. Faced with these more pressing domestic issues, Malaysia might have, yet again, been resource-stricken and thus, better off directing and concentrating its resources internally more than it should for external ones. However, Kamarulnizam Abdullah (2014) mentioned despite participating only in ONUC, it had helped to build and reinforce the foundation of Malaysia’s subsequent activism in UNPKO so instrumental in maintaining the country’s status, prestige, visibility and international awareness in the international system in later years.


Like his predecessor, for most of his tenure, Tun Abdul Razak (Tun Razak) held both posts of the Prime Minister of Malaysia and Minister of External
Affairs except in the final year of his administration. From 1975-1981 (continued into Tun Huessein Onn’s premiership), Tengku Ahmad Rithaudeen was the Malaysian Foreign Minister. During Tun Razak’s premiership, Malaysia did not join any UNPKO, the reasons of which will be interpolated henceforth. For a start, there were only two new UNPKO during Tun Razak’s tenure i.e. UNEF II (Second United Nations Emergency Force in Sinai, 1973-1979) and UNDOF (United Nations Disengagement Observer Force, 1974 – present). Reasons for the non-participation could be aplenty. As aforementioned, the absence of the UN’s invitation for Malaysia to participate in one should have played a major role (Mahathir Mohamad, 2013). Apart from that, Tun Razak’s changed-prioritization i.e. domestic over foreign must also be taken into account. According to Paridah Samad (1998), Malaysia’s foreign policy during Tun Abdul Razak, also known as the ‘Policy of Equidistance’, principally sought to balance its existing pro-West ties with that of the Communist powers. Since UNEF II and UNDOF involved certain states considered to have belonged to either one of the Cold War blocs (Israel for the US and Syria for the Soviet Union), not participating in both might have bolstered Malaysia’s equidistant policy and the resulting Malaysia’s non-alignment and neutrality posture.

Alternatively, Malaysia’s non-participation might be translated as indicative of its wish to adopt a neutral stance in Cold War rivalry in the Middle East. Accordingly, this could have essentially enabled Malaysia to treat its foreign relation with the major powers on the basis of *even-handedness*. In other words, as cited by Kuik Cheng-Chwee (2010) in Morrisson, Charles and Suhrke (1979) described it prevented Malaysia from visibly forging closer ties with any of the great powers. It is therefore possible that Malaysia’s absence from UNEF II and UNDOF had supplemented Malaysia’s neutrality posture during this particular era. At the very least, as far as Malaysia’s regional matters are concerned, the US and Soviet Union blocs in return required that Malaysia (and other Southeast Asian countries) acknowledge and accommodate their legitimate interests in the region. In response, the major powers would recognize and guarantee Southeast Asia as an area of neutrality’ (Kuik Cheng-Chwee, 2010).

In essence, Tun Abdul Razak was a realist who wanted to accept the world the way it is – accepting the real situation - not the way one would like it to be (Ramjah Hussain, 2009, p.31). Embracing pragmatism, he was convinced that Malaysia’s current anti-Communism posture (as adopted and put in place by the
first prime minister) was no longer workable (Shahriman Lockman, 2013). Additionally, Paridah Samad (2008) discussed that Malaysia’s ‘conservatism and over-dependence upon alignment with the Western democratic powers were no longer adequate to serve Malaysia’s needs’ either. Tun Razak maintained that Malaysia could neither be an enemy to any regional nor major powers. This explains his hastened move to make non-alignment and neutrality approach as a new strategy in Malaysia’s foreign policy. More or less, such could account for Malaysia’s notable activism in regional and international organizations such as ASEAN, OIC and NAM. As simple as it may, Tun Razak wanted Malaysia to be friendly with every nation in the world, irrespective of the ideology and government system, as long as its sovereignty and principle of co-existence were respected (Paridah Samad, 2008). Fundamentally, this marks the beginning of Tun Razak’s active equidistant policy overtures with all countries within and beyond the pro-Western enclave of his predecessor. Evidently, coupled with Malaysia’s multilateralism in the UN, this has brought Malaysia global rapport principally among the third and developing countries that proves to be one of the raison d’être for Malaysia’s subsequent UNPKO.


Unlike Tun Razak and Tunku Abdul Rahman, Tun Hussein did not hold the foreign affairs portfolio in his entire administration. As aforementioned, Tunku Ahmad Ritahudeen was the foreign minister from 1975-1981 which began in the final year of Tun Abdul Razak’s premiership well into the entire five years of Tun Hussein Onn’s premiership. Like Tun Abdul Razak, Tun Hussein did not embark on any major new international initiatives, preferring instead to sustain the existing policies of Tun Abdul Razak, especially that of non-alignment (Balakrishnan, n.d.). Invariably, it was due to his preoccupation with domestic issues like the Communist insurgents and his own failing health. Malaysia under Tun Hussein, like Tun Razak, also did not join any UNPKO although there was one new UNPKO i.e. UNIFIL (Lebanon, 1978-present) during Tun Hussein’s reign. For the record, Malaysia however has eventually participated in UNIFIL in 2006 until present. Since Tun Hussein’s tendency to stick with Tun Razak’s policy, on top of the pressing domestic issues, it was only logical that UNPKO was not a priority during his era. Besides, it can also be argued that by not participating in UNIFIL at this time, Malaysia’s policy of neutrality, in more ways than one, should be a testament of the ever-present and overriding influence of Cold War rivalry. In
other words, Malaysia was better off not disrupting the international fabric of the prevailing bipolar world order by staying put with its current neutrality posture.

By steadfastly emphasizing more on its domestic and regional concerns, Malaysia’s neutrality i.e. not engaging any UNPKO which, for most of the time initiated and supported by the Western or US-bloc, could have received a major boost by the major powers’ corresponding reciprocity. China’s (and therefore the Soviet Union’s) diminishing support for the local communist insurgency might be able to support such a contention. Having said that, it also highlights one possible scenario in that small powers’ foreign policy were invariably dictated by the systemic imperatives of the Cold War era. That should suffice to be one of the reasons of Malaysia’s activism of UNPKO in the post Cold-War era especially during the administration of Tun Hussein’s successor. The end of Cold War had substantially allowed the small powers like Malaysia with more leeway or leverage in guiding their foreign policy vis-a-vis UNPKO. On another note, as the immediate successor to the helm, Tun Hussein became to be the greatest benefactor of Tun Abdul Razak’s ‘Policy of Equidistance’. Thus, Tun Hussein Onn became the first Prime Minister who received a reciprocal visit by China to Malaysia in 1978 five years after Tun Abdul Razak first visited China in 1974. Tun Hussein also paid a state-visit to the Soviet Union from 20-25 September 1979 (Leszek Buszynski, 2013, p.230). In both visits, Tun Hussein Onn made it clear Malaysia wanted the major powers to recognize and respect, primarily, Malaysia’s (and ASEAN’s) neutrality policy (Hishamuddin Hussein, 2012). With issues involving the major powers intentions in the region had virtually been addressed, Malaysia was more or less able set its focus on, among others, third world and developing countries. These countries, especially those in African continent, inadvertently turned out to be the among the frequent spots for conflicts and UNPKO especially following the end of the Cold War in 1991.


The premiership of Tun Dr. Mahathir (Tun Mahathir) spanned for a period of 22 years. Like Tun Hussein, Tun Dr. Mahathir did not hold the foreign affairs either. Tun Mahathir had five foreign ministers. They were Mohd Gahazali Shafie (1981-1984), Tunku Ahmad Rithaudeen (1984-1986), Abu Hassan Omar (1987-1991), Tun Abdullah Ahmad Badawi (1991-1999) and finally Syed Hamid Albar (1999-2008). Nevertheless, Malaysia’s foreign policy under Tun Dr. Mahathir was
renowned to be almost exclusively run by the premier himself, not the foreign ministers. Most of the time, the foreign ministry was, to many, nothing more than a mere extension of the Prime Minister’s Office (Ahmad Kamil Jaafar, 2013). Apparently, Tun Mahathir had a more pronounced and expanded perspective of the world politics than the preceding prime ministers’. Tun Mahathir made clear his priorities in international relations. Geo-politically arranged, ASEAN was the first in Tun Mahathir’s foreign relations priority, followed by Pacific and African countries, Islamic countries, the Commonwealth and lastly the West (Mahathir Mohamad, 2011). Collectively known as the ‘Concentric Circles of Interests’, ASEAN countries, Pacific and African countries, OIC countries and the Commonwealth countries were top of Malaysia’s ‘prosper thy neighbours’ and ‘Look East’ policies, among other things (Shanti Nair, 1997).

Cooperation, not aid, especially in business and trade opportunities was the key to Malaysia’s foreign relations under Tun Mahathir (Mahathir Mohamad, 2011). This also proved to be vital for Malaysia when it comes to these countries’ votes in favour of Malaysia’s initiatives and campaigns in the Commonwealth and the UN (Mahathir Mohamad, 2011). As Malaysia was making strides among the third world and developing countries, with most UNPKO were sent to these countries especially since the end of Cold War era, it was not to be unexpected that Malaysia was actively involved in those operations nonetheless. To put that into perspective, during Tun Mahathir’s premiership i.e. 1981-2003, there were 43 UNPKOs and with the exception of Bosnia and Kosovo, 41 were sent to the Africa, Asia, South America and Middle East (United Nations, n.d.). As aforementioned, these were the countries that were on top of Malaysia’s foreign policy list. Out of these 43, Tun Mahathir oversaw 26 Malaysia’s UNPKO, which means, Malaysia did not join 16 other UNPKO. That is the equivalent of 63% participation of all UNPKO during his time and accordingly, 37% non-participation.

All in all, in the history of Malaysian UNPKO, Mahathir was credited with 80% of all Malaysian UNPKO thus far (1960-2010). Like UNPKO during previous administrations, the reasons for Malaysia not joining the 16 UNPKO were more or less the same. Among those, first and foremost were the absence of the UN’s invitation, lack of request from Malaysia to participate, no offer from Malaysia to volunteer assistance or participation, followed by issues over its military and financial resources availability. However, one fact remains
outstanding. It appears that Malaysia’s UNPKO during Tun Mahathir’s era had a close link with the dynamics of the existing systemic imperative. Tun Mahathir became the prime minister in 1981. By coincidence, there was no new UNPKO in the same year. The most recent UNPKO began in 1978 and it was only ten years later that many UNPKO began to take place.

In other words, only in the seventh year of Tun Mahathir’s premiership were two UNPKO launched; UNIIMOG (Iraq, 1988-1991) and UNGOMAP (India-Pakistan, 1988-1990). Thus, beginning 1988, Malaysia actively participated in quite a number of UNPKO. They were, among others; UNIIMOG (Iraq, 1988-1991), UNAVEM I (Angola, 1989-1991), UNTAG (Namibia, 1989-1990), UNIKOM (Iraq-Kuwait, 1991-2003), MINURSO (Western Sahara, 1991-present), UNAVEM II (Angola, 1991-1995), UNAMIC (Cambodia, 1991-1992), UNPROFOR (Bosnia, 1992-1995), UNTAC (Cambodia, 1992-1993), UNOSOM II (Somalia, 1993-1995), UNOMIL (Liberia, 1993-1997). The preceding UNPKO shared a common thing i.e. the year they began (1988-1993). As a matter of fact, these were critical years of the beginning of the end of the Cold War era. By 1988, the influence of Soviet bloc and Soviet Union itself were already dissipating. Soviet Union was going through major internal power struggle that threatened to break the union’s territorial integrity. By 1990 through 1991, it was all clear that the Soviet bloc was collapsing, if not already collapsed. By 1991, Soviet Union was formally declared to cease to exist as a state. Russia, Tajikistan, Uzbekistan, Ukraine were among those new states that emerged out of Soviet Union. In fact, the collapse of Soviet Union had more or less marked the end of Cold War. To some extent, it also marked the end of the Soviet-clientele regimes around the world in as much as it also marked the victory of the US-West bloc and its Western-clientele regimes.

If the era of Tun Razak and Tun Hussein saw Malaysia’s zero participation in UNPKO, partly due to the prevailing international system, the era of Tun Mahathir saw just the opposite. Accordingly, up to a considerable extent, it is not implausible to point out that the end of the Cold War had substantially

---

allowed UNPKO and the subsequent participation by small powers to flourish in great numbers. Particularly, Malaysia’s remarkably increased activism in UNPKO under Tun Mahathir spoke volume of the impact and effect of the systemic imperatives had over small powers policy vis-à-vis UNPKO. The end of Cold War had provided Malaysia with the opportunity and space to begin to impose itself more to achieve its international objectives such as middlepowermanship. In view of that, it can be said that Malaysia’s aspiration of middlepowermanship begun by Tunku Abdul Rahman, facilitated by Tun Razak and Tun Hussein Onn, by now had been put to the best possible form, shape and speed by Tun Mahathir.

In all, existing systemic forces, UNPKO and Malaysia’s active participation thereafter can therefore be surmised to have closely related. In fact, it is highly likely that Malaysia’s significant UNPKO activism, at this time, was not a coincidence. Besides, since Malaysia had always considered itself being closer to the US-Western bloc more than it had to the Soviet bloc, it should have benefited considerably from the fall of the Soviet bloc. Accordingly, UNPKO and Malaysia’s participation was, to an extent, had seemed to be facilitated by the changed dynamic of the post-Cold War international system. In general, this also provided small powers, like Malaysia, with a degree of freedom in guiding their policy vis-à-vis UNPKO. Yet, it is to be noted that the big numbers of Malaysian peacekeeping operations during Tun Mahathir can also be attributed to the long period of his premiership i.e. 22 years. In contrast, his predecessors were in power only between five to thirteen years. Mahathir was by 2010 still the longest-serving prime minister. Nevertheless, such an active participation in UNPKO provided, and substantially improved and elevated Malaysia’s international prestige so crucial to prove its individual manoeuvrability in high diplomacy at the UN and most importantly, an opportunity to gain the level of soft power and international prestige befitting that of middlepowermanship.

Systemic pressures notwithstanding, Tun Mahathir was always seen as a global-minded statesman and a supporter of the world’s shared responsibility for maintaining international peace and security. It also underscores his belief in the principles of sovereignty, justice and humanitarianism as part of Malaysia’s values. Furthermore, Tun Mahathir’s 26 Malaysian peacekeeping missions can also be related to Tun Mahathir’s aggressive projection of Malaysian brand and visibility in the world. Consequently, Malaysia’s UNPKO did well to serve as a ‘testimony of Malaysia’s seriousness in championing the will, rights, interests and
aspirations of developing countries and the international community’ (Malaysia Ministry of Foreign Affairs, n.d.). Further, Mahathir Mohamad (2011) has mentioned such a high-profile in the world scene had earned Malaysia the respect as a Third World leader too.

Tun Abdullah Ahmad Badawi (Tun Abdullah) had been the Minister of Foreign Affairs for 10 years (1991-1999). Upon his appointment as the Prime Minister, like his immediate predecessor, Tun Abdullah did not hold the foreign portfolio too. He had two foreign ministers i.e. Syed Hamid Albar (1999-2008) and Rais Yatim (2008-2009). Unlike Tun Mahathir, Paridah Samad (2008, p. 94) has mentioned Abdullah leadership resembled more of Tun Hussein Onn, preferring instead, to adopt much less confrontational method in pursuing Malaysia’s non-aligned policy. Then, being indoctrinated with diplomatic disposition, Tun Abdullah was keen on continuing with his predecessor’s policy (Balakrishnan, n.d). On top of being the Chairman of NAM and OIC, Tun Abdullah was frugal in his quest to expand Malaysia’s international profile along the path of the voice of reason and moderation, principled defence of the weak and exploited, albeit with a much lower tone (Paridah Samad, 2008, p. 95).

In terms of UNPKO, Abdullah had been on the benefitting end of the Malaysia’s activism during Tun Mahathir’s premiership. By 2003, the bipolar would have been effectively ended. With the US-Western bloc dominating the international system, and therefore UNPKO, Malaysia’s activism in UNPKO was rather in a more favourable condition. Hence, Abdullah oversaw six Malaysian UNPKO out of the possible eight. Hence, during his six year premiership, out of eight UNPKO, Malaysia had joined six. That is the equivalent of 75% participation. Meanwhile, as far as Malaysia’s 34 UNPKO is concerned, Tun Abdullah was responsible for 18% of it. Besides, Malaysia’s activism in UNPKO had also been recognized by the UN as one of the strong aspects of Malaysia campaign for its election as one of the non-permanent members of the UNSC. Particularly, as Malaysia was bidding for the fourth time of the UNSC seat (for 2015-2016 terms), with preparation was already undergoing since 2001, Tun Abdullah might as well be better off continuing the momentum. For the record, Malaysia was a non-permanent member of UNSC in 1965, 1989-1990 and 1999-2000. Other than that, Tun Abdullah was also given the credit for making Malaysia as the international centre to fight cyber-terrorism in 2006, continuing support for Palestinian cause, Iraq’s post-war rebuilding efforts and for the first
time, for enabling Australia to participate in ASEAN leaders’ forum in 2004 (Paridah Samad, 2008). For all that it matters, Tun Abdullah appeared to be more comfortable continuing with his predecessors’ well-established international initiatives.

3.2 Prime Minister Office and Politico-Military Institutions

The core of Malaysian elites perceptions on foreign policy has been virtually conventional, orthodox and therefore predictable, despite each of the Prime Minister having a relatively distinct worldview. What sets them apart though was the individual way each conducted the country’s foreign policy and the policies each introduced. Nevertheless, each change of political leadership did not necessarily result in significant shifts in Malaysia’s foreign policy. So far, the most significant shift had been from an anti-communist and pro-western posture under the first Prime Minister to one of non-alignment, neutrality and peaceful co-existence under the second. The subsequent Prime Ministers then continued and consolidated Malaysia’s foreign policy based on pragmatism deeply entrenched in and reflective of the Prime Ministers’ worldviews (Rajmah Hussain, 2009). Hitherto, Malaysia’s adherence to its previous tenets and stable practises of foreign relations had been sufficiently notable (Johan Saravanamuttu, 2013).

Besides, Malaysia’s foreign policy is a combination of external factors (predetermined by a fixed world order) and domestic needs – formed and shaped by political leadership whose actions are tied to certain social and cultural contexts – nationally, regionally and globally (Johan Saravanamuttu, 2013). In summing Malaysia’s behaviours in the international sphere for the past fifty years (1957-2007), four broad themes are found to be ubiquitously evident; (1) regionalism – 1960s, (2) neutralism – 1970s (3) globalization – 1980s and (4) Islam – 1990s. Johan Saravanamuttu (2013) argues,

“These themes translate most significantly into specific foreign policy postures, strategies and actions, increasingly defined as those of an aspiring middle power”.

Insofar, Malaysia’s foreign policy has neither seen nor experienced radical, dramatic and unexpected changes. The most noticeable change however was Malaysia’s outward reorientation from being that of pro-West to neutrality. It embraced both divides of the Cold War powers and their inherent heirs after the
conclusion of the Cold War. Among others, it is this continuity on neutrality that has allowed for Malaysia’s international activism, particularly in UNPKO.

In explaining the dominance of Malaysian prime minister over the international affairs as well as in domestic’s, one may also need to look into the prime minister’s authority which is, apparently, not explicitly defined in the state’s Federal Constitution, giving him such an almost unlimited executive power in Malaysian administration and hence, the prime minister’s dominance in Malaysia’s foreign policy (The Malaysian Constitution, Part IV, Chapter 3).\(^{125}\) The fact that matters is that, such a domination of the Prime Minister in the policy process has been a feature of Malaysian administrations since independence (Shanti Nair, 1997). Nonetheless, what all of these Malaysian elites had in common is their perception of the importance of diplomacy and international representation as a means towards the achievement of national security for Malaysia i.e. middlepowermanship (Shanti Nair, 1997).

### 3.2.1 The Bureaucratic Process

Moving on the politico-military institution, the decision with regard to peacekeeping involves a number of ministries. As mentioned by Sara Othman (2014), the role of Malaysian Ministry of Foreign Affairs (MFA), over Malaysian peacekeeping mission, comes in the form of framing Malaysian policy with regard to UNPKO. The ministry monitors and assesses the development and dynamics of Malaysia’s involvement in various UNPKO with a close collaboration with Malaysian Ministry of Defence (MOD) and Royal Malaysian Police (RMP). For MFA, Malaysia’s decision to join a UNPKO depends on the severity of security and political aspects, the UN’s request as well as the host country’s endorsement for Malaysia to participate in a UNPKO (Sara Othman, 2014). Although MFA does not make the final decision, its role is central in providing inputs that play a key role in the eventual decision regarding Malaysian peacekeeping.

Eventually, after the initial deliberation process involving MFA, MOD and Malaysian Ministry of Finance (MOF), it is the MOD and the Prime Minister who

\(^{125}\) The Malaysian Constitution (Part IV: The Federation, Chapter 3: The Executive) only makes a mention of the role of the Prime Minister, for one, as the adviser to the Yang Di-Pertuan Agong (Agong) as the Head of State on the appointments of Senators, Judges and Governors, among other things. See [www.malaysianbar.org.my](http://www.malaysianbar.org.my) /constitutional law_ committee /myconstitution_ roles_of_pm_public_services. Accessed on 17 October 2014.
hold the upper hands in the decision over Malaysian peacekeeping. The role of MOF, on the other hand, is limited to working out the financing details vis-a-vis Malaysian peacekeeping. MOF is, therefore, not substantially involved in the decision-making process. Following disapproval, there is no need for Treasury Department (TD)-MOF and Establishment & Service Division (ESD)-MOF to work out the details. But, in the case of the opposite, both TD-MOF and ESD-MOD will work on the details of the financing/allocation and establishment (permanent/temporary) of the peacekeeping mission.

3.2.2 Bureaucratic Process and Elites’ Perception

Based on the above process, it appears that MOFA, MOD and MFA do not decide on foreign policy vis-à-vis UNPKO. Instead they only assume the facilitator-role in the respective process. MFA’s centrality in Malaysia’s foreign policy as such, in form and substance as a whole, as Azhari (1990) notes ‘...only comes in at the beginning and at the end of foreign policy making decision-making process.’ Hence, Marvin (1972) has stated Malaysian foreign policy, as it has been a common practice, remains the prerogative of a small elite circle. However, in the early years, MFA did play a key role in assisting the elites to come up with a critical and sound foreign policy decisions. Notwithstanding the early practise, MFA ‘is not more than a mouthpiece for the Prime Minister’s office’ (Marvin, 1972). Things had not been that much different for MFA in the later years, more so during the era of Tun Mahathir. Invariably, it was a rarity to see Tun Mahathir getting MFA to consult him on key foreign affairs, let alone, decision on vital foreign policy issues (Saravanamuttu, 2010; Dhillon, 2007). As a matter of fact, MFA was hardly consulted on important policies; thereby reduced to the task of rationalizing policy and damage control with the civil society played almost no role at all (Johan Saravanamuttu, 2010).

In practise, MOD plays an equally vital role in determining the eventual decision vis-a-vis Malaysia’s peacekeeping as opposed to the Prime Minister. As it is, should MOD decide against a certain peacekeeping involvement, it does not need to prepare the working paper (Cabinet Paper). It only needs to communicate its decision to the Prime Minister (Cabinet) who will, subsequently and usually in practise, endorse the Ministry’s decision (Baharom Hamzah, 2013). However, if MOD decides in favour of a peacekeeping participation, the ‘Cabinet Paper’ will be prepared for the Prime Minister (and the Cabinet) for endorsement. However, it
is at this stage where the Prime Minister, on the contrary, appears to hold the prerogative power as far as Malaysia’s peacekeeping is concerned (Badrul Hisham Muhammad, 2015). Apparently the Prime Minister enjoys the power to overrule the MOD’s prior approval if need be. Since the Cabinet Paper focuses more on the technical details, it follows that the executive power of the Prime Minister could allow him to override it. Yet, as it transpired over the past fifty decades, the Prime Minister had never turned down MOD’s Cabinet Paper on UNPKO as affirmed by Malaysia’s fourth Prime Minister, Tun Mahathir Mohamad (Mahathir Mohamad, 2014).

There are exceptions, though. A case in point is multinational non-UNPKO e.g. the International Force for East Timor (INTERFET), organized and led by Australia in East Timor from 1999-2000. This operation, mandated but not operated by UN, was therefore not listed in the United Nations’ ‘List of Peacekeeping Operations 1948-2012’ (The United Nations, n.d.). INTERFET was one of those peacekeeping operations in which the Malaysian Prime Minister had applied his prerogative to overrule the MOD’s prior agreement to participate in INTERFET. Despite the MOD giving its preliminary nod for Malaysia’s participation in INTERFET, the Prime Minister overruled it, citing Malaysia’s lacking of military equipment, among other things. However, it was later revealed that it was due to Tun Mahathir wanting to prevent Australia from getting more influence in the region through INTERFRET, among other things. Besides, Tun Mahathir also blamed Australia of hypocrisy for the crisis in East Timor, explaining among others his loath for supporting Australia’s leadership in INTERFRET. In addition, it might have also been caused by what Tun Mahathir saw as Australia’s continuous interference into Malaysia’s domestic affairs, especially those concerning Malaysia’s authority’s actions against political dissents (Henke, 2012). In any case, Malaysia’s initial reluctance to join INTERFRET can be construed to have resulted from the unfavourable state of the current bilateral relations between both countries.

The Malaysia’s Prime Minister’s action, to a certain extent, also brought into perspective a number of contentious but vital issues such as regional power rivalry, domestic politics pressures and leaders’ inter-personal relations, among other things. Back to INTERFRET issue, Henke (2012) has mentioned upon learning Malaysia’s rejection, Thailand intervened. It sent its Foreign Minister Surin Pitsuwan to talk to Dr. Mahathir who eventually agreed to participate in
INTERFET. But, instead of contributing troops, Malaysia ended up sending only interpreters (Henke, 2012). On a whole, Malaysian peacekeeping appears to remain within the domain of the Prime Minister and the politico-military institutions with the former, apparently, wielding a much greater say (and hence gainsay). It has been shown so far that it is the Prime Minister who enjoys the unequivocal, prerogative power – notwithstanding inputs given by the intermediate-level politico-military institutions such as MOF and MOD.

3.3 Prime Minister and the Legislature

Malaysian maiden peacekeeping operation to Congo (ONUC: 1960-1963) had been the only operation debated in the Parliament. A parliamentary member, S.P. Seenivasagam tabled the motion for parliamentary debate of the Congo operation (Johan Saravanamutu, 2010). Hitherto, it remains the only occasion in which the Prime Minister himself sought to justify the operation to the legislative members. Thereafter, the government has never prepared any parliamentary paper on a single foreign policy initiative, including the peacekeeping operation (Johan Saravanamutu, 2010). Apparently, the decision whether or not to join a peacekeeping operation does not require the legislative approval. Instead, it only needs the executive decision i.e. by the Prime Minister (Cabinet). However, despite the absence of any subsequent debate on subsequent Malaysian peacekeeping, occasionally members of the Cabinet does brief members of the legislature on the development of Malaysian peacekeeping operations overseas.

Besides, Malaysian fourth Prime Minister Mahathir Mohamad insisted that there was neither any legal obligation nor the need to debate Malaysian peacekeeping operations in the parliament (Mahathir Mohamad, 2014). To put things into perspective, Mahathir was responsible for 80% of all Malaysian peacekeeping operations from 1960-2010. That is the equivalent of 26 out of the total 33 Malaysian peacekeeping. Meanwhile, Tunku Abdul Rahman, the first Prime Minister was responsible for only 1 operation i.e. Congo (2%) with the fifth Prime Minister, Abdullah Badawi oversaw 6 operations (18%). The statistic regardless, the members of the legislature of both divide seem to be in conformity in Malaysia’s UNPKO, even though one also needs to take into account of the overriding effect of the ruling party’s command of a two-third majority in the parliament. Yet, Bosnian conflict, for example, proves to be one of the turning points that united both the ruling and opposition political parties. Without much
altercation, both found a common ground vis-a-vis the government’s stand over the genocide in Bosnia and the subsequent deployment of Malaysian troops to join the UNPKO in Bosnia.

On 28 October 1993, Members of the Malaysian Parliament unanimously passed the following resolution (House of Representatives, 28 October 1993). In summary, it condemned the invasion and all human rights violation on Muslims in Bosnia Herzegovina, request for the UN Security Council to fulfill its responsibility by taking firm action and to carry out the Council’s resolutions, urge the UN Security Council to withdraw the arms embargo imposed on Bosnia and present these resolutions to the Parliaments of all the relevant countries, especially Britain and France (Azlizan Mat Enh, 2010). Over and beyond, it can be argued that the legislature (members of parliament) had not been a primary feature in the decision-making for Malaysia’s UNPKO nor did it ever object for one. Other than the sole parliamentary motion for Congo, the other 32 Malaysia’s UNPKO did not go through the same process. This might also suggest that Malaysian legislature members virtually shared a common worldview when it comes to the state’s pursuit of international prestige and soft power which, among others were the essence of Malaysia’s aspiration for middlepowermanship.

4. CONCLUSION

For the past five decades, the nature of Malaysia as a state aspiring for middlepowermanship had appeared to be consistent. It had demonstrated the characteristics, visions, missions, leadership and statecraft befitting mostly that of middle powers as in the likes of Canada and Australia (Johan Saravanamuttu, 2010). These countries, apart from their considerable economic and military strengths, are particularly well-known for their international activism, especially as traditional peacekeepers under the UN. Malaysia, however lacked in both economic and military power. In order to make up for such a lack of hard power, Malaysia focused on the aspect of soft power and international prestige as part of the main features underscoring its middlepowermanship. The fact was, Malaysia aligned its middlepowermanship quest with UNPKO. Observably, it is so far one of the UN’s most recognized and critical international instruments of peace and humanitarianism.
Accordingly, the most important elements of Malaysia’s middlepowermanship aspiration were the elites and their perceptions of relative power. The Prime Ministers, being the ones with the most authoritative power vis-à-vis UNPKO, can be seen as the ones who had laid out the basis of Malaysia’s middlepowermanship aspiration. The first Prime Minister, as an instance, proved such with his agreeing to participate in the country’s maiden UNPKO to Congo in 1963 (ONUC). ONUC was obviously not about displaying or proving its military strength, bearing in mind Malaysia had just become independent in 1957. It was more likely about building certain kind of image and leadership in the international stage. It was also mostly about creating and showing international alignment and its sphere and clout of international support. Specifically, it was also about supporting Malaysia’s cause to be one of the non-permanent member of UNSC. Besides, it also served as the affirmation of the prevailing international system which, in turn, reflected and influenced the first Prime Minister’s perceptions of relative power, and those of the subsequent prime ministers’. As it turns out, Malaysia’s activism in UNPKO had been profoundly affected by systemic pressures. In other words, Malaysia’s participation in UNPKO appeared to be non-active during the Cold War. However, in the post-Cold War era, Malaysia became a very active participant, especially during the premiership of the fourth Prime Minister.

Further, up to a considerable extent, this also helps to underscore a fact that multilateralism did play a significant role in UNPKO. In other words, despite the ever-present systemic influence, UNPKO did depend considerably to states’ participation. Although the UNSC held the prerogative power over UNPKO, the UN would still have to request for states participation, for which states had the freedom to decline. Indeed, these two facts can be taken to be representative of the importance of multilateralism. In more ways than one, multilateralism through UNPKO helped highlight and improve participating states international profiles which could be substantially significant for states desiring as such. Specifically, UNPKO had helped raise Malaysia’s profile in international politics and proved to be critical to Malaysia’s quest for non-membership election into UNSC. This then also proved to be integral for its domestic and regional matters i.e. national building and regional unity, among other things. Moreover, the Malaysian elites’ seemingly uniform perception of relative power could have possibly caused by the fact that they had all come from a single party which had been in power since its independence. As a matter of fact, all the prime ministers came from United
Malays National Organization (UMNO), which is the largest party in *Barisan Nasional* (BN). BN, on the other hand, is a political party coalition that has been in rule in Malaysia for the past five decades. This most likely can as well be treated as one overriding factor that could account for the consistence of the elite perception necessitating Malaysia’s *middlepowermanship*.

For all that it matters for, the politico-military institutions was always mistaken to be having the prerogative when it came to Malaysia’s UNPKO. But as the study shows, it was the prime minister who enjoyed the prerogative power. Of course, the politico-military institutions did play significant role in shaping the eventual. For that reason, among others, with a seemingly reciprocal and complementary role, it needs to be stated that the politico-military institutions had profound overbearing on Malaysia’s policy for UNPKO. In sum, UNPKO had played crucial role in building and sustaining Malaysia’s aspiration for *middlepowermanship*.

**REFERENCES**


Badrul Hisham Muhammad (2015, 10th February). Current Commandant of Malaysia’s Peacekeeping Centre. Port Dickson, Negeri Sembilan, Malaysia.


Ott M. C. (2014, 17th May), Adjunct Professor & Visiting Research Scholar Southeast Asia Studies Program, Paul H. Nitze School of Advanced International Studies, John Hopkins University.


Sara Othman (2014, 17th June). Assistant Secretary, Multilateral Political Affairs Division, Department of Multilateral Affairs, Ministry of Foreign Affairs, Malaysia.


ABSTRACT

The banking sector of Bosnia and Herzegovina has been affected by the recent global crisis. In order to have economic stability, the banking sector also has to be stable. This is the main reason for supervision and control of the banks and banking sector. Widely used methodology for this is CAMELS and according its results, bank rankings are provided to the public. Using the CAMELS methodology, this study tries to explain internal determinants of profitability of the banking sector in Bosnia and Herzegovina. The study is based on a period of eleven years (2003-2013). Multiple regression has been used to test the impact of CAMELS variables on banks’ return on assets (ROA) and return on equity (ROE). The results have shown that the profitability of the banks is highly explained by the CAMELS framework.

Keywords: Banking, CAMELS, Bosnia and Herzegovina.
1. INTRODUCTION

The health of economy is highly related to the health of the banking sector. Banks represent an engine that starts important processes such as production, exchange and consumption of goods in the world. These institutions are the ones that influence the degrees and spread of these processes. In a continuous manner, banks sustain relationship between those who lend (depositors) and those who need (borrowers) money. Ability to operate that kind of business lies in earning more income than the cost they incur in these processes. In their work, Oladejo and Oladipupo (2011) state that banks are the largest owners of the financial assets. Importance of the banking system, on both national and international levels, can be seen in the Global Financial Crises that started in 2007. This crisis represented the biggest world depression since the 1930. This was the situation in which many leading financial institutions went down.

In 1998, the approach that included capital adequacy, asset quality, management quality, earnings, liquidity, and sensitivity to market risk (CAMELS) was recommended by Basel Committee on the Banking Supervision of International Settlements (Ongore & Kusa, 2013). In order to fuel the process of economic development in a country, banks themselves have to be strong, stable and profitable. Banks are highly regulated since they are the biggest influence on an economy and financial system.

The objective of this paper is to analyze the profitability of the banking sector from CAMELS frameworks perspective. Since there is a scarcity of previous work on this topic regarding Bosnia and Herzegovina (B&H), this study contributes highly to the literature.

2. LITERATURE REVIEW

The evaluation of performances of the banking sector is very important, since banks are the centre of the financial system. As banks evaluate those who want to borrow money in order to reduce risks of default, they are also evaluated in order not to engage in activities that would lead to their default. Most countries are dependent on banks in order to progress in their economic development.

According to Ifeacho and Ngalawa (2014), many researchers used different statistical techniques in order to analyze the performance of banks. The
A convenient way is the one where we use financial ratios. However, ratios are insufficient when they stand alone and therefore we have to combine them with some qualitative evaluations.

### 2.1. CAMELS Framework

In order to prevent the failures there is a dire need for regulators to monitor banks’ performance. They try to detect any possible deficiencies so they could be improved (Madura, 2010). The key question here is regarding the core of regulators’ analysis. As in any kind of business, the most important area is management and organizations (companies, banks) mostly fail because of poor management. Since management can be analyzed from different perspectives, regulators use CAMELS methodology which is more used than some other methods purely due to its simplicity. This framework is composed out of six criteria, such as: capital adequacy, asset quality, management quality, earnings, liquidity and sensitivity to market risk.

### 2.2. Capital Adequacy

Bank capital represents an important ingredient of CAMELS methodology. Banks must maintain an appropriate level of capital that is needed in order to be ready to cover for possible losses in the future (Aspal & Nazaneed, 2014). Howells and Bain (2007) state that capital adequacy is used in order to cover for losses and to fund operations and growth. By having good capital adequacy ratio bank does not just prevent failure but also keeps confidence of its depositors and customers. Because of this, capital has been a centre of bank regulation since the first Basel capital accord in 1988 (Demirguc-Kunt, Detragiache, & Merrouche, 2010). In simple words, this shows the bank’s ability to cover losses with its own resources. In order to have stability, financial institutions are obliged to keep balance between capital and available risk in their assets (Bateni, Vakilifard, & Ashgari, 2014).

Thus, capital adequacy ratio (CAR) represents the ratio of bank capital to weighted assets. Here, we measure two types of capital: the one that does not require from a bank to cease trading in a situation of covering losses (tier one capital) and one that may cover losses in time of liquidation which is an important item in protection of depositors (Srinivas & Saroja, 2013).
2.3. Asset Quality

When we analyze bank failures, two reasons come in front of it: liquidity and asset quality (Echekoba, Egbunike, & Ezu, 2014). As in any kind of a business, the banking sector has to deal with risk and find the ways to manage it. The importance of bank’s asset quality may be seen in the fact that it is a factor that can affect all aspects of performance and thus lower asset quality is an alarm not only for profitability but for other “erosion” or even the failure (Mirza & Alexandre, 2009). When we observe the health of banks and banking system it is impossible to avoid credit risk. Olweny & Shipo (2011) state that the extent of credit risk is determined by quality of assets that it has. Since loans are the main assets from which banks generate income, the main reason for measuring asset quality is to identify assets that are non-performing (Ongore & Kusa, 2013; Ifeacho & Ngalawa, 2014).

In most cases, asset quality is represented by ratio of non-performing loans to total assets or non-performing loans to total loans (Ongore & Kusa, 2013; Roman & Sargu, 2013).

2.4. Management Quality

Even though this section of bank analysis is rather qualitative, there are also quantitative techniques that may be used. Misra and Aspal (2013) state that efficiency of bank’s management is an important component that influences its growth and sustainability. When analyzing management quality, what we indeed analyze is mechanism by which decisions that are affecting operations of banks are made (Christopoulos, Mylonakis, & Diktapanidis, 2011). According to Ifeacho and Ngalawa (2014), it is the capability to efficiently employ the resources in order to reduce costs and increase income. From a certain perspective, this component is to stand out as the centre of the whole CAMELS framework, since all other components are highly affected by decisions made by management. As in any type of business, banks also put importance on the management process and those who operates it.

So, how to determine quality of management regarding banks? The answer is in ratios that describe management efficiency such as income ratio, credit to
deposit ratio, asset utilization ratio, and diversification ratio (Echekoba et al., 2014).

2.5. Earnings

Earnings represent a part of CAMELS framework, even though this framework is mostly used because of risk. (Madura, 2010) Every firm or legal entity is in the business mostly due to one reason; the difference between what they earn and cost they incur in order to earn it. Major source of bank income are loan interest plus other activities in which bank engage (financial and operating) (Echekoba et al., 2014). Earnings are commonly used in order to analyze bank financial performance (Ifeacho & Ngalawa, 2014). Azizi and Sarkani (2014) state that number of depositors, loaners, and investors are highly dependent on the capability of a bank to earn profit. Earnings are generally the basis for further expansion and growth and thus banks put high emphasis on this component. The capacity to create an adequate capital base, finance its growth and enable return to its owners is highly dependent on earning capacity (Nimalathasan, 2008). According to Prasad and Ravinder (2012), this component is important because its quality shows the capacity of a bank to have consistent income.

Earnings may be observed from several perspectives such as the mostly used net interest margin (NIM), then operating profit to average working funds ratio, interest income to total income, non interest income to total income or operating expenses to total assets (Kumar & Drine, 2011; Davidovic, Stefanovic, & Vunjak, 2012).

2.6. Liquidity

Liquidity is one of the most important factors of each company. Many times it is referred to as the blood pressure of the companies. Profitability, market share, brand, reputation, turnover are all important factors which may, through analysis, show success of the organizations, but if there is no cash (if organization or company is unable to collect cash) there is no further success. Inability to collect payments leads to inability to pay company’s expenses, employees, suppliers, lender and others. The modern theory of financial intermediation explains the existence of banks in the economy due to two reasons; creation of liquidity and transformation of risk (Berge & Bouwman, 2009). Regarding the bank, liquidity means ability to respect obligations toward mostly depositors.
(Ongore & Kusa, 2013). Even though some banks rely on external sources for obtaining funds, especially to deal with liquidity, Madura (2010) states that for regulators it is preferable that banks do not use this kind of operations commonly since they could easily face problems with liquidity. In simple words, this component represents the ability to meet short-term obligations and maintain solvency (Kamaruddin & Mohd, 2013).

Liquidity can be measured by several indicators such as liquid assets to total assets, credit to deposit ratio, deposit to total asset, cash to deposit ratio, current ratio or quick ratio (Ongore & Kusa, 2013; Ifeacho & Ngalawa, 2014).

2.7. Sensitivity to Market Risk

It is important to notice that some researches use CAMEL methodology, which means they do not include sensitivity to risk. This is because sensitivity to market risk is component that was lastly added to CAMELS (previously CAMEL). This component is mostly oriented toward management of two things: interest risk and currency risk (Davidovic et al., 2012). Business of banks often involves diversified operations in terms of lending, borrowing, foreign exchange, and trade of securities. All of these operations are imposed to different types of risks. (Baral, 2005) Banks could be rated similar in any kind of criteria, but still they could have different sensitivity toward market risk (Madura, 2010). According to Feourhi (2014), market distortions can cause much harm to the banks especially those that are highly attached to market refinancing and keeping highly volatile assets.

Different studies used different indicators of this component. Davidovic et al., (2012) used securities to total assets ratio, market price per ordinary equity share to earnings per share ratio was used by Nurazi and Evans (2005). Common ratios for analyzing this component of CAMELS are also exchange risk, equity price risk, and commodity risk (Baral, 2005).

2.8. Indicators of Profitability

Profitability is a management concept with the objective of assessment of bank’s results from efficiency point of view both for entirely activity and for differently management compounds (Caruntu & Romanescu, 2008). Continuous performance is a reason of organizational existence. Observing it from the standpoint of banks, one factor one factor is strongly emphasized ahead of the rest.
which is profitability. Speaking simply, profitability represents the most significant and consistent factor of performance since it is highly related to the profit which eventually affects any kind of performance (Tariq et al., 2014).

What is the indicator of profitability? Going through research papers it is inevitable to spot that there are two dominant indicators that are used for profitability: return on assets (ROA) and return on equity (ROE) (Spathis, Kosmidou, & Dompos, 2002; Bashir, 2003; Kumbirai & Webb, 2010; Gul, Srshad, & Zaman, 2011; Ani, Ugwunta, Ezeudu, & Ugwuanyi, 2012; Erina & Lace, 2013; Almazari, 2014; Onuonga, 2014). Naceur (2003) states that the primary measure of profitability is return on assets which generally shows the ability of banks to earn profit from their financial and real investments. ROA is measured as ratio of net income to total assets. According to Moussu and Petit-Romec (2013), the core measure of bank performance return on equity shows allocation of capital inside and across division. ROE is measured as ratio of equity to total assets.

2.9. Relationship between Indicators and Determinants of Bank Performance

Using the CAMEL model, Said and Saucier (2003) used Japanese banks results in period from 1993 to 1999. This period was known as the banking crisis in Japan. Interesting finding, beside that bad loans were the main reason of the crisis, was that efficiency was not the decisive fact where they decided which banks should be rescued and which should stop working.

Strong positive relationship between ROA and capitalization was found in Naceur (2003) study that was based on a twenty years sample of banks in Tunis. CAMEL framework was used in order to analyze the relationships among variables. ROA, as a dependent variable, was used by Bakar and Tahir (2009) in their multiple linear regression in order to predict bank’s performances in Malaysia. The research was five year based and it showed the effects of other bank’s indicators on ROA. ROA and ROE, as dependent variables, were used by Jha and Hui (2012) in comparative study among commercial banks in Nepal. Their results suggested the strong negative effect on dependent variables by interest expenses to total loan, net interest margin and adequacy ratio, while NPL and credit to deposit were statistically insignificant. Prasad and Ravinder (2012) used CAMEL model in order to analyze nationalized banks in India, where in conclusion they ranked the banks according to parameters of the model.
Davidovic, Stefanović, & Vunjak (2012) analyzed the impact of the global crisis on the banking system in Serbia. Using the CAMELS methodology, they showed how other indicators may affect differently ROA and ROE (dependent variables) in different periods, in this case, before crisis and in time of crisis.

3. METHODOLOGY

The aim of this study is to analyze the impact of CAMELS variables on the profitability of the banking sector in B&H. This study takes quantitative approach with Ordinary Least Square (OLS) method in order to analyze and interpret data.

3.1. Data and Sample Design

This study uses secondary data available for the banking sector of Bosnia and Herzegovina. In order to calculate needed ratios, data was taken from annual reports of three sources; Central Bank of Bosnia and Herzegovina, Banking Agency of the Federation of B&H and Banking Agency of Republika Srpska. Ratios represent entire banking sector in one year. The study is based on a period of eleven years (2003-2013). In this period, the number of banks varied as it can be seen in Table 1.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>36</td>
</tr>
<tr>
<td>2004</td>
<td>33</td>
</tr>
<tr>
<td>2005</td>
<td>33</td>
</tr>
<tr>
<td>2006</td>
<td>32</td>
</tr>
<tr>
<td>2007</td>
<td>32</td>
</tr>
<tr>
<td>2008</td>
<td>30</td>
</tr>
<tr>
<td>2009</td>
<td>30</td>
</tr>
<tr>
<td>2010</td>
<td>29</td>
</tr>
<tr>
<td>2011</td>
<td>29</td>
</tr>
<tr>
<td>2012</td>
<td>28</td>
</tr>
<tr>
<td>2013</td>
<td>27</td>
</tr>
</tbody>
</table>
3.2. Model Specification

This study uses two models, by which it tries to determine what effects the profitability of the banks. Models used to obtain the empirical results are presented by the equation below:

\[ Y_1 = \beta_0 + \beta_1 \text{CAR} + \beta_2 \text{NPLS} + \beta_3 \text{MAN} + \beta_4 \text{EAR} + \beta_5 \text{LIQ} + \beta_6 \text{SMR} + u_i \]

\[ Y_2 = \beta_0 + \beta_1 \text{CAR} + \beta_2 \text{NPLS} + \beta_3 \text{MAN} + \beta_4 \text{EAR} + \beta_5 \text{LIQ} + \beta_6 \text{SMR} + u_i \]

Where:

- \( Y_1 \) - dependent variable, ROA – return on assets
- \( Y_2 \) - dependent variable, ROE – return on equity
- CAR - Capital adequacy
- NPLS - Asset quality
- MAN - Management quality
- EAR - Earning quality
- LIQ - Liquidity
- SMR - Sensitivity to market risk, and
- \( u_i \) - error term.

3.3. Variables

This goal of this study is to examine the impact of CAMELS variables on the banking sector profitability. The variables are taken from annual reports of the Federation and Republic of Srpska banking sector. The following tables provide details about selected variables and information how they are measured.
Table 2: Variables used in the study

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>Indicator</th>
<th>Variable</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability</td>
<td>ROA</td>
<td>Net income / Total assets</td>
<td></td>
</tr>
<tr>
<td>Profitability</td>
<td>ROE</td>
<td>Net income / Total capital</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Indicator</th>
<th>Variable</th>
<th>Measurement</th>
<th>Expected sign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital adequacy</td>
<td>CAR</td>
<td>Capital / Risk weighted assets</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Asset quality</td>
<td>NPLs</td>
<td>Nonperforming loans / Total loans</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>MAN</td>
<td>Operating expenses / Total assets</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Earning</td>
<td>NIM</td>
<td>Net interest income / Total assets</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Liquidity</td>
<td>LIQ</td>
<td>Liquid assets / Total assets</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Sensitivity to market risk</td>
<td>SMR</td>
<td>Securities / Total assets</td>
<td>+</td>
<td></td>
</tr>
</tbody>
</table>

4. EMPIRICAL RESULTS

4.1. Descriptive Results

In the following table, we present descriptive statistics of profitability indicators of the banking sector in the period from 2003 to 2013.

Table 3: Descriptive Results - Dependent Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROA</td>
<td>0.42</td>
<td>0.46</td>
<td>-0.59</td>
<td>0.87</td>
</tr>
<tr>
<td>ROE</td>
<td>3.65</td>
<td>3.98</td>
<td>-4.96</td>
<td>7.56</td>
</tr>
</tbody>
</table>

The descriptive results show that ROA averaged at 0.4% while ROE was higher (3.7%). Observing the changes in this period, standard deviation of these indicators shows us that ROE was much more unstable than ROA. In order to illustrate the trend of these indicators in a given period we use Figure 1.
What first comes to eye is the fall of indicators in the period from 2007 to 2010. The reason for it is in most cases the global financial crisis that affected not just the banking sector but all others indicators of a country’s economy (Knezovic & Ergun, 2012).

The descriptive results of CAMELS indicators are presented in the table below.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car</td>
<td>17.39</td>
<td>1.25</td>
<td>16.07</td>
<td>20.29</td>
</tr>
<tr>
<td>NPLs</td>
<td>7.93</td>
<td>4.27</td>
<td>3.02</td>
<td>14.86</td>
</tr>
<tr>
<td>MAN</td>
<td>3.66</td>
<td>0.58</td>
<td>3.14</td>
<td>5.21</td>
</tr>
<tr>
<td>EAR</td>
<td>3.55</td>
<td>0.21</td>
<td>3.35</td>
<td>4.08</td>
</tr>
<tr>
<td>LIQ</td>
<td>31.77</td>
<td>4.46</td>
<td>25.43</td>
<td>97.67</td>
</tr>
<tr>
<td>SMR</td>
<td>1.62</td>
<td>1.56</td>
<td>0.16</td>
<td>4.14</td>
</tr>
</tbody>
</table>

From the table above, we may see averages of internal indicators of profitability. In the given period the most volatile indicators were nonperforming loans (NPLs) and liquidity, while other indicators were much more stable.
4.2. Model Summary

The following table represents the regression analysis of the model.

Table 5: Empirical Results

<table>
<thead>
<tr>
<th></th>
<th>Model 1 (ROA)</th>
<th>Model 2 (ROE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR</td>
<td>0.75**</td>
<td>5.43**</td>
</tr>
<tr>
<td>NPLs</td>
<td>-0.15*</td>
<td>-1.26**</td>
</tr>
<tr>
<td>MAN</td>
<td>-1.48**</td>
<td>-11.46**</td>
</tr>
<tr>
<td>EAR</td>
<td>1.59**</td>
<td>11.47</td>
</tr>
<tr>
<td>LIQ</td>
<td>-0.08</td>
<td>-0.41</td>
</tr>
<tr>
<td>SMR</td>
<td>0.09</td>
<td>1.15</td>
</tr>
<tr>
<td>cons</td>
<td>-9.09**</td>
<td>-68.39**</td>
</tr>
<tr>
<td>F</td>
<td>13.22</td>
<td>10.63</td>
</tr>
<tr>
<td>Prob&gt;F</td>
<td>0.01</td>
<td>0.02</td>
</tr>
<tr>
<td>R - square</td>
<td>0.95</td>
<td>0.94</td>
</tr>
<tr>
<td>Adj R - square</td>
<td>0.88</td>
<td>0.85</td>
</tr>
<tr>
<td>Root MSE</td>
<td>0.16</td>
<td>1.53</td>
</tr>
</tbody>
</table>

(*p<.01; **p<.05)

Analyzing the models, we may see that Adjusted R-square is 0.88 for ROA and 0.853 for ROE. This means that the CAMELS framework explains 88% of ROA and 85.3% of ROE, confirming that there is relationship among these variables. The model summary shows that F-test is low (13.22 and 10.63), but p-value of F is lower than 0.05 indicating that at least one CAMELS indicator influences profitability in the banking sector.

Observing the results in Table 5, we may see that all relationships between dependent and independent variables resulted as expected; capital adequacy, earning quality and sensitivity on market risk have a positive relationship with profitability indicators, while asset quality, management quality and liquidity have negative.

Further, we may see that in the given period, significant internal determinants of profitability in perspective of ROA were capital adequacy,
management quality, and earning quality (at 5% significance level) and asset quality and earnings (at 1% significance level). Statistically insignificant determinants were liquidity and sensitivity to market risk.

Analyzing internal determinants of ROE, we may see that capital adequacy, asset quality, and management quality are statistically significant at 5% significance level. On the other hand, liquidity, earning quality, and sensitivity to market risk are statistically insignificant.

In the summary of the model we present these interesting findings. Results regarding ROA showed the following:

- Increase of capital adequacy by 1% increases ROA by 0.75%;
- Increase of nonperforming loans by 1% decreases ROA by 0.15%;
- Increase of management quality by 1% decreases ROA by 1.48%; and
- Increase of earning quality by 1% increases ROA by 1.57%.

As it concerns ROE, the results showed following:

- Increase of capital adequacy by 1% increases ROE by 5.25%;
- Increase of nonperforming loans by 1% decreases ROE by 1.26%; and
- Increase of management quality by 1% decreases ROE by 11.46%.

5. CONCLUSION

The main aim of the study was to analyze the performance of the banking sector in B&H in the period between 2003 and 2013. This study examines the profitability of the sector through internal financial indicators of stability using the CAMELS methodology. CAMELS methodology uses financial coefficients in order to assess the stability of the banks. Control and coordination procedures over the bank are made based on these results, and this methodology is highly used for the ranking of the banks.

The results have shown that the profitability of the banks (ROA and ROE) is highly explained by CAMELS framework. The dependent variables are significantly affected by four internal determinants: capital adequacy, asset quality, management quality, and earning quality. However, the results did not
provide evidence to support the assumptions regarding the effect of liquidity and sensitivity to market risk on profitability.

By observing descriptive results, we may conclude that, currently, the banking sector is recovering from the Global Financial Crisis, that it is pretty stable and that it can progress in the coming period. In the coming years, the banking sector will play a very important role in the country’s progress, since among the government goals for the following period are: macroeconomic stabilization, competitiveness, employment, sustainable development, and EU integration. In all these areas, financial support will be needed, so higher profitability for banking sector may be expected.

The aim of this study was to analyze internal determinants of banking sector profitability. However, an analysis of factors that are affecting the profitability from a more complete perspective, external factors such as macroeconomic determinants, should be added.

REFERENCES


The (Expected) Collapse of Nationalist Politics in Bosnia and Herzegovina

Indijana Šabić
International University of Sarajevo

ABSTRACT

A current political system of Bosnia and Herzegovina has been created within the Dayton Peace Agreement from 1995. It has numerous obstacles, creating institutionalized nationalist politics, discrimination towards many ethnic groups on different levels and difficulties in the complex decision making processes. This paper has two aims; first is to explain and give an insight of what this political system looks like and what are the obstacles. Second aim of the paper is to offer predictions and reasons on why this system is not able to survive in a longer period of time, and in what ways this type of ethno politics is about to collapse.

Keywords: Bosnia and Herzegovina, Political System, Nationalist Politics, Failure.
1. INTRODUCTION

1.1. Problem Statement and Problem Justification

Bosnia and Herzegovina is a state with a short democratic history, since its Constitution dates to 1995. It is a part of the Dayton Peace Agreement (1995), which stopped the four years long war. The political system created is the so called consociational type of democracy, which is present in some ethnically heterogeneous states such as Belgium or Lebanon (Lijphart, Arend: 1977). This political system ensures that each position in executive, legislative, or judiciary branch, at almost all levels is decided according to the ethnicity. This type of political arrangement does not seem very efficient since it systematically discriminates ethnic minorities, favors nationalist politics, encourages nationalist rhetoric and creates tensions among different ethnic groups (constituent people; Bosniaks, Croats, Serbs).

This political system in fact does not promote interest based politics, which ought to be the basis in democratic states, but rather a politics dominated by nationalist parties. Preference of voting is given to the nationalist parties which are in power for most of the years since the Dayton Peace Agreement. (Mujkić, Hulsey: 2010) Most of the parties, however, are particularistic, aiming to gather only members of a certain ethnic group, rather than catch all parties. (Mujkić, Hulsey: 2010) However, due to the dissidence briefly explained above, the purpose of this paper would not be to explore the system de facto, but rather to provide clear examples of why this system cannot survive. This system is not likely to survive in a long term period due to some of the following reasons:

- Ethno politics usually does not provide people with basic needs nor does it promote economic growth
- It sharply divides ethnic groups and does not encourage coexistence within one state
- It violates basic human rights of ethnic minorities (seventeen groups recognized), and also it violates human rights of the constituent, people depending on the region where one group is majority
- This type of politics does not encourage European Union accession process, since it encompasses all the facts listed above
• Expected Census results will show large shifts within population and it might shift roles of the constituent people and the ethnic minorities
• Constitution already proved discriminatory and its changing is mandatory due to many reasons.

Due to all these facts listed above, it is important to talk about the (expected) collapse of B&H political system as de facto it is, since it is not sustainable in a long term. This paper offers the possible shifts in nationalist politics and the solutions, since its malfunctions are evident, with an insight into the political system itself. The purpose of this paper is to elaborate all these claims listed above, offer the causal relations between them. This project will be qualitative research. According to Jennifer Mason, qualitative research has an aim to produce rounded and contextual understandings on the basis of rich, nuanced, and detailed data. In this kind of research there is an emphasis on “holistic” forms of analysis and explanation in this sense. (Mason, Jennifer 3-4)

1.2. Research Question and Hypothesis

The main question of this paper is to find and prove the correlation between the political future of Bosnia and Herzegovina itself, and the expected failure of the nationalist dominated politics. Political system will be examined in an essence as the nationalist politics which is in power since the country gained its independence. There will be provided particular, main examples of human rights violations so far within this system. Strong arguments regarding possible outcomes of this political system, but also the possible impact of Census 2013 results will be provided as well as compared. Possible solutions to this will be provided in the end. Regarding variables, two main are chosen. Independent variable is the political system of the state itself, which is constant and fixed for already twenty years so far. Dependent variable is the expected outcome of this political system. It is dependent because it is closely related to the system itself, and it will affect the society through the political changes afterwards.
2. POLITICAL SYSTEM OF BOSNIA AND HERZEGOVINA

2.1. General Characteristics of the System

Dayton Peace Agreement stopped the war in Bosnia and Herzegovina, and also established its political system. The conference took place 1-21 November, 1995. It shows it was too short period to create a legal document which would stop the war, and also create functional political institutions. It is a unique case in international political system because of few specific things. First, Annex IV is the Constitution, written in English, and not in native languages B/S/C. Another point is that DPA, and the Constitution itself were never voted in the state Parliament, instead it was just adopted and signed by Presidents of Bosnia and Herzegovina, and Croatia and Serbia as parties involved in the war as well. (Gavrić, Saša, et al.)

Besides these, the Constitution set a legal framework for political system and institutions. The most similar state to compare with is Belgium, with its *consociational* type of democracy, where power is shared among constituent ethnic groups. (Pales, Zsofia 7-8) Agreement divided state into two entities (Republic of Srpska and Federation of B&H), and an entity Brčko, basically belonging to both entities, and presenting an important communication line. Federation is further divided into ten cantons. Regarding political system, it is a parliamentary democracy, and the parliament is bicameral. Internal division is perhaps one of the most complicated in the world, and the approach to study case of Bosnia is very different than if studying other states. Every position within political institutions is already decided in regard to which ethnicity will occupy it. There are some positions which might be occupied by “others”, but for most of them there is certain ethnic quota. (Dayton Peace Agreement) These were created in order to stop the war, and at that time, it seemed functioning. Soon it was realized that ethnic minorities were highly discriminated, and even people who are half Serbs/Bosniaks/Croats. Besides this, the Constitution was never ratified, and because of these, there are many cases of human rights violations, which are causing trouble not only to those minorities, but to the whole state due to process of European Union integration. This political system has created various obstacles to progress, integration into European Union, NATO, and also kept level of nationalism very high. This will be examined in a more detailed way in the rest of the paper. Also certain political positions where exclusively constituent peoples can be elected will be examined.
According to all of these facts, it is clear that the system is very complicated, and it is difficult to compare it with most other states. Most of the problems within the political system of the state are two decades old problems, dating back to the Dayton Peace Agreement. In the rest of the paper there will be referring to some of the most important problems, which are related to the topic itself.


In Bosnia and Herzegovina most of the parties are particularistic. (Mujkić, Hulsey: 2010) This means they attempt to gain votes only from a particular ethnic group. There are also some parties which tend to gain votes from all citizens, but they gained no noticeable popularity (in general, but with exceptions) in years following the independence till today. As Mujkić and Hulsey point out in their paper, since the first democratic elections from 1991, politics in Bosnia and Herzegovina has been characterized by ethno politics rather than interest-based politics. (Mujkić, Hulsey, 144) That is the reason why people even after two decades of poor governance still choose to vote for nationalist parties. Also it is elaborated through the Prisoner’s Dilemma, or as they call it, ethno-nationalist conception. Namely, there is an explained concept of all possible options, and reasons why do people vote for nationalist parties is that uncertainty of whether other groups will vote for their parties. Fear is that if only group A votes for non-nationalist party, while groups B and C vote for nationalist ones, that A will be worse off in relative terms. (Mujkić, Hulsey, 146) This concept will be mentioned throughout the paper. Main parties and groups they represent are as follows:

The Party of Democratic Action (SDA) is the Bosniak political party, founded in 1991 by the (later on) first president of Bosnia and Herzegovina – Alija Izetbegović. (europeanforum.net / sda.ba)

The Croatian Democratic Union of Bosnia and Herzegovina (HDZ BIH) is the largest political party of Bosnian Croats. It was established in 1990, and participated at the first elections, just like SDA did. (europeanforum.net/ hdzbih.org)

126 B&H abbreviation will be used interchangeably within the text for the name Bosnia and Herzegovina.
The Serb Democratic Party (SDS) is the main Serb nationalist party, established in 1990, like other national parties. (europeanforum.net/sdsrs.com)

Besides these three that were formed in 1990s, and that are nationalist since the beginning, there are some others which are very important factors as well. Most of the parties in power are nationalist, right wing, and seeking to influence only one part of the electorate, which is their ethnic group. Some of these, later formed parties are the Alliance of Independent Social Democrats (SNSD), Party for Bosnia and Herzegovina (Stranka za BiH), Croatian Democratic Union - HDZ 1990, Alliance for a better future of BiH (SBB), etc. Besides these nationalist, there are few catch all, which tend to gather voters regardless of their ethnicity, such as Social Democratic Party (SDP), Democratic Front (DF), Our Party (Naša Stranka), and many irrelevant others. The issue with these parties is that they gain popular support mainly from younger, more liberal people, usually oriented towards strong B&H, abolishing ethnic divisions, but they last short. Again to the concept of Prisoner's dilemma - people might vote for non-nationalist parties, but in percentage, it is still small number, and it is more popular among younger generations, those who did not grow up in Yugoslavia. Younger people shift their opinions much quicker, than do older people do. (Waltenburg: 2013)

Therefore, bearing in mind that around 190 parties are registered within the state, each of them represents around 20.000 people in theory, but in reality a major four to five parties usually take almost all seats. In mandate 2014-2018, only 12 parties /coalitions are in state Parliament, which shows that although census is only 3%, most of the parties are irrelevant, and true battle is between only few of them. (parlament.ba)

2.3. Nationalism as a Dominant Ideology

Although the term “nationalism” has a variety of meanings, it centrally encompasses the two phenomena noted at the outset: (1) the attitude that the members of a nation have when they care about their identity as members of that nation and (2) the actions that the members of a nation take in seeking to achieve (or sustain) some form of political sovereignty (Nielsen 1998–9, 9) In the Balkan, and in B&H as an ethnically heterogeneous country, nationalism has been the driving force of all the conflicts throughout the history. Now, after the last war, nationalist parties are having the dominant nationalist rhetoric which encourages the further divisions among the people. Here, nationalism still is the dominant
ideology, and every attempt of the peace talks, economic talks or even the Census results end up by the nationalist political discussion and harsh divisions on “us” and “them”. This, however, is not a sustainable ideology or the system since people besides fictional national pride are having nothing out of it. For the Balkan, though, it will take much more time in order to give up on the nationalism, which in this region never brought anything positive other than possible future conflicts.

For instance, Europe was known for its strong nationalist feelings which lead to destructive wars, but the creation of European Union had one purpose, among others, to decrease the nationalism. (European Forum) B&H although much later, could lead the similar path, and if the B&H is about to follow the EU path, it will be more capitalist oriented, which in the final result, is not negative. The logic goes this way: if the state offers jobs for people, they will be less focused on the nationalist harsh rhetoric, but rather on the well being of the state, if they have something to lose by focusing on the conflict. The fact is, too, that nationalism never completely disappeared from the European soil, but rather was modified to common national interest which leads to enormous economic growth in almost all European Union countries.

2.4. The Role of Census 2013

Census is the procedure of collecting information about a given population. It can include a various data, from basic, such as the number of inhabitants within one state, till educational level of citizens, religion, ethnicity, age, etc. (Alterman, Hyman) Usually, censuses are held every ten years, because the population is dynamic, and it is necessary to have the updated information within a decade.

Although the census is very important societal and political aspect of a state, Bosnia and Herzegovina had a gap from 1991 till 2013 census. Namely, the last census was held in 1991, and then a war occurred from 1992 to 1995, where census data became invalid due to the war victims and large number of an emigrated population. Immediately after the war ended, census was not among the top priorities, but however, too much time passed before the idea to organize census became popular. Mainly, there was a disagreement among constituent people and their leading parties. Parties from the Republic of Srpska, representing...
Serbs were mainly in favor of census, since it would prove their majority within that territory. Alliance of Independent Social Democrats (Savez Nezavisnih Socijaldemokrata, SNSD) introduced a draft law for census in 2004, where they called for census as soon as 2005. (Valery Perry, 5) On the other side, parties in Federation had different standing towards census. The Bosniak Party of Democratic Action (Stranka Demokratske Akcije, SDA), and the Croat party Croatian Democratic Union (Hrvatska Demokratska Zajednica, HDZ) were less supportive, due to the fear of an identity data. Croats mainly feared that their number will show sharp decrease. Bosniaks did not fear this overall number, but rather they feared that their number would be decreased in the pre-war Bosniak majority places, which are today mainly in the Republic of Srpska. (Valery Perry, 5)

After pressure from the European Union, Bosnia and Herzegovina had its first post war census in 2013. The data are supposed to be made official by the middle of 2016, but there are some estimates already. Based on the estimates, there are fears among nationalist party leaders that some ethnic groups might be left worse off or could be a relative minority after the results. Estimates show that Bosniaks are majority in the whole state, that Serbs are the second largest group within the state (but the majority in the entity of Republic of Srpska), and that Croats are third largest, but substantially smaller than at the 1991 census. This makes them among the minority groups, if the official results show it, so these might make constitutional changes an urgent case.

Census from the 2013 is of a high importance for the state, since the data from the 1991 is no longer valid, and basically everything in the state is regulated according to the old data. After around two million of people were displaced (internally, or they left the state), and after around 100,000 people were killed in war atrocities, it is obvious that new data will change many things. (Institute for Statistics of FB&H, Bosnia and Herzegovina) Besides numerous questions, which are an important part of census elsewhere, in Bosnia and Herzegovina the main outcome is still the ethnic one. Other than these questions about religion, language, and ethnicity, probably more important part of the census should be the percentage of unemployed, illiterate people. However, this part was left in the shadow of a different propaganda from the nationalist parties. No matter what the results show, it is certain that it will have an impact on the country and the politics.
Since census was conducted in 2013, there was a lot of talk about the possible outcomes. Agency for Statistics of Bosnia and Herzegovina is going to release the official results by the middle of 2016. However, there are certain assumptions, which make mainly Croats skeptical since their number has been shrinking since the last census of 1991. These fears are related to the talks about the constitutional reforms (which would include centralization of power, possible abolishing the entities and cantons), which might leave the smallest ethnic group worse off, since the majority would be the one deciding on the most issues.

According to a demographer Dr. Jakov Gelo, the total number of people living in Bosnia and Herzegovina is exaggerated and also the number of Croats, since the number in reality is much smaller. He claims that some people who were more than twenty years outside the country still were counted in the census, but it is to be seen. (Gelo, Jakov)

3. DISCUSSION ON THE TOPIC

The political situation in Bosnia and Herzegovina has remained in a certain form of status quo for the last two decades. The major milestone is thought to be the Census of 2013, since it would show the necessity to reorganize political system completely. A current ethnopoltics and the consociational political system is namely created according to 1991 Census data, and the fact is that results have changed drastically in last two and a half decades. Throughout the paper numerous problems have been listed and explained, which are mainly caused by the political system itself. However, political parties have managed to remain in power ever since the 1990’s. Truth to be spoken, many parties have been created afterwards, but the nationalist ones remained in power, which strongly influenced the nature of political system itself, since the nationalist rhetoric remained the most dominant within the state.

Nationalism in a state created a sharp division among the ethnic groups and also is not a positive impetus towards the coexistence and economic development. Instead, the political campaigns are mainly dominated by the nationalist rhetoric which further divided ethnic groups, and does not encourage economic development and mutual understanding, but rather leaves people in the shadow of their conflict history.
Census would, however, show the dramatic change of the data, and perhaps it might initiate the needed Constitutional changes. Some of the predictions include the fact that Croats are now positively discriminated and enjoy as same rights as Bosniaks and Serbs, although they are less in number than the other two groups. It leaves the conclusion that Croats would be near the minority status, and however, minorities in Bosnia and Herzegovina do not enjoy many political rights, so the redistribution of power according to the Constitution would be much needed. In what ways the changes might occur is still questionable, but for sure they are about to happen. After submission of the European Union application, B&H has numerous resolutions to pass before it becomes the official candidate state. Respect towards human rights of minorities is among the most important changes which are needed, so it is only to be negotiated now how it would be implemented.

Another point to be discussed is the loss of trust towards the nationalist parties in recent years. They fail to keep their promises, and a huge brain drain is occurring almost daily. Many people are shifting towards the catch all parties, or are abstaining from voting at all. Nationalist politics does not give jobs, but rather gives a fictional idea of protecting each ethnic group from other ethnic groups. This process of losing trust might take few more decades, and more realistic option is the complete redistribution of power, via changing the Constitution.

Besides Census, European Union will make a pressure towards changing of the Constitution, and by changing it, more rights will be given to ethnic minorities. There is a realistic possibility of offering a new political system, which might not be dependent solely on the ethnicity. This might offer an impetus towards the positive democratic changes and towards vanishing the importance of nationalist parties, which in fact, do not offer much besides nationalist feeling and the fictional protection from other ethnic groups.

All of these might be a long(er) process, but the facts show that this type of political system does not encourage an economic growth nor the coexistence of different ethnic groups. After the large number of people have already left the state, or are planning to do so, maybe the outside factors (once again) would offer a solution to B&H political solution. This time, hopefully, it will not rely on nationalism solely, since it did not work out this time, and after twenty years, it is a high time for political elites in the state to realize this.
4. CONCLUSION

Bosnia and Herzegovina has a very complex political system as it is shown through the paper. It has remained almost the same since the 1995 Constitution was created as the part of Dayton Peace Agreement. Ever since the adoption of the Constitution there has been a need to change it, due to the systematic discrimination of rights not just of others (minorities are Constitutionally referred as Others), but also a discrimination of the constituent people, depending from the region where they live.

Census results will be available by the end of the 2015, and certain predictions and assumptions already exist, and predictions and solutions are in detail studied within this paper. These are usually related to three main questions in the census; ethnicity, language, and religion, making all others irrelevant for the political system itself. The Agency for the Statistics of Bosnia and Herzegovina will publish official results, but for now, preliminary ones claim that in Bosnia and Herzegovina the total number of enumerated persons is 3,791,622. (Preliminary Results, Agency for the Statistics of Bosnia and Herzegovina)

Some other facts that are more important to citizens besides ethnicity are the percentage of people who are leaving the country, those who are unemployed, without access to education, or to those who are still not able to access all their human rights and freedoms. After Dayton Peace Accords, the 2013 Census results are among the most important events in modern history of Bosnia and Herzegovina since it opens a door to something new, and society might have a word in it.

Political system the way it is is not sustainable, and it is the question of an adequate moment when it will shut down and some dramatic changes will be needed in order to create a functional system which will be appropriate for all citizens.
REFERENCES


The Special Legal Regime of Leasing Companies in the Legislation of Bosnia and Herzegovina and Neighboring Countries

Dr. Emir Sudžuka
International University of Sarajevo

ABSTRACT

This paper analyzes the status of leasing companies in the legal system of Bosnia and Herzegovina and makes a comparison with legislations of neighboring countries. In recent years, leasing agreement became a widely used model of financing of procurement of goods including different types of equipment mostly for business purposes. From the beginning of the development of leasing, the practice of domestic and foreign trade and economy have defined it's primary function as the financing of procurement of movable and immovable investment equipment without engaging personal investment funds by payment in cash and without indebtedness in classic loan form. Therefore, leasing companies as specialized legal entities appeared in most contemporary legal systems in order to offer to its clients new kind of financing different from the classical loans. This special kind of companies in most countries are introduced by lex specials laws on leasing or if there is no such a law, they are formed under the general regime of national company law. Laws of leasing are enacted in Bosnia and Herzegovina on entity level beginning from 2007 in Republika Srpska and 2008 in Federation of Bosnia and Herzegovina. In neighboring countries, special leasing laws were enacted first in Macedonia in 2002, in Serbia 2003 and the last in Croatia in 2013. Although most of the leasing companies are directly or indirectly related to banks as financial institutions, nowadays we can surely talk about leasing companies as special and independent legal entities with specific legal personality.

Keywords: Leasing Agreement, Law on Leasing, Special Legal Regime, Company Formation, Leasing Company, Control.
1. INTRODUCTION

The leasing transactions of all different kinds are becoming more and more used in the practice of companies at both national and international level. Term „leasing“ has English origin and its basic meaning is „renting“. In a contemporary business and legal environment, this term has derivative juridical meaning. According to Trifkovic et al. (2009), it becomes a technical term which indicates complex organizational, technical, technological, economic, commercial and legal operation intended for satisfying various needs of commercial and other entities related to acquiring use value of goods for a limited period of time. In a strictly legal sense, leasing agreement is complex legal transaction consisting of two contracts: delivery and leasing. (Vukadinovic, 2012)

Leasing was created in conditions of the developing markets of goods and capital and high technology which is rapidly advancing and it becomes difficult to follow this development by using the classic forms of business (Spasic, 1990). The lease agreement is complex legal and economic operation wherein a person that desires to procure and use certain goods addresses the specialized financial institution, which purchases the object of leasing for him/her, and then cedes it for utilization for a certain period of time (Medic, 2004).

Leasing agreement is a multi-layered and complex legal transaction that most frequently implies a three-dimensional relation and/or the existence of three entities of transaction: lessor, lessee, and supplier. The existence of deliverer is not mandatory because the goods may be made by a lessor. Likewise, it is not necessary that the lessor performs the purchase, because the goods may be purchased by the user of the lease, and the sold to the lessor. Subsequently, the lease may be taken from the lessor with the so-called sale and lease back option. Thus, the owner gets his/her working capital. In a large number of cases, there is

---

127 Noun: a contract renting land, buildings, etc. to another, a contract or instrument conveying the property to another for a specified period or for a period determinable at the will of either lessor or lessee in consideration of rent or other compensation. Verb: to grant the temporary possession or use to another, usually for compensation at a fixed rate; to take hold by the lease.

128 According to Thesaurus dictionary the term leasing is of French and English speaking area, incurred in the period between 1350-1400 year.

129 An arrangement where the seller of an asset leases back the same asset from the purchaser. In a leaseback arrangement, the specifics of the arrangement are made immediately after the sale of the asset, with the amount of the payments and the time period specified. Essentially, the seller of the asset becomes the lessee and the purchaser becomes the lessor in this arrangement.
hidden a credit secured by the fiduciary transfer of the ownership (Culinovic 1998). Bearing in mind all the facts mentioned above regarding the complexity and wide application of this legal transaction, it is clear that modern legal systems have the necessity of creating special forms of legal entities whose main course of businesses would be all possible variations of leasing agreements.

2. DEFINITION OF LEASING COMPANY

There are different types of companies developed in the theory of Company Law. The criteria for distinction can be the ownership of capital or liability of the founders for the debts of the company for the activities undertaken in the ordinary course of business. Referring to criteria of capital ownership, we can talk about public and private companies and regard liability criteria, there are limited and unlimited companies. According to applicable Companies Act of Federation of Bosnia and Herzegovina\textsuperscript{130} and Republika Srpska\textsuperscript{131}, there are four principle types of business organization: general partnerships, limited partnerships, public limited liability company (PLC or joint stock company) and private limited liability company (LLC or limited liability company). These types of business are classified as companies of persons (general partnership and limited partnership) and companies of capital (PLC and LLC).

The most common form of business entities in the economy of Bosnia and Herzegovina generally is limited liability company. The situation is similar in other contemporary legal systems. "The limited liability corporation is the greatest single discovery of modern times. Even steam and electricity are less important than limited liability company“ (Diamond 1982). Limited liability companies have the advantage that the member's liability to contribute to the debts of the company has a fixed limit which is always clear (Dine, Koutsisas, 2007). The essence of any type of company is that it has a legal personality distinct from the people who compose it. This means that even if the people running the company are continuously changing, the company itself retains its identity and the business need not to be stopped and restarted with every change in the managers or members of the business.

\textsuperscript{130} Official Gazette of Federation of Bosnia and Herzegovina no. 81/15 article 3.
\textsuperscript{131} Official Gazette of Republika Srpska no. 127/08, 58/09, 100/11, 67/13. article 2.
The leasing company as a specialized business form is relatively new in theory and practice and there is no adequate theoretical definition of leasing company itself. In accordance with the governing law\textsuperscript{132}, leasing company can be defined as a company of capital with prescribed minimum amount of initial capital. In both entities laws on leasing in Bosnia and Herzegovina is specified that leasing company is always the company of capital. Therefore, it can be formed as limited liability company or joint stock company. This is the first characteristic of leasing companies in comparison with the general regime\textsuperscript{133} of formation of companies in the B&H legislation. Besides this condition related to initial capital, leasing company can not be registered in the court register\textsuperscript{134} without previously obtained the license from the competent state authority\textsuperscript{135}. This license or approval is mandatory by its nature and is has to be issued before starting business activities.

The main course of business of leasing companies are operating and the finance leasing (Trifkovic et al. 2009). The leasing company as a party to the lease agreement is a lessor. Its main duty is to transfer possession rights and usage of the object of leasing to the lessee for the certain period of time, and the lessee's main obligation is to pay contractual reimbursement. At last, it is possible to infer that leasing company is voluntary specialized association formed as a company of capital with prescribed minimum initial capital and organized under special legal regime by full fulfilling particular requirements referring to conditions for undertaking non-ordinary financial business activities by the relevant state authority.

3. FORMATION OF LEASING COMPANY

\textsuperscript{132} Article 3 and 8 of The Law on Leasing of Federation of Bosnia and Herzegovina (Official Gazette of Federation B&H 85/08,39/09,65/13) and Article 10 and 14. of The Law on Leasing of Republika Srpska (Official Gazette of Republika Srpska 70/07, 116/11.)

\textsuperscript{133} General region of formation and business activities of a company refers to all types of companies which can be formed without any special conditions and licenses or permits issued by the competent state authority.

\textsuperscript{134} There are special laws on entities level related to procedure of registration of business entities: Law on registration of business entities in Federation of Bosnia and Herzegovina (Official Gazette of Federation B&H 27/05, 68/05, 43/09 and 63/14) and Law on registration of business entities in Republika Srpska (Official Gazette of RS 42/05,118/09)

\textsuperscript{135} Competence over formation and control of leasing companies in Bosnia and Herzegovina have banking agencies at the entity level. Banking agency of the Federation of Bosnia and Herzegovina: http://www.fba.ba/ and banking agency of the Republika Srpska: https://www.abrs.ba/
The establishment of business entities implies more regulated legal and factual actions by the founder (one or more) and the competent authorities (Covic, 2003). For the establishment of the company according to the general regime requires two basic conditions: the decision on the establishment if the founder of the company is one single person, or the conclusion of the agreement on the establishment of the company if there are more than two founders and payment of initial capital in the amount specified by the decision or contract.\textsuperscript{136} For companies in the special regime by particular regulations is required fulfillment of other, additional, conditions (Simic et al. 1999).

The analysis of applicable legislation in Federation of BiH shows that leasing companies can be established only in the form of limited liability company or joint-stock company,\textsuperscript{137} while the Law on leasing in Republika Srpska stipulates that leasing transactions can be conducted only by legal entity formed as company of capital.\textsuperscript{138} If the priority during formation of the company was given to the capital over the personalities of persons who are joining funds and labor, then we can talk about companies of capital (Barbic, 2000).

A limited liability company, in which the number of founders is not limited, is the legal entity in which one or more legal persons or individuals are entering their shares in accordance with the previously agreed conditions (Tolusic, 2012). This is the most common form of companies in the practice in Bosnia and Herzegovina.

Joint Stock Company is a company whose share capital is divided into shares\textsuperscript{139} set up by one or more legal entities and / or individuals in the capacity of shareholders in order to perform certain activities under the same business name.\textsuperscript{140}

The common characteristics of companies that are organized by the same group of people as a legal entity, but as a subject in legal system they differ from the persons who constitute it, and they all perform one or more specific business activities with the objective of making a profit by acting as an independent organization (Micovic, 2010).

\textsuperscript{136} In accordance with above-mentioned Companies Act at entity level in Bosnia and Herzegovina as well as law related to the procedure of registration of business entities in Federation Bosnia and Herzegovina and Republika Srpska.
\textsuperscript{137} Article 3, point 3, The Law on leasing of Federation of Bosnia and Herzegovina
\textsuperscript{138} Article 10, point 1, The Law of leasing of Republika Srpska.
\textsuperscript{139} Article 105, point 1. of Companies Act of Federation of Bosnia and Herzegovina
\textsuperscript{140} Article 179, point 1. of Companies Act of Republika Srpska.
The establishment of leasing companies at the territory of entities in Bosnia and Herzegovina is conditioned by the organizational form of the company and the minimum initial capital and the obligation to obtain approval to conduct leasing activities by the competent authority.\textsuperscript{141} In Federation that is Banking agency of Federation of Bosnia and Herzegovina\textsuperscript{142}, and in Republika Srpska Banking agency of Republika Srpska.\textsuperscript{143} In both laws is prescribed the minimum of initial capital for leasing companies in the same amount of 250,000, 00 BAM.\textsuperscript{144} The legislation of Federation of Bosnia and Herzegovina also established the obligation to obtain prior approval of the Banking Agency of the Federation of Bosnia and Herzegovina for the acquisition of a significant ownership interest in the leasing company. A significant ownership interest in the meaning of this provision refers to the individuals or legal entities to acquire or increase significant ownership interest in the leasing company for more than 10%, 20%, 33% or 50%.\textsuperscript{145} The legislation of Republika Srpska does not prescribe this requirement. The unequal setting of obligations to the legal entities conducting leasing transactions at the entity level contributes to the establishment of disunited legal and economic environment. Bearing in mind that this is a very important condition for beginning of conducting leasing activities, the unification of entities regulations is mandatory. By existing regulations it is enabled to the subjects to apply the institute of „avoidance of law”. Therefore, it is necessary to unify the law as much as possible. The remainder of this paper will present a comparative analysis of legislation in Bosnia and Herzegovina governing the establishment and formation of leasing companies, in the form of a table.

\begin{table}[h]
\centering
\caption{Comparative Analyzes of B&H Legislation}
\begin{tabular}{|l|c|c|c|}
\hline
No. & Description & FEDERATIONB&H & REPUBLIKA SRPSKA & BRČKO DISTRICT B&H \\
\hline
1. & The normative regulation of leasing as a YES - Law on Leasing of Federation B&H & YES - Law on Leasing of Republika Srpska enacted in 2007. & NO \\
\hline
\end{tabular}
\end{table}

\textsuperscript{141} Article 3., point 2. of Law on leasing of Federation of Bosnia and Herzegovina; Article 10., point 1., a) of Law on leasing of Republika Srpska.
\textsuperscript{142} According to article 3. point 1. of Law on leasing of Federation of Bosnia and Herzegovina
\textsuperscript{143} According to Article 10 of Law on leasing of Republika Srpska.
\textsuperscript{144} Article 8 of Federal leasing law and article 14, point 1 of leasing law of Republika Srpska.
\textsuperscript{145} More on acquiring a significant ownership interest in the leasing company in the provisions of 9-11. Law on Leasing of the Federation.

423
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Special requirements and licence for formation?</td>
<td>YES- Pursuant to article 3., point 2. of Law on Leasing of Federation of B&amp;H, leasing company can not be registered in Court register before obtaining a license (approval) by competent authority for doing leasing as the main course of business.</td>
<td>YES- Pursuant to article 10. point 1. of Law on Leasing of Republika Srpska, leasing business can be conducted only by the subject who has prior approval for doing leasing business activities.</td>
</tr>
<tr>
<td></td>
<td>NO- Companies conducting leasing business activities are treated equally as all other companies.</td>
<td></td>
</tr>
<tr>
<td>3. The competent state authority for issuance of approval and control of leasing companies.</td>
<td>Federal Banking Agency under Article 3, paragraph 1 of the Law on Leasing of the Federation of Bosnia and Herzegovina for a leasing company established in the territory of the Federation of BiH and the subsidiaries of leasing companies from the Republica Srpska and Brcko District based in the Federation of BiH.</td>
<td>Banking Agency of the Republic of Srpska in accordance with Article 10 of the Law on Leasing of the Republic of Srpska, businesses based in the Republic of Srpska and business units based in the Republic of Srpska of leasing companies that are registered in the territory of the Federation of BiH and Brcko District.</td>
</tr>
<tr>
<td>4. What is the minimum amount of initial capital of leasing companies?</td>
<td>250,000.00 KM and in full amount must be paid in cash prior to entry of the establishment or registration of the increase of the share capital of the leasing company in the</td>
<td>An identical requirement is established by Article 14, paragraph 1 of the Law on leasing of the Republic of Srpska</td>
</tr>
<tr>
<td></td>
<td>As there is no lex special rule, the minimum nominal amount of the share capital is15,000.00 under Article 136 of the Law on Corporations BD, for joint stock companies, or 2,000.00 for companies with limited liability</td>
<td></td>
</tr>
</tbody>
</table>
From the presented legal regulations governing the status of leasing companies in Bosnia and Herzegovina, it is clear that the unique legal framework for the establishment of leasing companies was not established at the state level. Aforementioned leads us to the conclusion that Bosnia and Herzegovina do not have an adequate constitutional framework for a corresponding dynamics of development of the leasing activities at the state level. This situation opens up the possibilities for abuse and contributes to the weakening of the mechanism that gives this business activity the opportunity to contribute to the development of the state economy.

### 4. THE SUPERVISION OF LEASING COMPANIES IN B&H

In the general and special regime of establishment and undertaking business activities of the leasing companies, the state through its organs can supervise leasing companies in two ways:

<table>
<thead>
<tr>
<th>5. The acquisition of a significant ownership interest in the leasing company only with the specific approval of the competent authority?</th>
<th>Yes, consent issued by the Banking Agency in accordance with Article 10 of the Act, which also determines the list of documents that leasing companies submitted with the request for approval.</th>
<th>NO, there is no provision of a significant ownership interest.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Who are the subjects of leasing?</td>
<td>Lessor, Lessee, and supplier</td>
<td>Lessor, lessee, and supplier</td>
</tr>
</tbody>
</table>
a) checking compliance with prescribed requirements when issuing work permits and
b) the continuous monitoring and supervision of the work of the banking agency after issuing of work permit.

Supervision of the business of leasing companies in Bosnia and Herzegovina in entrusted to entities banking agencies, depending on the place of business of leasing company. Agencies are doing indirect and direct control over the work of leasing companies in Bosnia and Herzegovina, by analyzing mandatory regulatory reports submitted by companies, and direct controls on the spot. The main objective of conducting supervision of the competent banking agencies is to ensure the compliance of business of leasing companies with the laws on leasing. In the case of identified deficiencies or violations of statutory provisions during the direct or indirect supervision of the work of leasing companies, agencies make administrative decisions which may order the removal of the lack or, in the case of serious violations, the leasing companies license can be revoked by the agencies. Bearing in mind that leasing business is at the beginning of its development and expansion in the market of Bosnia and Herzegovina, the practice has proved that significant omissions occurred in the terms of supervision and control of leasing companies.

5. THE ANALYSIS OF NEIGHBORING COUNTRIES LEGISLATION

Most of the neighboring countries have enacted special laws related to leasing companies and defined special conditions for undertaking this kind of business activities. For the purposes of this paper, the legislation of following legal systems will be analyzed in the form of a table: Croatia\textsuperscript{146}, Montenegro\textsuperscript{147}, FYR Macedonia\textsuperscript{148}, Serbia\textsuperscript{149} and Kosovo\textsuperscript{150} as an example of relatively new system which has already introduced this law in its legal system.

Table 2. Comparative Analysis of Neighboring Countries Legislation

\begin{table}[h]
\centering
\begin{tabular}{|l|}
\hline
146 Leasing Law, Official gazette of Republic Croatia, no. 141/13 \\
147 Financial Leasing Law, Official gazette of Montenegro no. 81/05 \\
148 Leasing Law, Official gazette of Macedonia, no. 04/02, 49/03, 13/06, 88/08, 35/11, 51/11 and 148/13 \\
149 Financial leasing Law, Official gazette of Serbia, no. 55/03, 61/05, 31/11, 99/11. \\
150 Leasing Law, Official gazette of Kosovo, no. 58/2009. \\
\hline
\end{tabular}
\end{table}
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>CROATIA</th>
<th>FYR MACEDONIA</th>
<th>MONTENEGRO</th>
<th>SERBIA</th>
<th>KOSOVO</th>
</tr>
</thead>
<tbody>
<tr>
<td>The form of leasing companies?</td>
<td>LLC and Joint stock company (article 3, Paragraph 2)</td>
<td>LLC and Joint stock company (article 3)</td>
<td>Legal entity or entrepreneur (Article 23)</td>
<td>LLC and Joint stock company (Article 10, paragraph 1)</td>
<td>LLC and Joint stock company (Article 29, paragraph 5)</td>
</tr>
<tr>
<td>Parties in leasing transactions?</td>
<td>Lessor, lessee, and supplier</td>
<td>Lessor, lessee, and vendor</td>
<td>Lessor, lessee, and supplier</td>
<td>Lessor, lessee, and supplier</td>
<td>Lessor, lessee, and supplier</td>
</tr>
<tr>
<td>Types of leasing operations</td>
<td>Financial and operational leasing, direct, indirect and reversible (article 5)</td>
<td>Only financial leasing</td>
<td>Only financial leasing (article 10, point 3)</td>
<td>Only financial leasing (article 10, point 3)</td>
<td>Financial and operational leasing (article 1)</td>
</tr>
<tr>
<td>Initial capital?</td>
<td>1.000.000.00 HRK (article 9)</td>
<td>6.000.000.00 MKD (article 3-a)</td>
<td>There is no prescribed minimum initial capital</td>
<td>For the performance of financial leasing which for the object has movable property, part of the initial capital leasing company (lessor) can not be less than 500,000.00 EUR (Article 10a, paragraph 3), and to engage in financial leasing on real estates, the initial capital of lessor can not be less than 5,000,000.00 EUR (Article 10a, paragraph 4)</td>
<td>It is not prescribed minimum initial capital according to, Article 29, paragraph 5 which indicates the mandatory registration company in accordance with the Companies Act no. 02 / L-123</td>
</tr>
</tbody>
</table>

427
<table>
<thead>
<tr>
<th>A license for conducting leasing business?</th>
<th>Croatian Agency for Supervision of Financial Services (Article 3, paragraph 1)</th>
<th>Approval for the establishment of leasing company and conducting business activities is issued by the Ministry of Finance (Article 3-b)</th>
<th>It is not prescribed a special license to conduct leasing activities.</th>
<th>The license for performing financial leasing should be issued by the National Bank of Serbia (Article 10, paragraph 1)</th>
<th>The Central Bank of Kosovo (Article 29, paragraph 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiary regulations?</td>
<td>The Companies Act (Article 7)</td>
<td>The Companies Act (Article 1-g)</td>
<td>General Regulations (Article 1, Paragraph 2)</td>
<td>The Law on Enterprises, the Law on Obligations, Law on Administrative Procedure and the Law on Administrative Disputes (Article 8)</td>
<td>Law on Obligations (Article 28)</td>
</tr>
</tbody>
</table>

The Republic of Slovenia, as one of the countries in the region, but also a member of the European Union, has not yet regulated leasing activities by special legislation. In countries that have not enacted specific legislation on leasing, this legal transaction is governed by the general regulations in the field of contractual relations, and the status of companies by general statutory law or by banking regulations.

The comparative analysis shows the most significant differences in the conditions prescribed for the performance of the leasing activities as a main course of business. It is important to note that in certain legal systems only financial leasing is regulated. Consequently, it can be concluded that the business of operating lease can perform company registered under the general regime of the establishment and conduction business of companies. This means that the activities of financial leasing can be carried out only by companies formed in accordance with a special legal regime, and the content of the mandatory elements of the contract are determined by the lex special regulations. That is the reason why this kind of business activities are of special importance (Sudžuka, 2016).
The legal system of Bosnia and Herzegovina does not differ significantly in terms of conditions and ways of establishment and operation of leasing companies from the neighboring legal systems and most European Union member states legislations. The legal systems of the region that have been the subject of this research, as well as Bosnia and Herzegovina prescribes relatively strict conditions for carrying out activities and supervision of the competent state authority. Of all the above-mentioned countries, the most liberal access to the performance of the leasing activities has legislation of Montenegro because it does not prescribe the minimum initial capital for the establishment of leasing companies and does not prescribe the obligation to obtain permission from a regulatory authority of the state. This means that the leasing industry in Montenegro is performed in accordance with the general regime of the establishment and conducting a business of companies.

6. CONCLUSION

The establishment and conducting of business activities of leasing companies in the legal system of Bosnia and Herzegovina and countries in the region fall under two different regimes. The first is a general regime of establishment in accordance with the applicable law at the entity level in Bosnia and Herzegovina (Laws of Business Companies) which applies to the establishment of all possible form of companies. The second is a special regime establishment and operation of leasing companies, which consists of strict control over this kind of companies undertaken by competent state authorities in most cases that are banking agencies. They previously examine the compliance with the conditions for the establishment of leasing companies before beginning of business activities and lately they are undertaking strict supervision over the companies conducting this kind of business in order to ensure the legality of their business and compliance with the existing legal framework.

A special regime of formation of leasing companies in Bosnia and Herzegovina was established by placing leasing activities under the competence of the banking agencies at the entity level, which carry out a preliminary examination of the fulfillment of conditions for leasing activities regulated entity laws on leasing. The aforementioned public bodies also have and competence of undertaking supervision of the business activities of registered leasing companies in accordance with the rules of administrative law referring the control. In the case
they detect the existence of irregularities or illegalities in the work of leasing companies, they are responsible for issuing binding instructions for their correction. The similar situation is in the legal systems of countries that were an object of this analysis.

REFERENCES

Barbić, J. (2000): Trgovačka društva, Organizator Zagreb;
Čović, Š.(2003): Poslovno pravo, Pravni fakultet Univerziteta u Sarajevu;
Mićović, M. (2010): Privredno pravo, Pravni fakultet Univerziteta u Kragujevcu, Institut za pravne i društvene nauke, Kragujevac
Simić, M., Trifković, M., Trivun, V. (1999): Poslovno pravo: osnovi prava i obligacija, privredna društva, Ekonomski fakultet Univerziteta u Sarajevu:
Spasić, I. (1999): Ugovor o leasingu, doktorska disertacija, Beograd
Sudžuka, E, (2016): Ugovor o finansijskom leasingu nekretnina u Bosni i Hercegovini, Dobra knjiga, Sarajevo
Trifković et al. (2009): Međunarodno poslovno pravo, Ekonomski fakultet Sarajevo, Sarajevo
The Effect of Balkan Countries on the Energy Security Supply of European Union

Dr. Nergis Dama
Yıldırım Beyazit University

ABSTRACT

Energy security means sustainability economic development for countries in this period. European countries which do not have prosperous energy resources have to search new energy countries for their sustainability and security of economic production. Balkan countries and European countries have resembled to each other in terms of energy needs. Given the events occurring between Russian Federation and Ukraine in the recent period, European countries have tried to find a solution for energy security problem. Balkan countries are located at transition route between European countries demanding energy and energy countries to have energy sources. Therefore, Balkan countries have more importance for Europe countries’ supply security of supply. In this study, Balkan countries’ features are analyzed in terms of energy security supply. Russian Federation is accepted as a natural gas monopoly and Russia is used their natural gas resources as a political tool, so energy source is used only natural gas in terms of work’ restriction. For this purpose, Trans Anatolian Gas Pipeline (TANAP) and Trans Caspian Pipeline (TCP) has been examined with regard to their routes, advantages for these countries and their role about Europe’s energy security. Besides, the vital importance of the pipeline projects for economic development of Balkan has been explained by using the macroeconomic implications. Additionally, the need of energy being an economical link between Europe and Balkan lands has been suggested as a result of these projects.

Keywords: Energy Security Supply, Europe Countries and Balkan Countries, Economic Development.
1. INTRODUCTION

Energy is a vital issue for many countries to provide their economic development. The notion of energy is categorized in terms of their usage or transformation. According to usage, energy is classified as unrenewable sources such as coal, natural gas, oil and uranium and renewable sources hydrogen, solar, wind power and geothermal. As regards another category, energy is split up in the way of its conversion as primary energy sources (coal, oil, natural gas, nuclear, solar and wind) and secondary energy sources (electricity, gasoline, diesel oil). One of them is natural gas has gained more importance gradually due to increase its consumption amount and its ease of usage. Natural gas consumption in the world is estimated as 3,496,974 million cubic metres in 2014 according to Natural Gas Information (2015) published by International Energy Agency (IEA).\(^{1}\) Comparison to 1990, this amount was 2,053,386 million cubic metres and world natural gas demand increases by around 30% by 2030.\(^{2}\) In view of increasing natural gas consumption, its supply security has been discussed intensely by governments.

The importance of energy is a common feature for all countries whether they are developed, developing or less developed countries. Nonetheless, countries can be assigned to categories in terms of natural gas supply and natural gas demand. This variation determined by supplier and demanding is not related to their economic development, on the contrary it arises their geographical feature. Therefore, European countries (28 countries) whose Gross Domestic Product (GDP) is approximately 14,625,372 millions Euro needs more natural gas because of their economic size.\(^{3}\) To have sustainable growth and development, European countries need more natural gas while they do not have enough natural gas sources. Because of this dilemma which is European countries be in need of more energy to sustain economic production at the same time Europe is not enough wealthy in terms of natural gas resources. This contradiction has caused Europe’s energy dependence to Russia Federation which is the bigger gas producer in the

\(^{1}\)http://wds.iea.org/WDS/tableviewer/document.aspx?FileId=1506  
\(^{3}\)http://stats.oecd.org/Index.aspx?DatasetCode=SNA_TABLE1
The Europe countries’ dependency ratio of natural gas is 65.3 in 2013.155

The natural gas indicators of European Union represent its dependency clearly. Many members of Europe Union such as Bulgaria, Estonia, Finland and Latvia fulfill gas need from Russia entirely. Because of high dependency ratio of natural gas, European countries have to be faced with a problem named as energy supply security. Known as Ukraine crisis which occurred in 2006, 2009 and 2014 have brought up the energy security problem for Europe. Now that Ukraine is a transition country between Europe and Russia, any tension affects the energy supply security negatively. For this reason, European Union members have tried to new alternatives choices to provide natural gas security.

By looking for a solution, the option of Balkan countries have become prominent because of their advantaged features. The feature is not related to energy sources, so Balkan countries except Romania do not have natural gas reserves. Barely, Balkan countries might be an alternative route for European countries by using the energy resources of Caspian Region. It has been the major energy basin in the world.156 European Union have to find new energy supplier after the tendension between Russian Federation and Ukraine. Russia Federation provides natural gas to Europe countries, so this means that European countries need Russia for their economic growth. The ratio of energy dependence of European Union including 28 countries is percentage of 53.4157 while their gas dependence ratio is percentage of 67.2158 according to Eurostat data. These indicators point that Russian Federation has more force in the energy field and energy dependency of European countries means the weakness for the economical and political issue. For this reason, the energy route which starting from Caspian to continental Europe has come into prominence to look for solition about energy dependency.

157 http://ec.europa.eu/eurostat/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tsdcc310&language=en
158 http://ec.europa.eu/eurostat/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tsdcc310&language=en
For this purpose, the potential of Balkan countries being the alternative route for European countries has been analyzed. By investigating the pipelines set up between Caspian Region and Europe countries, the scenario of energy supply has been evaluated. In this study natural gas is use main variable among energy resources because of high dependency of European countries in natural gas. Also, the impact of potential pipelines on Balkan countries’ socio-economic development has been deduced. Although Slovenia, Croatia, Serbia, Romania, Bosnia-Herzegovina, Albania, Montenegro, Kosovo, Macedonia, Bulgaria and Greece are called Balkan countries, the focus of this article is composed of Albania, Bosnia-Herzegovinia, Bulgaria, Montenegro, Kosovo, Macedonia and Greece because these countries are landed on Balkan continents entirely.

2. THE ADVANTAGES OF BALKAN COUNTRIES FOR ENERGY SUPPLY

As is known, energy supply security has gained more importance in terms of economical and political power of countries. Given that energy is the main indicator of economic growth, governments which do not have energy resources have to find new alternatives to provide energy. European Union members which are called as developed countries has need more energy while they do not have enough energy resources. In this situation, different projects that ensure various way to have energy has been built. One of them is Balkan countries offer new alternative for energy.

Albania, Bosnia-Herzegovinia, Bulgaria, Montenegro, Kosovo, Macedonia and Greece being Balkan countries come to the forefront for the new alternative of energy transfer because of their geopolitical features. These countries are located entirely on Balkan continents while Bulgaria and Greece are European Union’s members. Should we analyze the effect of Balkan countries on Europe’s energy security, we will focus on these countries. The part of percentage 54% of Croatia is located on Balkan continent like Serbia, Romania, Slovenia and Turkey respectively 72.2 %, 6.5 %, 26.7 %, 3 %. Table 1 shows what percentage of these countries on Balkan continent.

The amount of energy needs can be determined by the features of countries such as energy sources, population, income, production potential, etc. When Balkan countries will be analyzed in terms of these features, it can be seen
that it will be faced dilemma between energy resources and growth potential. Because of the relation between growth rate and energy needs, the socio-economic indicators are demonstrated in Table 2. Before energy profile of Balkan countries have been analyzed, their major indicators are given as can be seen below.

**Table 1: The Percentage of Territories of Balkan Countries on Balkan Continent**

<table>
<thead>
<tr>
<th>Country</th>
<th>The ratio of surface on Balkan continent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>100 %</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>100 %</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>100 %</td>
</tr>
<tr>
<td>Montenegro</td>
<td>100 %</td>
</tr>
<tr>
<td>Kosovo</td>
<td>100 %</td>
</tr>
<tr>
<td>Makedonia</td>
<td>100 %</td>
</tr>
<tr>
<td>Greece</td>
<td>100 %</td>
</tr>
<tr>
<td>Romania</td>
<td>6.5 %</td>
</tr>
<tr>
<td>Croatia</td>
<td>54.8 %</td>
</tr>
<tr>
<td>Serbia</td>
<td>72.2 %</td>
</tr>
<tr>
<td>Slovenia</td>
<td>26.7 %</td>
</tr>
<tr>
<td>Turkey</td>
<td>3 %</td>
</tr>
</tbody>
</table>

Source: https://tr.wikipedia.org/wiki/Balkanlar

* Romania, Croatia, Serbia, Slovenia and Turkey are excluded in this study.

In the light of examination of above data, it could be said that the only factor which create a huge difference in income level among Balkan countries is European Union membership. The GDP of Greece and Bulgaria is higher than other countries. Albania, Bosnia-Herzegovina, Macedonia, Montenegro are called upper middle income economies while Kosovo is called low income economics. On account of this category, Balkan countries have to more economic growth rate to include in high income level economies. It is an insurmountable fact that
increasing of production means the increasing energy demand. For this reason, energy potential of Balkan countries can be analyzed. By using data of their energy capacity, energy policies can be established.

Table 2: The socio-economic indicators of Balkan countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Level of income</th>
<th>GDP (current US $, billion, 2014)</th>
<th>GDP growth (%)</th>
<th>Population, 2014</th>
<th>Poverty* (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Upper middle income</td>
<td>13.21</td>
<td>2.17</td>
<td>2.894 million</td>
<td>14.3***</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>Upper middle income</td>
<td>18.52</td>
<td>1.08</td>
<td>3.82 million</td>
<td>17.9**</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Upper middle income</td>
<td>56.72</td>
<td>1.55</td>
<td>7.22 million</td>
<td>22'</td>
</tr>
<tr>
<td>Greece</td>
<td>High income</td>
<td>235.57</td>
<td>0.65</td>
<td>10.87 million</td>
<td>.</td>
</tr>
<tr>
<td>Kosovo</td>
<td>Low income</td>
<td>7.39</td>
<td>1.22</td>
<td>1.82 million</td>
<td>29.70**</td>
</tr>
<tr>
<td>Macedonia, FYR</td>
<td>Upper middle income</td>
<td>11.32</td>
<td>3.77</td>
<td>2.08 million</td>
<td>22.1'</td>
</tr>
<tr>
<td>Montenegro</td>
<td>Upper middle income</td>
<td>4.59</td>
<td>1.78</td>
<td>621.81 thousand</td>
<td>8.6</td>
</tr>
</tbody>
</table>

Source: World Bank Data
* Poverty headcount ratio at national poverty lines (% of population)

Balkan countries are poor in terms of energy sources. According to Key World Energy Statistics in 2015 published by International Energy Agency (IEA), their energy production is rather lower than other region in the world. Graph 1 shows that the amount of energy production in the region. As is seen from Graph 1 energy production in Balkan countries can not support high production. It can not be deduced that acquire of energy sources does not mean high production, thereby
high economic growth. For instance, countries located on Africa and Middle East are regarded as low income or middle income economies. It can be said obviously that being high income economies is not related to have energy sources directly. Having energy sources provide advantages in economical and political area. Although European countries do not have energy, they are called high welfare countries. In other words, whether countries are energy supplier or energy demander the main factor is energy policies.

Graph 2 points out that the amount of fossil fuel of energy consumption and Gross Domestic Product (GDP) rate of Balkan countries between the period of 2010-2013. The trend of energy consumption and annual growth rate pursue simultaneously. Increasing economic growth rate has caused the increasing of energy demand. To consider point of this graph, the amount of fossil fuel consumption represents fossil fuel energy are unrivalled among other various energy sources. As we know that, fossil fuel energy comprises coal, oil, petroleum and natural gas. Because of this reason, natural gas may determine the energy policies of Balkan countries and Europe Union members.

**Graph 1: The share of energy production in the world, 2015**

![Energy Production (Mtoe)](source: IEA, Key World Energy Statistics 2015)
Graph 2: The amount of fossil fuel energy consumption and GDP rate of Balkan countries

Albania

- Energy consumption: 3.71, 2.82, 1.42, 2.17
- GDP Growth: 0.77, 0.91, -0.93, 2.39

Bosnia Herzegovina

- Energy consumption: 2.85, 1.42, 2.17, 2.39
- GDP Growth: 0.77, 0.91, -0.93, 2.39

Bulgaria

- Energy consumption: 0.05, 1.58, 0.24, 1.28
- GDP Growth: -5.48, -9.13, -7.3, -3.2

Greece

- Energy consumption: 3.31, 4.62, 2.81, 3.44
- GDP Growth: 0.77, 0.91, -0.93, 2.39

Kosovo

- Energy consumption: 3.36, 2.34, -0.46, 2.67
- GDP Growth: 0.77, 0.91, -0.93, 2.39

Macedonia

- Energy consumption: 3.35, 2.34, 0.46, 2.67
- GDP Growth: 0.77, 0.91, -0.93, 2.39
Balkan and Europe countries have several characteristics in common about energy profile. One of them is they need energy for economic growth and production. In this situation, they have to find commercial partner supplying energy. The other common feature is the power of Russia Federation in energy has threatened both Balkan and Europe countries. One of them is Bulgaria being both Europe and Balkan country, its crude oil has been imported essentially from Russia Federation. According to European Economy comprising Member State’s Energy Dependence published European Commission in 2014, gas import of European countries has increased gradually. In 2011, gas import dependence ratio was 50%, while this ratio was 66% in 2012. After 2008 occurred global crisis, production has decreased because of recession thereby the decreasing of energy need was rational. Barely, Europe countries regarded as advanced economies tend to have high production. In this situation, they have to provide their energy security supply as well as they should decrease their dependence ratio.

3. COMMON SOLUTION IN ENERGY: THE ENERGY COOPERATION OF BALKAN AND EUROPE COUNTRIES

It can be acceptable Balkan countries and Europe countries have varied from each other in socio-economic features in general. Even though they are different in terms of level of development, they have converged on energy needs. Therefore, these country groups calling Balkan and Europe can be recalled as

---

energy-hunger countries. In this situation, their cooperation in energy policies has been essential. Among energy policies, Caspian energy transfer whose route transit by using Balkan continent has been prominent. But, Balkan countries have problems because of their features while they have the edge on geopolitical position.

One of the complication is that Balkan countries do not have integrative pipelines.\textsuperscript{160} As well as, existing pipelines have enforced energy monopoly of Russia. All Balkan countries have agreement with Russia in energy except Albania. Therefore, Balkan countries do not enhance common energy policies. When the project including energy transfer has been mentioned, especially Greece and Bulgaria tend to be dominant by using their membership of European Union. Providing global crisis in 2008 caused new implications and policies. Given that the balance of power has changed for the benefit of developing countries, the importance of new actors such as Balkan countries has increased. Taking account this fact, Balkan countries should form policies and implementations in energy area.

As stated previously, the alternative of Caspian can provide many advantages for Balkan and Europe countries to have energy security supply. The option of Trans Anatolian Gas Pipeline (TANAP) and Trans Caspian Pipeline (TCP) might comprise Balkan continent. The aim of TANAP is that natural gas extracted from Shah Deniz is transferred through the South Caucasus Pipeline to Europe. The route of TANAP will pass through Greece and it will continue Albania. In the present case, Greece and Albania are regarded as energy actor in this project. The goal of TANAP is to provide energy security supply of European Union. Balkan countries are in need of energy, so they should take important role in this project. As well as Albania and Greece, by participating other Balkan countries in TANAP will contribute positive effect on energy policy.

When TANAP will reach to territory of Greece, then pipeline will continue near Albania to the Adriatic coast which is called Trans Adriatic Pipeline (TAP). On the other hand, energy project of Turkmenistan will effect Balkan energy strategies. The route of Turkmenistan, Iran, Turkey and Bulgaria has impact on

regional energy. Trans-Caspian Gas Pipeline Project (TCP) is the final project in which Balkan countries will be take part. The purpose of TCP is to transport natural gas from Turkmenistan and Kazakhstan to European Union members. Balkan countries might attend to TCP and TAP, so they provide energy need as well as their socio-economic welfare will be effected positively.

4. CONCLUSION

Energy supply security has been started to address by energy demanded countries. European countries are called developed countries have to find a solution because of their high energy dependence. On the other hand, Balkan countries are different from Europe countries in terms of socio-economic development level, they are lacking in energy like European Union members. Additionally, both Europe and Balkan countries supply their energy need Russia substantially, so Russia Federation has energy power on them.

Because of their energy deprivation and their high energy dependence to Russia, Balkan countries and European countries should collaborate in energy policies to provide energy security supply. For the purpose that, TANAP, TAP and TCP have distinguished in terms of Balkan countries. The route of TANAP from Turkey will reach Greece, and then it might connect the pipeline which passed from Albania. Greece, Albania and Bulgaria are main energy actor in these projects, but the other Balkan countries such as Bosnia-Herzegovania, Kosovo and Macedonia should take part in building of pipelines.

Additionally, energy policies will effect on the level of income in Balkan countries. Considering that Balkan countries are regarded as developing countries in general, their implementations in energy will determine development of Balkan countries. In this day, European Union members have tried to find new alternatives to reduce their dependence to Russia, Balkan countries have offered new routes for Europe energy policies. Because of this necessity, Balkan countries should take responsibility to form new energy policies regardless of their socio-economic differences. Therefore, pipelines have gain more importance for them. Energy policies stemmed from Balkan continent will redetermine energy balance in the world. By taking charge in energy projects, Balkan countries will have the right to comment on energy area while they are lacking of energy. It is fact that in
this period, energy policies can be determined by energy demanding as well as energy supplier.

REFERENCES


On the Way towards Knowledge Based Economy: Where is Western Balkan Region?

Dr. Mehmed Ganić
International University of Sarajevo

Haris Hojkurić
International University of Sarajevo

Adnan Pajević
BH Telecom

ABSTRACT

This paper looks to analysis some selected the economies in transition and explore the wide range of issues related to the progress made towards the concept of knowledge-based economy (KBE). The paper incorporates the economic developments with structural deficiencies in the economies of transition. A cross-comparative analysis of selected the economies in transition reviews three groups of countries: Central Europe and the Baltic’s countries (CEB), Western Balkan countries (WBC) and the Commonwealth of Independent States (CIS) over the period between 1995 and 2012. The aim of this cross-comparative analysis is to measure the transition of their economies from resource-based economies to KBE. Moreover, The World Bank's Knowledge Economy framework is used for measure a progress towards a KBE. The paper ends by providing certain conclusions that reflect the need to change the current development strategy and the need to shift the focus of attention to effective innovation systems and technological progress.

Keywords: Knowledge Based Economy, KEI Index, Competitiveness, SEE Region
1. INTRODUCTION

The fall of communism in the late 1980s has led to the sense of the necessity of deep economic and political changes in the countries of Central and Eastern Europe. However, almost the transition countries have experienced certain difficulties in strengthening their competitive position in a particular area of business. Nowadays, when the global economy is becoming more integrated than it ever has been, the problem of competitiveness undoubtedly occupies a central place. In the meantime, the rules of the game have been changed. Relying on traditional competitive advantages is no longer synonymous with economic success. Similarly, it is debatable to what extent the oil exporting countries, for example, will be able to base their economic strategy on the use of this natural resource. It is noteworthy here to say that developed countries are in a race trying to tame and properly use other, alternative energy sources, such as the sun, water or different types of bio-fuel. Also, much of the new findings show that even if one country enjoys the comparative advantages it cannot provide guarantee a high standard of living and quality of life.

In many cases, on the rank list of the world's most competitive countries compiled by the World Economic Forum (WEF), several economies which are considered to be resource-based countries (dominated by natural resources) are not high-ranked.

Furthermore, it seems obvious that the economic trends have recently appeared as a result of advances in bio-engineering, IT created economic growth and job creation in many countries. Some of the best known recent studies conducted by prominent economist (Shapiro and Varian, 1999) show that some changes in the production moving in the direction of the material to immaterial and informational resources. The aforementioned authors have pointed out the basic idea of their research that states: knowledge is completely different from the natural resources.

The goal of any society is to ensure the continued growth and development in order to improve the quality of living standards of its citizens. In the long run, progress in this field can be achieved by promoting competitiveness. It seems obvious that the main factors of competitiveness in the global economy are knowledge and its application on the basis of product innovation, new
technology and system services. Also, most modern technological processes have greatly improved by use KBE.

One of the main characteristics of the KBE is fast that knowledge became the key economic resource in the process of processes of economic growth and development. In the past, the national economy was magnified gains wealth and standard of living thanks to a combination of the core inputs for business. However, today many companies use knowledge to provide a competitive advantage for the business and strengthen their competitiveness at the global level.

The phenomenon of "knowledgeable societies" firstly defined by the World Bank Institute, within the program "Knowledge for Development". The KBE in addition to being a new phase is a fairly new operational concept that has been promoted by international organizations and especially by the European Union at the Lisbon Declaration in 2000. It is part of a continued and long-term strategy in building information and communication infrastructure and efficient legal and economic framework. Furthermore, the main aim of these activities is to stimulate innovation, entrepreneurship and sustainable economic development. The controversial question relates to the role of a resource based economy has been on the forefront of the economic debate. Resource-based economies are known as "economies in which natural resources account for more than 10% of GDP and 40% of exports (Ahrend, 2006).

Generally speaking, the concept of the KBR is based on the principle of "economies of diversity." Accordingly, it uses significantly less energy, raw materials and labor. But it provides incomparably better effects in economic terms thanks to built additional knowledge, intellectual capital. The extent of any economic growth and development is derived from the generating of new knowledge and its application.

However, in the last decades of the twentieth century, some individual economies predominantly based on information technologies are rapidly transformed into KBE. Such economy is characterized by an effective and innovative system, dynamic information-communications infrastructure and people with higher education levels.
This new approach to the economy shifts recently from producing goods and services to the production of knowledge by included innovations in products and services. Second, the value of the product is increasingly dependent on the value of investing knowledge rather than the quantity of the materials and quantity of labor expended to produce an article. There are many significant factors that influence the success of the KBE. In any case, there is inevitably an important role of a government in these activities. A government must identify the problems and opportunities faced during the transition to the KBE and forge identify areas that should be focused on future investments.

According to the OECD, a nation's competitiveness is defined as an advantage or disadvantage of the national economy in selling products on the international market (OECD, 2011). The national economy is considered to be competitive if it increases in real gross domestic product, or improve the living standards of the population.

Porter defines competitiveness as the ability of a nation to utilize its human, capital and natural resources (Porter, 2005). Measuring progress across countries towards building a KBE made possible by the application of Knowledge Assessment Methodology – KAM). It was created by the World Bank Institute in order to develop the countries' readiness for the knowledge economy, and it's quantified by using of a numerical index Knowledge Economy Index (KEI).

KAM methodology for evaluating the progress made towards a knowledge society implies the analysis of structural and qualitative indicators in each country (Chen and Dahlman, 2006). Progress towards KBE may be measured by examination with four key pillars of the KBE as shown in the figure 1.

Generally speaking, Knowledge Economy Index (KEI), analyze and assess the country's business environment and the level of use of knowledge for economic development. It is an aggregate index for overall measure the level of preparedness of a country or region to the KBE. The contribution of KAM methodology is characterized by the fact that enables countries to develop the national strategy and policies useful for application of the knowledge and its contribution to economic growth.
2. THE PROGRESS OF THE WBC REGION TOWARDS KBE

Measure the performance of the knowledge economy is probably a more delicate operation. In this KBE, knowledge itself is particularly difficult to quantify, and also to enjoy. We have very indirect and partial indicators of the growth of knowledge base itself. Although the strategy of development of individual countries gives priority to the competitiveness, its certain determinants such as science, technology and innovation play a different role in the economic growth of the SEE countries. Historically, despite the recent progress has been made in increasing the competitiveness of its own economy in the last two decades or so SEE region still lagging in terms of competitive positions among transition economies.

In addition, it has to be recognized that economies of WBC region are still based on the production of primary products of lower processing the stage of the product life cycle. Such cross-country differences in the sectoral structure of exports create some limitations for the expansion of domestic exports and growth. (German Advisory Council, 2007).
By focusing on the development the KBE four pillars, the economy, which aims to develop the knowledge, must develop its long-term strategy. Also, this allows policymakers and leaders to observe the progress of setting goals in order to achieve progress towards the KBE.

More recently, the World Economic Forum (WEF) began to measure the competitiveness and performance of individual economies by using particular composite indicators of national competitiveness. Professor Michael Porter (2005) distinguishes a few stages of economic development and national competitiveness. According to him, in the lowest stage of economic development, factor-driven stage, countries compete with the available low-cost labor and unprocessed natural resources. An important feature of this phase is that technology is assimilated through imports, FDI and imitation.

In the investment-driven stage, a country bases its competitive advantage by investing the companies in development and knowledge. In particular, the importance of modern and efficient public infrastructure along with more efficient equipment and the modern technology allows access to a global market. An investment-driven economy focuses on the new and more innovative products and produce differentiated products that use the best planned production processes. At this stage, they develop more efficient production processes that can be used for increasing the quality of the company products.

Most often, if the country moves towards innovation-driven stage, then it will be able to ensure high wages and an acceptable standard of living that provide a satisfactory. Companies at this stage are equipped to compete with new and more innovative products and production of new and differentiated products that use the best planned production processes.

The level of Gross domestic product per capita- (GDP pc) is used as an important determinant to classify countries in terminal stages of development success. Measuring the competitiveness of the economy by the WEF is based on the assumption that the national economy passes through three stages of development and two intermediate phases of development. In order to identify progress some countries towards KBE by using of the KEI index it is necessary to use comparative context.
Selected 24 countries, divided into three groups: Central Europe and the Baltic’s countries (CEB), Western Balkan countries (WBC) and the Commonwealth of Independent States (CIS), were used to assess progress towards the KBE.161

Along with the current level of development, selected transition countries may be classified into one of the following five stages of development (Figure 1).

**Figure 2: List of Selected Transition Countries by Stage of Development**

- **Stage 1: Factor-driven**
  - Kyrgyz Republic
  - Transition from stage 1 to stage 2
    - Azerbaijan
    - Moldova

- **Stage 2: Efficiency-driven**
  - Albania
  - Armenia
  - B&H
  - Bulgaria
  - Macedonia, FYR
  - Montenegro
  - Ukraine
  - Georgia
  - Serbia

- **Stage 3: Innovation-driven**
  - Croatia
  - Hungary
  - Kazakhstan
  - Latvia
  - Lithuania
  - Poland
  - Romania
  - Russian Federation

- **Stage 4: Transition from stage 2 to stage 3**
  - Azerbaijan
  - Bulgaria
  - Macedonia, FYR
  - Montenegro
  - Ukraine
  - Georgia
  - Serbia

Source: Author’s adaptation according to The Global Competitiveness Report 2015–2016

1. At early stages of development, in a factor – driven stage, costs of inputs are primarily determined by the level of competitiveness (so known as factor-driven economy). Countries with GDP per capita below $ 2,000 fall under this stage. In our sample, the Kyrgyz Republic stands out as a country that fall

---

161 Central and eastern Europe and the Baltic states (CEE) consist of: Czech Republic, Estonia, Hungary, Latvia, Poland, Slovak Republic and Slovenia.
Western Balkan countries (WBC) consist of: Albania, B&H, Bulgaria, Croatia, FYR Macedonia, Romania, Serbia and Montenegro.
The Commonwealth of Independent States (CIS) includes: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia Federation, Ukraine
under this stage. Also, it is a country that has the lowest level of the knowledge economy of all the countries in transition.

2. The transition from the "phase 1" to "phase 2": Azerbaijan and Moldova fall under this stage in GDP per capita over the range between 2000 and 3000 $.

3. As an economy matures, it enters the second stage of development (efficiency – driven stage). At this stage, the efficiency of management determines economic development which is based on investments. It is characterized by a greater supply of both high skilled workers and medium skilled workers, creation of the efficient manufacturing processes, better the possibility of creating quality products, usage of a new technology, market openness and etc. The analysis indicates that countries with a level of GDP per capita between $3,000 and $ 9,000 belong this stage. From our sample the following countries belong this stage of economic development: Albania, Armenia, B&H, Bulgaria, Montenegro, Macedonia, Serbia, Georgia and Ukraine.

4. Of the 24 selected transition countries in the Transition from stage 2 to stage 3 in 2015, only Croatia and Romania was ranked from SEE region. A country is in the transition from stage 2 to stage 3 if its GDP per capita lies between $ 9,000 and $ 17,000. In our sample, the countries included in this transition stage are Croatia, Hungary, Kazakhstan, Lithuania, Latvia, Poland, Romania and Russian Federation.

5. A country moves to the third stage (innovation - driven stage) in which productivity growth and competitiveness factors conditioned by highly sophisticated and innovative (i.e. high R&D spending). A key factor here is strengthens the capacities in scientific research and innovative products by applying the most advanced technology. According to data provided by WEF for 2015-16 a country is under this stage if its GDP per capita is $ 17,000 $ or above. It is interesting that only four out of the 23 selected transitions in our sample were considered as innovation– driven economies (Czech Republic, Estonia, Slovakia and Slovenia). As a result, these four countries enjoyed significant progress rates sustained over the last decades.

As shown in figure 3, the level of economic development measured by GDP per capita and the level of knowledge measured KEI Index varies between
selected SEE countries. Furthermore, our two explanatory variables are each other highly correlated among themselves (83.06%).

**Figure 3: The Knowledge Economy and GDP Per Capita**

![Graph showing the relationship between Knowledge Economy Index (KEI) score and GDP per capita](image)

Source: Authors’ calculations based on World Bank data

This correlation does not necessarily imply a meaningful causation relationship between higher value of KEI index and a high level of economic development. As a result of this, it is evident that countries with high incomes (in our sample, Czech Republic, Estonia, Slovakia and Slovenia), can afford higher investment in knowledge, and thus achieve greater upcoming KEI. Also it is obvious that that countries that have better scores of KEI index have higher levels of economic development, and vice versa.

Along lines explained above, the data presented in Figure 2 analyze the values of the KEI index of three regions and countries in these regions. The aim of this analyze is twofold. First, it is to compare the progress of transition economies towards KBE and second, is to discuss briefly about some trends in selected
transition countries. KEI index values for the three regions are shown for several years covering the period between 1995 and 2012 (Figure 4).

**Figure 4: Cross Region Comparison KEI Index**

The best KEI performers are definitely the CEE countries. The figure 4 presents the winner Estonia (KEI index 8.4) followed by its neighbors Czech Republic (with KEI index 8.14) and Hungary (with KEI index 8.02). The above mentioned KE pillars are moderate developed in some Western Balkan countries as Croatia (KEI index 7.29) and Romania (KEI index 6.82) and they have this particular good performance in the EIR pillar. The position of CEE region, ranked by KEI index shows that its performance, increased markedly on the EIR (8.33), innovation (7.38), education (7.92) and ITC (7.56). All four pillars of the KBE are very well developed on a scale from 0 (weakest) to 10 (strongest). Moreover, the degree of development of the WBC region into a KBE measured by the KEI index was 6.03.
In terms of the assessment of the progress towards KBE measured by KEI index the WBC region has made tremendous progress over the period from 1995 to 2012. Thus, B&H has improved its position continuously by 22 places, Serbia jumped up 15 positions (+15), followed Macedonia and Albania (+11), Greece and Romania (+9).

On the other hand, Bulgaria has seen its position in the KEI fall from third in 1995 to fifth in 2012 in the WBC region on the list competitiveness. On the whole, a comparison of changes KEI index over time in WBC region reveals that the value of KEI index increased from 5.45 to 6.03 (figure 3). As shown in Figure 4, KEI score for the region of CIS declined from 5.06 to 4.72 over time. 162

Furthermore, Croatia has made the greatest improvement in the KEI index (7.29 in 2012) and may be ranked as the most advanced knowledge economy in WBC region. For example, in 1995, Croatia was ranked as the second economy of the region, but the KEI index increased substantially over the last 17 years, followed Romania and Bulgaria with a slightly lower degree of development towards the knowledge economy. By contrast, Serbia (6.02), Macedonia (5.65), and B&H (5.12) have a substantially smaller KEI index. The worst, ranked country in the region of WBC measured by KEI index is Albania.

In all this, it is obvious that all countries of WBC region have improved the knowledge economy index the overtime comparison. In other words, they developed all aspects that are important for the development of competitive knowledge economy but also we found some of their substantial weaknesses. The main trends in terms of the knowledge economy that are observed in these countries are given in figure 5, 6, 7 and 8.

**Index Economic Incentive regime (EIR):** Customs and non-tariff trade barriers, quality of regulation, rule of law and etc., are some of the indicators that determine the efficiency and incentives for efficient use of existing and new knowledge. As shown in figure 5 substantial differences exist between the three regions.

162 Average KEI score for CIS countries calculated for the sample covers the following countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia Federation, Ukraine, Uzbekistan, and Tajikistan.
From the standpoint of the countries analyzed, significant improvements in EIR index have been recorded in CEE region. As mentioned above, in 2012, Estonia (8.81) was ranked 1th out of 24 selected countries from our sample, and its overall score is above the CEE regional averages (8.33) while Poland (8.01) was ranked as the worst economy and its EIR score was below regional averages. In
addition, WBC region lags behind all the CEE countries and its average EIR score (6.04) was below CEE regional averages (8.33). However, in terms of the EIR, the WBC region has made notable progress towards KBE economy (EIR scores increased from 4.08 to 6.04) in the reference period from 1995 to 2012.

At the rank list of EIR index for WBC region, Romania (7.39) and Bulgaria (7.35) as well Croatia (7.35) ranked as the top three countries in 2012, followed by Macedonia (5.73) and B&H (5.55). Albania (4.69) and Serbia (4.23) are ranked among worst in WBC region. Overall, 5 countries of WBC region improved its EIR score, while 2 declined (Albania and Serbia). Of all the countries of the CIS region, Georgia achieved its highest EIR scores (7.28), while Uzbekistan remained the region’s worst economy with its EIR score (0.92).

**Index of Innovation:** Key indicators for measuring the progress of countries in the pillar of the innovation system according K4D knowledge-economy framework are: technical journal articles per million people, Royalty payments and receipts, US$ per person, Patents granted to nationals and Trademark office per million people. According to the index of innovation, Croatia maintained its status as the best ranked country in the WBC region with its Innovation score of 7.66, while Albania ranked as last in the WBC region with its innovation score of 3.37.

In the CEE region, Slovenia (8.5) and Hungary (8.15) finished first and second in the rankings for 2012 followed by the Czech Republic (7.9), while Latvia is ranked last in the region with its Innovation score of 6.56. Overall, the average score of Index of Innovation for the WBC region (5.70) reveals that despite the existing investment in research and development activities, WBC countries (with exception Croatian) have a lower value of the Index of innovation in relation to the average values of these indicators for the CEE countries (7.61).

**Index of education:** When it comes to education as a basis for the development of the KBE, WBC region is still far from CEE region in terms of investment in education (Adult literacy rate, Gross secondary enrollment rate, and Gross tertiary enrollment rate). The lack of literacy proficiency, functional knowledge and create some problems for the students from WBC region. In addition, very limited opportunities for professional development and training in
the workplace is explained by the fact that the largest percentage of the labor force is under-qualified and lack of highly educated employees.

**Figure 7: Cross Region Comparison Index of Education**

![Education index score graph]

Source: Authors’ calculations based on Word Bank data

In 2012, according to Index of education for the SEE region, Romania (7.55) and Bulgaria (6.25) are the **highest** ranking countries in SEE region followed by Croatia (6.15) and Serbia (5.98). Romania has made significant progress in this field in the last decades, as a result of the reforms on track to join the EU. The lowest index of education was recorded in Albania (4.81) and Macedonia (5.15). Though the problem of education becomes especially explicit in SEE region and CIS regions, recently there is the tendency of emigration of
trained and talented individuals from the country in search of better opportunities of living and working. A comparison of the training and competence of the population for the knowledge economy in the CEE region shows that Estonia maintained its status as a leader in education with its education score of 8.6, followed by Hungary (8.42) and Czech Republic (15.8). In the CIS region, average score of index of education declined from 7.11 to 6.2, while the average score of index of education in the region of WBC improved from 5.78 to 5.95.

**Index of ICT** is determined by how much in one country available information and communication technologies facilitate the effective system of creation, exchange and processing of information (figure 8). An average score of ICT index measured in the WBC region (6.43) indicates their divergence from the CEE countries (7.56). The exception is Croatian with its score of 8, which by most indicators fits into the European average. In terms of ICT, most advanced and most dynamic ICT infrastructure has Estonia with its ICT score of 8.44 (CEE region) while B&H is ranked as the worst with its ICT score of 4.77 (SEE region).

According to the score of ICT it can be concluded that the SEE countries are lagging far behind the CEE region in the number of computers, electronic administration services, the number of Internet users.

3. CONCLUSION

Most WBC countries are in a transition phase and adapting to the new conditions of an open market economy. Since the early 1990s onwards the conditions for innovation, such as institutions, market efficiency and business sophistication showed encouraging initial results and improvement in the performance of the knowledge economy. However, it is obvious that the reforms have not made it possible domestic firms to absorb new technology and innovation. Economic underdevelopment in most transition countries, including the WBC region certainly affects the treatment of knowledge. Without significant investment in education and research (EU recommendation is 3% of GDP- EU Strategy 2020) there will be far more difficult changes institutionally quality research and innovation as the basis of competitive advantages. With the aim of developing competitive knowledge economy, countries in the region need to articulate an appropriate development strategy, effective innovation systems and technological progress. More important, the strategies for improving the system of...
education should seek to capture specific aspects of the competitiveness in the knowledge economy, as well as economic and institutional initiatives necessary to stimulate further development of the knowledge economy.

In particular, it is indicative that the pillars of education and innovations are poor. Power of further development of the knowledge economy in the WBC region lies in the economic and institutional regime (EIR Index, 6.04), and relatively dynamic information-communications infrastructure (Index of ICT, 6.43). By contrast, the WBC region has certain weaknesses in terms of the competence of human resources (Index of education, 5.93), and insufficient and innovation potential that encourages the efficient creation, dissemination and use of knowledge (Index of Innovation, 5.7). Accordingly, it reveals that insufficient investment in developing effective innovation systems and education. Given that an effective innovation system, one of the key factors for the development of the KBE, the WBC region must primarily to increase investment in research and development and to undertake a series of initiatives that will provide better and easier access to innovation, new technical solutions, managerial and organizational skills.

REFERENCES


Derek, H., Chen, C. and Dahlman C. J. (2006). The knowledge economy, the KAM methodology and World Bank operations, working paper.


German Advisory Counsil (2007), Climate Change as a Security Risk, London and Sterling, VA.


Porter, M.E. (2005), What is competitiveness, Notes on Globalization and Strategy, Year 1, No 1, January-April.


World Bank Institute. (2004). Benchmarking Countries in the knowledge economy: Presentation of the Knowledge Assessment Methodology (KAM), Knowledge for Development Program


The Impacts of Refugee Crisis on Turkey-EU Relations

Dr. Metin Aksoy
Selcuk University

ABSTRACT

Throughout the ongoing civil war in Syria, notably, 4 million citizens have fled abroad and as many as some 8 million of them have moved to safer places inside the country. The migration wave first progressed toward the neighboring countries. As of now, some 2.2 million Syrian people have taken refuge in Turkey. Though Turkey has made significant humanitarian investments with a view to relieving the problems of the refugees it has been accommodating for 4 years, the current juncture proves that refugee issue has extended toward Europe exceeding boundaries of Turkey and it has evolved into an issue impinging not only on Syria’s coterminous countries but on the European Union as well. As the refugee crisis has started to influence Turkey-EU relations which have been stable for a long time, a new quest for cooperation has come to the fore between both parties. This study aims at analyzing these relations in detail, collecting the required data and contributing to the related discussions in literature.

Keywords: Turkey-EU Relations, Syrian Refugee Crisis, European Union, Turkey.
1. INTRODUCTION

Democratization process called “the Arab Spring” has influenced many countries in the Middle East within a short time (Rosiny, 2012). Rapidly spreading developments have taken its place among the most frequently discussed issues on the international arena. This trend of change has turned into political turmoils and civil wars in a number of countries whereas it brought in the expected results swiftly in some others (Rozsa, 2012). The demise of authority in the turmoil-stricken countries has introduced economic recessions, incremental radicalism and a new migration wave (Aissa, 2012). Throughout the ongoing civil war in Syria, notably, 4 million citizens have fled abroad and as many as some 8 million of them have moved to safer places inside the country. The migration wave first progressed toward the neighboring countries. As of now, some 2.2 million Syrian people have taken refuge in Turkey (Orhan and Gündoğar, 2015). The migration wave to Turkey and Lebanon has brought about domestic problems related to social life and economy (Berti, 2015). Though Turkey has made significant humanitarian investments with a view to relieving the problems of the refugees it has been accommodating for 4 years, the current juncture proves that refugee issue has extended toward Europe exceeding boundaries of Turkey and it has evolved into an issue impinging not only on Syria’s coterminous countries but on the European Union as well (Orchard and Miller, 2014). As the refugee crisis has started to influence Turkey-EU relations which have been stable for a long time, a new quest for cooperation has come to the fore between both parties (Elman, 2015). This study aims at analyzing these relations in detail, collecting the required data and contributing to the related discussions in literature.

2. BRIEF HISTORY OF TURKEY-EU RELATIONS

Since its foundation, Turkish Republic has hitherto caught up with the international developments and been one of the influential members of international organizations such as OECD and NATO (Ari, 1995). In this regard; shortly after its foundation in 1958, Turkey formally applied on 1959, July 31stto be a member of the European Economic Community(EEC), which was then considered to be the most tremendous peace project in history. The application was realized by the then Prime Minister and Democratic Party leader Adnan Menderes, claiming Turkey to have taken its first step toward integration into Europe (Tocci, 2014).
EEC Council of Ministers welcomed the application and proposed to sign an association agreement to be in force until membership terms were realized. The association agreement was signed on 1963, September 12th and came into force on 1964 December 1st. The Ankara Agreement constituted the legal ground of Turkey-EU relations (Aybey, 2004). The then Prime Minister İsmet İnönü, who signed the agreement, depicted European Union as “the most resolute achievement of human intelligence in history of humanity” (Akçakoca, 2006). In the 2nd article of the agreement, the objective of the agreement was stipulated as follows: “The promotion of permanently and equally consolidating trade and economic relations between parties given the need for swift development of Turkish economy and necessity of boosting the level of employment and enhancing the life conditions of Turkish citizens.” (Kramer, 2006). The 28th article of the agreement regulated the membership of Turkey, stipulating “When Turkey lives up to the responsibilities born out of the founding agreement of the Community, the contracting parties look into the potential of Turkey’s accession into the Community.” (Aksu, 2012). The article pointed to the very fact that “the ultimate goal of the Turkey-EEC relations was Turkey’s full membership to the Community (Lannon, 2005). The Ankara Agreement envisaged a three-step process of integration into the Community, namely preparatory stage, transitional stage and final stage (Öniş, 2008). The first stage began when the agreement was put in force on 1964, December 1st. Turkey assumed no duties in the phase named “preparatory stage” which was intended for diminishing the economic inequalities between the parties. Between the parties were formed a set of institutions among which Council of Partnership was top level (Islam, 2008).

2.1. The Additional Protocol

With the Additional Protocol signed on 1970, November 13th and put in force in 1973, preparatory stage gave way to “transitional stage” in which free circulation of labor and agricultural/industrial goods as well as the completion of the Customs Union were projected. As of 1971, within the framework of the Additional Protocol, the Community unilaterally nullified tariffs and quantitative restrictions on industrial products it imported from Turkey excluding those of some petroleum and textile products. In return, Turkey’s nullification of tariffs was projected, thereby allocating a period of some 22 years for Customs Union to be in force in earnest (Monnet and Penas, 2004).
From the beginning of 1970s to the late 1980s, Turkey-EU relations followed an unstable pattern owing to political and economic reasons. Subsequent to the military coup in Turkey on 1980, September 12th, the bilateral relations were formally suspended (Pierini and Ülgen, 2014).

2.2. The Application for Full Membership

With the foundation of civil authority in Turkey in 1983 and the renouncement of import-substituting policies after 1984, the process resumed for Turkey’s foreign expansion. Thus, Turkey-EEC relations which suffered a freeze after the coup on 1980, September 12th were revived back again (Jung and Raudvere, 2008).

On 1987, April 14th, Turkey applied for full membership neglecting the completion of the stages projected with the Ankara Agreement. On 1989, December 18th, the Community declared its intention not to welcome a new member before realization of internal integration. While Turkey’s competence in prospective membership was announced, the Community mandated Turkey to realize economic, social and political progress, thereby proposing to pursue relations solely within the Partnership Agreement’s frame and designate no specific deadline for membership negotiations (Eralp, 2009).

The proposal was welcomed by Turkey as well and a set of preparations were underwent with a view to achievement of Customs Union by 1995 as had earlier been projected by the Additional Protocol. As per a decision taken in the Partnership Council meeting on 1995, March 5th subsequent to two-year negotiations, the Customs Union between EU and Turkey was formally put in force at the beginning of 1996, thereby entering in the last stage of Turkey-EU Partnership Relation. The Customs Union was one of the most important stages of partnership relation which was directed towards the ultimate goal of Turkey’s integration into EU and it introduced a new dimension in Turkey-EU relations (Flam, 2003).

2.3. The Ratification of Membership

The milestone of Turkey-EU relations occurred when the Summit of EU Heads of State and Government in Helsinki was held on 10-11 December 1999. Turkey assumed “candidate status” which earned it an position equal with those of
other candidates. At the summit, the preparation of Accession Partnership Document for Turkey as well as other candidates was decided and Turkey’s Accession Partnership Document was ratified by EU Council on 2001, March 8th. The National Program encompassing the process for realization of the priorities of the Document was ratified by Turkish Government on 2001, March 19th and submitted to European Council (Tanlak, 2002).

The Document was revised by EU in 2003, 2005, 2006 and 2008 and the National Program was updated by Turkey in 2003, 2005 and 2008. The political will which put forth its resolution for EU membership on all occasions accelerated its reform practices. Turkish Parliament intensively passed bills to harmonize its laws with EU legislation so as to meet the political prerequisites for the negotiations. The government realized reforms which secured and consolidated the existing regulations of civil rights, democracy, freedom for expression, supremacy of law and broadened the scope of fundamental rights and freedoms. In this regard, 8 harmonization packages between 2002 and 2004 and parallely 2 Constitutional legislations between 2001 and 2004 were passed in the parliament (Bozkır, 2015).

At the Brussels Summit on 16-17 December 2004, another turning point occurred in Turkey-EU relations when the Council took note that Turkey sufficiently fulfilled the political criteria and decided to open accession negotiations with Turkey on 2005, October 3rd (Toghill, 2012).

3. TURKEY-EU RELATIONS IN AND AFTER 2003

The EU Harmonization Committee was established in 2003 in the Turkish Grand National Assembly with a view to monitoring developments regarding the EU accession process, negotiating and following the developments in the EU and informing the parliament about these developments. The Committee was assigned the duty of examining the accordance of domestic legislations with the EU legislations as well (Eralp, et al., 2014).

On 2003, May 19th, the Council took decision of the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with
Turkey and came up with the 2003/398/EC numbered Accession Partnership Document.\textsuperscript{163}

Prime Minister Recep Tayyip Erdoğan and Foreign Minister Abdullah Gül participated at EU Selonika Summit on 2003, June 19-20th. The same year on July, 24th, National Programme\textsuperscript{164}: decision dated 23.06.2003 and numbered 2003/5930 on the "Turkish National Programme on the Acceptance of the European Union Body of Law and on the Implementation, Coordination and Oversight of the Turkish National Programme on the European Union Body of Law" was taken. European Union published 2003 Progress Report and Strategy Document for Turkey on 2003, November 5th. In the report, new proposals and Turkey’s progress in meeting legislative, economic and political criteria were noted (Aksu, 2012).

The report which determined Turkey’s prospects and guided the EU Council was released by Günter Verrhaugen, the European Commissioner for Enlargement: “Turkey has met the Copenhagen Criteria and negotiations date may be designated.” Apart from this positive statement, all what was written was against Turkey’s favour. At the Brussels Summit on 16-17 December 2004, the Council decided to open accession negotiations, which satisfied Turkey’s expectations. Turkey achieved a tangible result with the notification of the negotiations 45 years after application to EEC for full membership in 1959. Negotiations date per se was not actually tantamount to full membership, rather it brought the membership efforts to a final stage. However, much to Turkey’s frustration, there was discrepancy between prerequisites for opening negotiations with Turkey and those for other candidates (Şenyuva and Üstün, 2015).

Turkey saw eye to eye with many EU states on the notion that European Constitution Agreement would bring dynamism and functionality to the union. In his address in Berlin, ten days prior to 2004, October 29th when the Constitution Agreement was signed, Foreign Minister Abdullah Gül stated that Turkey had made considerable considerations by participating in the European Convention and

\textsuperscript{163} Accession Partnership Document (APD) is a document which includes the prerequisites of accession and is submitted by EU Committee to any candidate country whose prospective full membership is projected.

\textsuperscript{164} National Program consists of the following 5 subheadings : “Political Criteria”, “Economic Criteria”, “Capacity to Undertake the Membership Obligations”, “Administrative Capacity” and “Global Financial Assessment of the Reforms.”
that he was to personally make presence in the contract ceremony in Rome on October 29th. Verrhaugen, on the other hand, stated that Turkey might participate in dialogues with member and candidate states and work for the future shaping of European Union since Turkey’s contributions were of importance for the Union (Narbone and Tocci, 2005).

State Minister Ali Babacan was assigned as the “Chief Negotiator” for the negotiations to be conducted with the EU on 2005, June 3rd. On the 29th, Negotiation Framework Document and other related documents for Turkey were published (Matos, 2013).

Negotiation Process is a time span which is allocated to a candidate state to harmonize its national legislations with the EU Acquis Communautaire for the purpose of full membership. In the 1st wave of enlargement, a common negotiation framework document was drafted for all candidates; in the 5th wave of enlargement, however, different documents were prepared for each candidate, assigning duties under 31 subheadings for 10 other states whereas under 35 of them for Turkey. “Screening Process” which constitutes the first stage of negotiations began with the “introductory screening” on science and research domain and screenings in all domains were completed on 2006, October 13th. 165

“Science and Research” chapter whose screening was exercised on 2006, June 12th, was conducted at the Intergovernmental Conference in Luxemburg where Turkey was announced to have met all the criteria and the chapter was finished at the same conference. The Foreign Ministers of EU Member States gathering in the EU General Affairs Council on 2006, December 11th followed Committee advice of November 9th and declared no new chapter was to be opened till Turkey confirmed living up to the commitments of the “Additional Protocol.” (Öniş, 2010)


---

Networks”, “Company Law and Intellectual Property Law”, “Free Movement of Capital” and “Information Society and Media” were initiated respectively from 2007, March 29th to 2008, June 12th (Nicola, 2009).

On 2009, January 10th, State Minister Egemen Bağış was assigned as the “Chief Negotiator” for the full membership negotiations to be conducted with the EU institutions. 2009, June 30th through 2010 June 30th, the negotiations on the chapters of “Taxation”, “Environment” and “Food Safety” were initiated respectively (Arisan and Eralp, 2010).

Negotiations process is the most prominent instrument of EU enlargement and integration into EU. The Acquis Communautaire harmonization level that candidate states reach at the end of the negotiation process is the key element of EU integration. The process in which candidate states’ domestic legislations are screened and harmonized with the acquis communautaire is the last stage of membership procedure (Eralp, 2011).

In conclusion, negotiation process is the last stage of a candidate state’s membership. In this process, the last stage towards full membership is realized by amending and making additions to a candidate state’s domestic legislations so as to harmonize them with the acquis communautaire. The duration of the process is contingent upon the progress made by the candidate state in meeting the criteria of membership (Magri, 2015).

4. THE IMPACTS OF REFUGEE CRISIS ON TURKEY-EU RELATIONS

Though refugee crisis has been existing for 4 years in the neighbouring countries, it was not until summer of 2015 when thousands of refugees set off en route to Europe for a better life that the issue occupied the agenda so intensely. Within a fairly short time, thousands of refugees have sought asylum from European Union countries with hopes of better education, labor and health. That the civil war lasting for years in Syria has been left unresolved has urged refugees who are bereft of the hope of returning home to seek better lives in other countries, thereby putting the European states in confrontation with the effects of the civil war. As Frontex data put it, the number of refugees striving to slip across the border of European Union in 2014 was 280,000 while the number for the 2015 June-July period only was 340,000. Some refugees en route to Europe ended up
dying at the sea with their dead bodies washed ashore every so often and some got into skirmishes with the police as well. Certain EU countries even built walls to stop refugees from slipping across the borders (Kratochevil, et. al., 2015).

Though EU countries urgently assembled many times with a view to coming up with a solution to the refugee crisis, they exhibited reluctance to accept asylum. When Germany as a country with great potency nullified Schengen temporarily, this set an example for other EU countries. Some countries, notably Hungary, adopted a tough stance on refugees on the grounds that they didn’t suit the European identity and even the crisis mounted the activisms of the extreme rightist factions. In Europe where multiculturalism is regarded as a component of welfare, building 4-meter high walls across the Serbian borders to impede refugee’s accession has brought into question the future of the welfare island and potential solutions to the crisis. Especially, when the Eastern European states declared they were to follow a path different from that of Germany, the political crisis within the union mounted as well. Slovakia announced its intention of only accepting asylum for the Christian refugees, Czech Republic administration announced plans to mark the arms of the prospective refugees with serial numbers while Denmark government declared policy of confiscating valuable personal effects of the refugees; and all these were the indications of political turmoil regarding the refugee crisis in EU. When the European Union failed to come up with a solution in coherence, this brought about the necessity of working together with Turkey who hosted refugees for years. Both parties reached “EU-Turkey Joint Action Plan”, which introduced a new dimension in bilateral relations dragging on indefinitely for years. Though sustainability of the new chapter of relations is still in question, the agreement reached between parties on March 18th constitutes a new course of action for the relations (Kirişçi, 2014).

According to the joint plan, all new irregular migrants crossing from Turkey into Greek islands as from 20 March 2016 would be returned to Turkey and for every Syrian being returned to Turkey from Greek islands, another Syrian would be resettled from Turkey to the EU. The plan projected EU financial support to Turkey as well as the acceleration of the membership negotiations (İçduygü, 2015).

The resettlement of 72 thousand Syrian refugees hosted by Turkey into EU countries was projected by the plan and in case the number of returns exceeded
this number, the mechanism would be discontinued. The European Union pledged to open 33 chapters relating to budget policy and accelerate other chapters in the membership negotiations and the Union would further speed up the disbursement of the initially allocated 3 billion euros under the Facility for Refugees in Turkey and would mobilise additional funding for the Facility of an additional 3 billion euro up to the end of 2018. Ultimately, the abrogation of visa requirements for Turkish citizens to travel to EU countries was envisaged. To that end, Turkey is to meet some 70 criteria for the lifting of visa requirements and earn the approval of EU Commission (Strik, 2016).

As of 2016 June, the European Union has been resolute in lifting the visa requirements. Refugees fleeing to Europe illegally on April 4th were returned from Greek island Lesbos to Izmir and were resettled to Germany within the framework of the readmission agreement. The process beginning with the onset of the Arab spring and spanning up to these developments has opened new dimension in EU-Turkey relations (Kutlay and Akcali, 2015).

5. CONCLUSION

It remains a crystal-clear fact that in European Union membership efforts since 1959, no other government has made more strides than Justice and Development Party government. The mild atmosphere of relations between JDP government and European Union till 2005, later suffered setbacks due to the said reasons. Turkey has fulfilled all EU requirements only to get no tangible results in return, which has deteriorated the EU image in Turkish public opinion. 2004, December 17th through 2006, the confidence of Turkish public opinion on European Union diminished from %75 to %50. Turkey’s EU membership is encumbered by Greece and Cyprus Republic, leaving Turkey out in the lurch. The Union may still reject Turkey’s membership on the grounds that Turkey is too big a state for the union, an argument still latent since 2004. In negotiations, 14 chapters were opened and 8 chapters were suspended by vetoes from Cyprus Republic and France. At a time when both EU and Turkey were supposed to put forward new policies to revive the relations in deadlock, refugee crisis constituted the grounds for the new policies. Obviously, the crisis has contributed to the resurrection of the relations; however, whether EU needs Turkey permanently or temporarily is still in question. Given the 50-year history of the relations, some other deep-seated agreements existed prior to that of readmission agreement,
which corroborates the idea that no party is apt to dissociate from the other. In this regard, joint solution seeking concerning the refugee crisis is a belated step which stands for a new opportunity to pursue bilateral relations.

REFERENCES


AKÇAKOCA Amanda, “EU-Turkey Relations 43 Years on: Train Crash or Temporary Derailment?”, European Policy Centre, 2006.


KRAMER Heinz, “Turkey and The EU: The EU’s Perspective”, Insight Turkey, Vol. 8, Number 4, 2006.


M. Aksoy


TOGHILL James, “Are the official economic and political obstacles to Turkey's EU accession merely a 'fig leaf' covering real unofficial cultural and religious reservations?”, *POLIS Journal*, Vol. 6, 2011/2012.
Systems of Remuneration in Banking Sector of Bosnia and Herzegovina: How it Influences the Work of Employees

Aida Hadžijusufović
International University of Sarajevo

Dr. Senad Bušatlić
International University of Sarajevo

ABSTRACT

The main aim of this paper is to analyze how payment methods, reward systems and in general the working attitude of workers in banks in Bosnia and Herzegovina affect the working behavior and productivity of employees. The research is conducted through a questionnaire on the reference sample of 205 employees. The purpose of this research is to analyze the impact of reward systems on job satisfaction in the case of employees in Banks in B&H. Companies in Bosnia and Herzegovina do not pay enough attention to the theoretical and practical knowledge in the issues of remuneration of whose efficiency depends on employee’s satisfaction. This is the reason why these processes need to be scientifically explored, with the aim on identifying and offering appropriate solutions that will lead to greater efficiency in the business. A particular problem is the fact that so far in B&H no one is doing a critical analysis of the various models of remuneration as an important source of employee productivity and company’s profitability. This study will, among other things, try to answer the following questions: Is there a connection between the system of rewards and job satisfaction in the Banks? How reward system affects employees in Banks? What are the main determinants of job satisfaction in Banks? What is the impact of the reward system that includes performance-related salaries?

Keywords: Remuneration, Job satisfaction, Rewards, Worker Motivation, Employees.
1. INTRODUCTION

The system of compensation is used to influence unproductive workers and thus the profits of the company. In doing so, companies often neglect the effect of actions of the reward system to the satisfaction of workers' work. Increase of salary directly affects the increase of employees' satisfaction, other aspects of the system of remuneration, including salary scheme, may have less beneficial effects on job satisfaction. On the one hand, increase of wage can affect the perception of the importance of employees in business environment and a well done job, while on the other hand, in comparison with other workers it can reduce the perception of fairness in the distribution of wealth, what can ultimately lead to the decline of morality and motivation of workers. In other words, the usage of different payment schemes and reward systems can increase employee’s satisfaction with income, and on the other hand it can reduce their satisfaction with other dimensions of work, such as dedication, self-esteem and perception of fairness.

Brown and Sessions (2003) suggest that workers prefer working in an environment that recognizes and appropriately rewards their productivity and that such an environment increases employee’s satisfaction of their work. In addition, some types of systems of remuneration (salary) can be part of HRM (Human Resource Management) whose innovation is linked to high-performance workplaces and can create a greater sense of belonging, respect and dedication within the company. Goddard (2001) and Bauer (2004) found a significant and positive relationship between the relationship of job satisfaction and job performance.

The results of many studies confirm that the reward system can often reduce job satisfaction. The most common reason is related to the method of determining pay and the evaluation of work. In this context, workers can increase productivity in the case of application of performance-related salaries, but do not need to increase profitability due to neglects, for example, the quality of waste, increases in injuries etc. (Freeman and Kleiner, 2005).

Similarly, the wage determination based on assessment of supervisors can be extremely biased because of the subjective assessment of the performance of employees. It was also shown that the usage of different payment schemes
negatively affects the teamwork and collaboration between employees (Drago and Garvey, 1998). Accordingly, it can be concluded that the usage of different payment schemes may have a different effect on employees’ satisfaction within the business. Results of previous studies regarding the system of rewards and job satisfaction emphasize that avoiding unfair payment is important in creating harmony and productivity in companies (Akerlof and Yellen, 1988). Brown (2001) in his study came to the conclusion that workers who perceive "fair" payment in their company are satisfied with their pay and work. Freeman and Kleiner (2005) have shown that workers who have a higher risk tolerance are more likely to choose jobs that pay-for-performance. So the fact that performance-related salaries are linked to higher risk of earnings should not imply the conclusion that workers who receive their salaries based on performance are less satisfied with their work.

In a study of implementation of performance-related salaries, Clark (2001) provides statistical proof that the decrease in productivity often occurs among workers with low increase in performance-related salaries as a result of demotivational effects arising from the difficulty in measuring and assessing the fairness of such payment systems. It is possible that performance-related salaries can be perceived as unfair and will be associated with reduced job satisfaction.

In the context of the above, this study aims to show how the choice of the system of remuneration has impact on employee’s satisfaction. This is particularly important in services, especially personnel services that have direct contact with customers. This thesis analyzed the benefits of reward systems by putting in focus the "Performance-based wage" payment system and the "Skill Based Pay" payment system. The survey was conducted with employees in Banks in B&H and will be based on the results of research on groups of employees to suggest improvements for the existing system.

2. SALARY AND REWARD SYSTEM

Salary systems, according to the Harvard concept, consider the most significant aspect in terms of employee’s motivation. It is a complex concept of different forms of motivation that aim to ensure and improve the material status of employees. The wage policies and rewards are mainly due to (in addition to the basic structure of employees and type of organization) the situation in the labor market, legislation and bargaining power of trade unions. The starting point of a
compensation system as a first analysis of the job is to evaluate the performance of employees, as the central activity of the internal flow and, last but not least, is the understanding of human nature and the phenomenon of motivation (Rahimic, 2010).

Managers focus their interest and potential in human resources and they try to create preconditions for the optimal development of human resources while ensuring a high level of satisfaction and a high level of motivation (Bahtijarević, 1999). Human resource management is one of the basic management functions of the company considering its position in all levels of management.

According to Dessler (2007) the basic functions of managers in the company are: 1) Planning, 2) Organization, 3) Caring about employees, 4) Leading, 5) Controlling. Taking care of employees as a function of managers in the company involves determining the salary and the rewarding system. Salary applies to all forms of financial income, tangible services and benefits that employees receive as part of the employment relationship (Milkovich and Newman, 2006).

The main role of the reward system in the organization is to align the interests of individual employees and strategic goals of the company by attracting and retaining qualified people, encouraging and supporting employees to develop their skills and knowledge, motivation of employees and creation of a culture where employees care about the success of the company where they work (Bogicevic - Milikić, 2006).

Aligning individual interests of employees and companies' strategic goals is a complex task of whose results will ultimately depend on the results of operations of the company. This adaptation is a continuous process, especially given the constant adjustment of business enterprise markets.

According to Lavine (1993) the creation and implementation of a system of remuneration is one of the most complex activities within the framework of human resources management activities and there is a number of arguments:
1. While the other activities (training, career development, etc.) are particularly important for certain groups of employees, salary is important and crucial for every employee.

2. One of the main goals of the reward system is the motivation of employees; there are significant variations in the perceived values that individual’s link to specific awards,

3. Staff salaries represent one of the major components of the total cost (in service companies they can do up to 80% of total costs), and can significantly affect the competitiveness of products and services of companies in the market,

4. Costs of living vary over time, especially in economies with pronounced macroeconomic instability and high annual rates of inflation.

Salary is one of the key elements in employment, both in terms of staff and in terms of the company and the state. Employee wages are a key factor for the standard of living, and represents income for completed work. On the other hand, company wages can represent a significant portion of the costs and affect the ability to attract and retain a quality workforce. From the aspect of state salaries are more significant because they affect the macroeconomic stability of the measured rate of employment, purchasing power of the population and socio-economic development in general. Employees in large state-owned companies in China and Sweden believe that salaries are their rights regardless of their performance or the performance of a company. Employees invest their energy in work, education and training, and spend their time at work, and the salary is a compensation for that.

Salary is defined as the sum of money received by the holder of the workforce in return for his contribution to the realization of a particular job and the quality of produced factors. It can be seen from two perspectives:

- The perspective of economic activity, a process which assumes a combination of factors of production, wage costs, the total cost of the economic component obtained good - for the company,
From the perspective of the objectives of the economic activity, which implies the sale of goods on the market, wage income of those who have contributed to their work, achieve results for employees (Stefan, 2009).

There is also a difference in wages between men and women in different societies. According to statistics in this country, at some positions women are significantly more paid than men. At the position of financial manager women on average have net salary 1.835 KM, with the maximum salary at this position of 3.915 KM, while men have an average net salary of 1.391 KM, and the maximum salary is 3.125 KM. A similar situation and the ideal head of the legal department, branch managers, is where women on average have a higher salary by 16%.

Overall in B&H, men earn more than women. The average salary is 1.015 KM for men and 941 KM for women, what means that men are on average better paid by 7.8%. Men are still the best paid when conducting business in the banking or insurance sector or retail sector.

The difference in payments between men and women is higher in private than in public sectors, and it is interesting that foreign owners of companies in B&H produce larger wage gap between women and men than domestic companies. (Business News No. 1, 2011, http://www.bhas.ba)

3. DETERMINATION OF SALARY STRUCTURES

Factors related to wages in the internal structure of the company are related to the regulation of relations between salaries of employees of different expertise’s, skills or tasks performed.

Economic pressures are one of the dominant external factors affecting factors in relations of wages in the internal structure of the company. The difference in salaries of individual operations depends on the productivity of work and differences in amounts that customer values the product. Wage structure also depends on the ability of the company to adapt changes in environment caused by competition or tastes of customers as well as changes resulting from the various economic disturbances on the market. Privacy Government through laws is governing economic strength in accordance to balance the well-being by determining the minimum wage. Most states have different laws for regulating the
salary structure. The unions are also interested in establishing internal salary structures, looking for slight differences in salaries between jobs and advancements based on seniority. Culture and traditions affect the assessment of what is the difference between fair wages. Even Plato said that strongest companies through which the richest earn more than four times the minimum wage. According to Aristotle, this limit was five times. On social decision like what is a fair wage usually affect such factors as the comparable value of the subsistence set to a minimum.

Global competitors and an aging work force that influence the determination of the seniority pay too dearly, and changing the aforementioned systems of payment for the success of the organization, and it is necessary that the salary structure is in line with the business strategy. Human capital, that includes knowledge, education and skills has a very important impact on the internal structure of the organization. The stronger the link between skills, experience and strategic goals is, salaries will be higher for these levels. Human resource policies, by improving to a higher level, can have an impact on wages and vice versa. The internal structure affects technology used to produce or provide services, and is determined by the number of levels in the organization, differences in pay between the levels and the criteria for their determination. The aim of the internal structure is to enable a smooth workflow, and the orientation of employees towards the organization's goals.

4. QUESTIONARE - METHODOLOGY, DATA ANALYSIS AND RESULTS

The questionnaire consisted of three parts. First part is consisted of nine closed questions that included information related to the workplace, as well as issues related to the current system of remuneration. Second part of questionnaire is consisted of ten items (positive or negative) where subjects answered a scale from 1 to 5 (modeled on the Likert scale). The third part of questionnaire analyzes the importance of factors that directly affect job satisfaction and factors that have an impact on changing jobs. The respondents were asked questions answered by checking the numbers from 1 to 10 in front of the offered answers with 1 being the most important factor, and 10 the least important factor.
The data, for this survey, was collected from employees from different banks in Bosnia and Herzegovina. In order to be more objective than subjective the survey was conducted between workers from different banks, different positions within the bank and different ages. The main separation was made between workers from support and sales department. These two groups depend on each other but between workers, position in sales department is more desired because of higher payment.

**Table 1. Basic demographics of the respondents**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>117</td>
<td>57.07</td>
</tr>
<tr>
<td>Male</td>
<td>88</td>
<td>42.93</td>
</tr>
<tr>
<td><strong>Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>98</td>
<td>47.80</td>
</tr>
<tr>
<td>Support</td>
<td>107</td>
<td>52.20</td>
</tr>
<tr>
<td><strong>Work experience in banking sector</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to 5 years</td>
<td>126</td>
<td>61.44</td>
</tr>
<tr>
<td>5-10 years</td>
<td>35</td>
<td>17.08</td>
</tr>
<tr>
<td>10-15 years</td>
<td>22</td>
<td>10.74</td>
</tr>
<tr>
<td>15-20 years</td>
<td>14</td>
<td>6.84</td>
</tr>
<tr>
<td>20 and more years</td>
<td>8</td>
<td>3.90</td>
</tr>
</tbody>
</table>

Source: Authors’ compilation, 2015

The survey was submitted online and distributed via e-mail, because in that way more data was collected. The survey was anonymous so that respondents could answer more honest without fear to have consequences because of their answers. 205 survey forms were correctly and fully filled out. Collected data was mostly numerical, except Part I, where independent variables were used, in which general data about the respondent was collected in order to classify them. In Part II and Part III independent variables were collected in accordance to get precise information that lead to conclusion about the system of remuneration in banking sector and how it influences working behavior of employees. The seven point Likert scale was used in 13 questions in order to determine the agreements or
disagreements of the respondents about their job in bank. Collected data was summarized into an excel spreadsheet and analyzed statistically in accordance to get the most accurate data results.

To test the reliability of the answers given by the respondents in part II of the questionnaire the Cronbach’s Alpha (α) test was used. The alpha coefficient is calculated using the following formula:

\[
\text{Alpha} = \frac{nr}{(1 + r(n-1))}
\]

n: Number of Items
r: average of all bivariate correlations between items

The coefficient varies from 0 to 1. 1 stands for maximum consistency. Certain heterogeneity of items is desirable, since the various items are to detect slightly different facet of the measured feature (e.g. different facets of spatial ability). If the coefficient is less than 0.67, it makes little sense to combine the items on a scale.

In the statement, I am satisfied with the current system of payments (Mean= 2,795; Std. Dev. = 1,113), most respondents 41% of employees had an indifferent attitude (n=252), 18% generally does not agree with the statement (n=74), 17% totally disagree (n=35), 16% generally agrees (n=132) while 8% of surveyed employees fully agree with the statement (n=80).

These results suggest that employees due to the current economic crisis are happy to have a job, and that there was little difference in results of the research staff in sales and support.

Most of the interviewed employees 43% fully agreed with the statement that adequate rewards for the fulfillment of the goals affect their job satisfaction and loyalty to the bank (Mean= 4,005; Std. Dev. 1,328) and there were no differences in the responses in the structure of employees whose workplace is regarding sales or support. 27% of respondents generally agreed with the statement, 21% of employees had an indifferent attitude, 5% of the respondents mainly disagreed with the statement until 4% of employees completely disagreed with the statement.
These results fully confirm that an adequate reward or choice system of remuneration has a dominant influence on job satisfaction, and that there was little difference in the results of surveys of employees in sales and support.

Since the presentation of the results evident that most of the surveyed employees had an indifferent attitude towards the issue in question / statement - setting of annual goals for my workplace are objective and achievable (Mean= 3,024, Std. Dev. 1,261), 36%, and there were no differences in the responses in the structure of employees whose workplace is related to sale or support. 29% of respondents mainly disagreed with the above statement, 16% of employees fully agreed with the above statement, 13% of surveyed employees generally agreed and 7% completely disagreed with the above statement. These survey results suggest that the system of remuneration in Banks is in compliance with the degree of load and performance of employees.

From the results it is evident that the most important factor influencing job satisfaction for the observed pattern is job security. Job security as the most important factor considered 29% of surveyed employees (31% are employed in sales, and 24% are employed in support).

Income level is the second most important factor influencing job satisfaction. The amount of income as the second most important factor is considered by 17% of surveyed employees (19% are employed in sales, and 14% are employed in support).

The third most important factor influencing job satisfaction is working atmosphere that is considered by 15% of surveyed employees (20% are employed in sales and 3% in support).

The fourth most important factor influencing job satisfaction is the kind of job, considered by 14% of surveyed employees (12% are employed in sales, and 19% are employed in support).

The fifth most important factor influencing job satisfaction is exposure to workplace stress, considered by 11% of surveyed employees (10% are employed in sales, and 15% are employed in support). According importance are sorted and other factors such as the possibility of advancement and training (6%), the possibility of additional education (3%), workload (2%), the place of work (2%) and working hours in total (1%).
From the results, it is evident that the most important factor to be taken into account for the formation of salaries is complexity (32% of surveyed employees of whom 33% are employed in sales, and 29% are employed in support). The second most important factor in the formation of wages was the level of education, considered by 29% of surveyed employees of whom 26% are employed in sales and 36% are employed in support. The third most important factor in the formation of wages is considered to be work experience, 15% of surveyed employees of whom 13% are employed in sales, and 20% are employed in support. The fourth most important factor in the formation of wages were the skills and further education is seen by 14% of surveyed employees, followed by factors of workload, contact with clients and working hours.

Based on the results, the most important factor that could influence the change of job is the income level, considered by 25% of surveyed employees of whom 23% are employed in sales and 31% are employed in support. The second most important factor that could influence the change of job is the job security as it is seen by 21% of surveyed employees of whom 23% are employed in sales, and 17% are employed in support. The third most important factor is exposure to workplace stress, considered by 15% of surveyed employees of whom 15% are employed in sales, and 14% are employed in support. The fourth most important factor is the type of job (12%), followed by the opportunity for advancement and training (9%), working environment (7%), the place of work (4%), workload (3%), the possibility of additional education (3%) and working hours (1%).

Research results have confirmed that the optimal payment system was (Figure 1):

a) Payment of the knowledge base - 2%

b) Payment based on performance - 17%

c) The combined system of payments - 81%.

That the best way to determine wages is to determine a fixed salary amount, it is considered by 15% of the surveyed employees, the fixed and variable amount depending on the results achieved is considered by 77% and 8% of employees believed that the determination of wages is exclusively in a variable amount the best way of determining wages (Figure 1).
In comparison with the salaries of other banks at the same job, 44% of surveyed employees believe that the salaries of the Bank compared to other banks is the same, 9% of respondents believe that salaries in other banks were lower, while 41% of employees believe that salaries in other banks were higher. 6% of respondents did not answer the question.

**Figure 1: Optimal reward system**

![Optimal payment system](image1)

Source: Authors' compilation, 2015

**Figure 2: The best way to determine salary**

![The best way to determine salary](image2)

Source: Authors' compilation, 2015
When it comes to commitment to the improvement of the existing system of remuneration of employees, 23% of employees believe that enough attention is given to the improvement of this, while 77% think that not enough attention is paid to its improvement.

5. CONCLUSION

The aim of this study was to point out that the choice of the system of remuneration affects the satisfaction of employees. The study is among others to attempt to answer what are the main determinants of job satisfaction in Banks are, and how to improve the existing system of remuneration of the same.

The study was conducted on employees in Banks in B&H on a sample of 205 respondents, and included a total of 35 branches. Of the total number of employees 71% of those surveyed had a workplace related to sales, while the remaining 29% of respondents had a job which is related to business support.

In the theoretical part of the paper the most important concepts are related to the system of remuneration of employees. Payment by achievements
characterized the contribution of employees with emphasis on work as a relationship to work. The main objective sought to be achieved by this system of payment is motivating employees by establishing a direct link between the results achieved and the awards for the same, all for the purpose of implementation of strategic goals of the company.

Unlike the previously mentioned system of payments, based on skills / knowledge is characterized by a flexible way of rewarding employees depending on the type, depth and number of acquired and applied arts. Owning horizontal skills include a wider range of skills necessary for a number of jobs while the vertical skills include gaining a greater degree of skills within a business. Thus, payments based on skills are applicable to payments that the employee has shown or how much an employee is worth for the work to be done.

In addition to these today is used so-called "Cafeteria" benefits system that allows employees themselves to choose between the tangible and intangible benefits, depending on their needs, that is a higher level of motivation. This system does not require any necessary new incentives, but the possible combinations of existing ones. The limiting factor of the above systems is high administrative costs.

Hay method is the more popular method of job evaluation that is based on the evaluation of the workplace. The key evaluation criteria’s are: knowledge of responsibility and problem solving skills. This methodology evaluates similar positions in different organizations, taking into account market parameters.

In the statement "I am satisfied with the existing system of paying" the largest number of employees had an indifferent attitude and generally did not agree with the above statement and it can be explained by the current economic crisis and concern for job security. The claim "adequate reward for the fulfillment of the goals affect my job satisfaction and loyalty to the Bank," most respondent’s employees fully agree with the above statement. These results confirm the hypothesis that the choice of the system of remuneration has an impact on job satisfaction of employees at Banks.

The results also confirm that there is no significant difference in the structure of employees (sales and support) in terms of satisfaction with the current
system of payment that the hypothesis "sales staff was less satisfied with the existing system of payments in respect of the support staff" discarded. According to the survey, respondents mainly disagreed with the statement 17% (15% sales / 22% support) staff until completely disagree 16% (18% sales / 12% support). This can be explained by the fact that employees that are in direct contact with clients are more aware of the consequences of the economic crisis on the labor market.

Compliance system of remuneration with the level of workload and commitment of the employees to the research is done, which was rejected by the above hypothesis. The results obtained confirm the impact of wages on job satisfaction and the impact of the salary as the most important factor for changing jobs. This confirms that the amount of wages is one of the most important motivators for employees by demonstrating the importance of its adequate determination confirming the hypothesis that the wage effects on job satisfaction.

The research acknowledged that the current system of remuneration in Banks is not optimal. These results suggest that the establishment of an optimal payment system is a continuous process that constantly needs to be improved, and are consistent with the hypothesis that the choice of the system of remuneration has an impact on job satisfaction of employees in Banks in B&H and payment system in Banks does not comply with the degree of load and commitment of the employees and affect their job satisfaction.

The results obtained confirm that the best way to determine the wages is to determine the fixed and variable amount depending on the achieved results. The current system of determining wages (except in the case of annual bonuses) does not include the variable part of the employee deemed to be necessary. This confirms the hypothesis that the application of the system of payment, that includes payment to the effect, could have a positive impact on job satisfaction of employees in Banks in B&H.

In accordance with the above, the most important recommendations for the sector of human resources are:

- The introduction of the variable part of the salary as a percentage of the basic salary for above-average results,
- The introduction of Hay job evaluation methods for jobs which resulted in measurable weight (operations support).

The introduction of a variable system of remuneration in addition to motivate employees especially at workplaces that are the results of the measurable quantitative indicators or sales staff whose work results largely affect the success of Banks in B&H. By introducing the Hay job evaluation method further to motivate employees whose work results are not measurable only by quantitative indicators and the work on what depends the optimal operation of the whole systems work.

REFERENCES


APPENDIX 1

QUESTIONARE

Dear Sirs,

The purpose of this study is to analyze the system of remuneration of employees in the banking sector. Please tell us your honest answers which will help to improve the knowledge and perception of the employees of the system of remuneration in the banking sector. We appreciate your taking your time to fill out this questionnaire. For participation in this study decide completely freely, and obtained answers are anonymous. Thank you!

PART I

How to express their views and opinions on the way of remuneration, it is necessary to choose one of the answers.

1) Your workplace is directly related to:
   a) Selling
   b) Support

2) Select the letter that represents your gender (M - male, F - female):
   a) M
   b) F

3) How long have you been employed in the Bank?
   a) Up to 5 years
   b) 5-10 years
   c) 10-15 years
   d) 15-20 years
   e) 20 and more years

4) In your opinion existing reward system should:
   a) Leave unchanged
   b) Change

5) If your answer to the previous question was under B, the optimal payment system would, in your opinion, was:
   a) Payment of the Knowledge Base
   b) Payment based on performance
   c) The combined system of payment

6) I believe that the salaries for the same jobs in other banks:
A. Hadžijusufović and S. Bušatlić

7) Salaries for all positions at the Bank should be defined by:
   a) a fixed amount
   b) in fixed and variable (depending on the results achieved) amounts
   c) in a variable amount

8) How many times have you improved in your career?
   a) No
   b) One time
   c) Twice
   d) Three or more times

9) Do you think that enough attention is paid to the improvement of the existing system of remuneration in the Bank?
   a) YES
   b) NO

PART II

Please choose only one answer to each question / statement. Offered five possible answers: from completely disagree that is labeled 1, to strongly agree that is marked by 5. There are no right or wrong answers, just your personal opinion.

<table>
<thead>
<tr>
<th>The statement</th>
<th>I do not fully agree</th>
<th>I fully agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I understand the criteria used by the organization for the determination of wages.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>I am satisfied with the existing system of payments.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>Performance and the effects they get at your workplace is adequately monitored.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>Set annual goals for my business workplace are real and achievable.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>Monitoring the attainment of targets is carried out continuously and objectively.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>The goals set me encouraged to invest extra effort in achieving the same.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>I expect to the fulfillment of the objectives will be adequately rewarded monetarily.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>Adequate rewards for meeting goals affect my job satisfaction and loyalty to the Bank.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>The level of my education and competence appropriate to the post where I currently work.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>Bonus as a supplement to the result during the year is not adequate additional way of rewarding employees.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
</tbody>
</table>

490
PART III

1) Put most important factors that directly affect your job satisfaction, enrollment numbers from 1 to 10 in front of choices, with 1 being the most important factor, and 10 the least important factor:

   __ Type of workplace
   __ Location of workplace
   __ Workload
   __ Exposure to workplace stress
   __ Working hours
   __ Working atmosphere
   __ Possibility of promotion and development
   __ Extra education
   __ Job security
   __ Height earnings

2) Put on the importance of factors to be taken into account in the formation of salaries for a given job by entering the numbers 1 to 7 in front of choices, with 1 being the most important factor, and 7 the least important factor:

   __ Education level
   __ Experience
   __ Working hours
   __ Complexity Affairs
   __ Contact with customers
   __ Workload
   __ Skills and further education

3) Arrange the most important factors that could affect change your workplace enrollment numbers from 1 to 10 in front of choices, with 1 being the most important factor, and 10 the least important factor:

   __ Type of workplace
   __ Location of workplace
   __ Workload
   __ Exposure to workplace stress
   __ Working hours
   __ Working atmosphere
   __ Possibility of promotion and development
   __ Extra education
   __ Job security
   __ Height of earnings
Constructive Deviance in Organizational Behavior

Dr. Ognjen Ridic
International University of Sarajevo

Abdul Wahab Aidoo
International University of Sarajevo

ABSTRACT

Scientific researchers have shown a high interest to study the concept of deviance in workplaces. The research problem of this review article is to review the causes of constructive deviant behavior in the workplaces. Worldwide decentralization, flexibility, and stronger performance orientation pressure management and employees to become more creative, more productive, and more involved in the performance and survival of the organization. In order to do so, workers may need to deviate from the norms or informal rules of the organization in ways that benefit the reference group and its members, that is, they need to engage in constructive deviance through applications of the hyper-norms. Additionally, this research study explores one of two streams of workplace deviance; which is constructive deviance type. In the managerial science literature, a constructive stream of deviance is recognized as the positive conduct, such as: whistle-blowing, organizational dissent and functional disobedience in the organizations. On the other hand, a destructive stream of deviance is depicted by negative conduct and attitude in organizations, including: alcoholism, corruption, and theft. Studies have shown that deviance is the reaction of workers to organizational policies, such as: economic, social environment and working conditions. Finally, this study reviews how this phenomenon and its causes influence the job performance of workers. The conclusion of this study depicts a multifaceted phenomenon, and its impact is increasing as the time progresses. This paper concludes that the research approaches still appear to be fragmented and poorly integrated and that the overarching insight into constructive deviance is rather limited. The future and stability of the market system may be influenced by the willingness of the employees to exhibit these behaviors when internal management fails to address its underlying trigger causes.

Keywords: Deviance, Constructive Deviance, Workplace, Hyper-Norms, Deficiencies.

JEL Classification: M10, M12, M14
1. INTRODUCTION

The regular occurrences and costs associated with odd conducts in organizations have made the study into this field inevitable. Scientific researchers are interested in studying the concept of deviance in workplaces while management is making all possible efforts to curb such phenomenon to befall in organizations (Lawrence & Robinson, 2007).

As part of the contemporary management literature, two research avenues on deviant behavior exist, however, these two streams are not integrated. One stream casts deviant behavior in a negative light, emphasizing employee rule breaking that leads to organizational harm. In contrast, the second stream of literature emphasizes the positive forms of deviant behavior for organizations. This research highlights beneficial deviant behavior, such as dissent, tempered radicalism, whistleblowing, functional disobedience, and exercising voice (Warren, 2003).

Studies have shown that deviance is the reaction of workers to organizational policies, such as economic, social environment and working conditions (Lawrence & Robinson, 2007). This study reviews the causes of constructive deviant behavior at work. Again, this research study explores one of two streams of workplace deviance that is constructive deviance (Warren, 2003). In the managerial literature, a constructive stream of deviance is recognized as positive conduct, such as whistle-blowing, organizational dissent and functional disobedience in organizations (Brief, Buttram, & Dukerich, 2001).

2. LITERATURE REVIEW

2.1. Approaches to Constructively Deviant Behavior

In the sociological context, researchers have recognized two approaches to defining deviant behavior in organizations. Sociological theorists have identified behavioral approach and labeling approach (Becker, 1963). According to the study by Merton (1949) the searching for and execution of appropriate measures to achieve the goal of society has the potential to cause deviant behavior among individuals. There is a disagreement among individuals as to which method and/or procedure are feasible to achieve the goals of the society (Merton, 1949).
In the sociological literature, labeling approach to deviant behavior has been categorized into two bases on the actions and outcomes of the individual, thus the positive and negative deviance behaviors. The positive deviance behavior is considered as actions which have beneficial outcome while negative deviance behavior is recognized as conducts that render negative outcomes to society (Becker, 1963). The positive and negative deviance behaviors that were identified by social theorists fails to recognize that there are unique behaviors that give rise to deviance in society. This will pose a challenge to future social researchers (Warren, 2003) who would be interested in delving into this phenomenon.

3. DISCUSSION

3.1. Constructive Deviance

Researchers have come out with numerous definition of constructive deviance. The meaning of deviance in the organization has taken another dimension. It has does not only portray the negative but positive attitudes in organization and society at large. From the compilation of forty definitions of behavior considered as deviance, two of them appeared to have a positive connotation. Further, researchers have thrown light on the concept of deviance in the organization through statistical means. This is where the behavior of an individual or group is far above the normal expectation. This is represented in a graph, where the constructive deviance is captured in extreme right representing the normal spread of behaviors (Spreitzer & Sonenshein, 2004).

From the graph above, it is realized that positive or constructive deviance is located at the extreme right, in the middle is normal behavior and negative or destructive deviance is located at extreme left. In the field of academics, the likes of Albert Einstein and Terence Tao are touted as statistical deviance. In the arena of chess, the likes of Magnus Carlsen and Gary Kasparov are considered as statistically deviant. Magnus is the 12-year-old boy who competed with the reigning world champion of chess, Kasparov, in 2004 and the result was a draw (C., 2011).

Constructive deviance could also be viewed through hyper-norms. Thus, universally accepted shared norms, beliefs and values are incognizant with the need of individuals (Warren, 2003). The assumption of Warren is that the
reference group is the beneficiary of constructive deviance. The focus of the outcome of the deviant behavior is tilted to both individuals in the organization and the society at large (Donaldson & Dunfee, 1994).

**Figure: 1. A Statistical Approach to Deviance**

![Graph showing normal behavior and positive and negative deviance]


According to Galper in (2002) constructive deviance can be expressed as intentionally behaving in a manner against the rules and values of the organization but that has significant benefit to the individuals in the organization. Individuals in the organization develop a personal attraction to the work and will put up an attitude to improve the organization (Yildiz, Alpkan, Ates, & Sezen, 2015). Constructive defiance can be explained as “intentional behaviors that depart from the norms of a referent group in honorable ways” (Spreitzer & Sonenshein, 2004). In this case, the referent group determines the characteristic features of behavior that envelopes the “honorable ways” (Near & Miceli, 1985).

### 3.2. Causes of Constructive Deviant Behavior

Constructive deviance is a very multidimensional and complex concept which is composed of many variables. Comprehensive literature research had
crystallized the following contributing organizational behaviors, such as: devotion to taking charge, creative performance, raising voice in a proactive and constructive manner, whistle-blowing, extra role taking, engagement in pro-social behaviors, pro-social rule breaking, counter-role behavior, and issue selling (Vadera, Prat, & Mishra, 2013).

In the context of research on contributors of constructive deviant behaviors (CDB), it is important to note the following organizational behavior levels. There are individual, dyadic/group, team – as the more advanced and cohesive type of group; and finally, its highest, organizational level. This paper will also emphasize that the extensive secondary/literature review had shown the emergence of three OB mechanisms which contribute to CDB: 1.) intrinsic motivation, 2.) felt obligation, and 3.) psychological empowerment (Vadera, Prat, & Mishra, 2013).

4. METHODOLOGY

As far as the research methodology is concerned, a thorough literature review of secondary sources of data was conducted to assess trends, draw current conclusions and do recommendations for the future. Review of secondary sources of data (books, peer-reviewed journal articles, internet publications, etc.) was performed.

5. CONCLUSION AND RECOMMENDATION

Worldwide decentralization, flexibility, and stronger performance orientation pressures employees to become more creative, more productive, and more involved in the performance and survival of the organization. In order to do so, workers may need to deviate from the norms or informal rules of the organization in ways that benefit the reference group and its members, that is, they need to engage in constructive deviance. This paper concludes that the research approaches still appear to be fragmented and poorly integrated and that the overarching insight into constructive deviance is rather limited. The conclusion of this secondary research study depicts a multifaceted phenomenon, and its impact is increasing as the time progresses. The future and stability of the market system may be influenced by the willingness of the employees to exhibit these behaviors when internal management fails to address its underlying trigger causes.
Additional primary and secondary research ought to be undertaken in order to better reveal those findings that are inconsistent across subfields of constructive deviance. Finally, the conclusive finding points out to the fact that additional research work is needed to better understand obstacles to and consequences of constructive deviance.

REFERENCES


Political and Leadership (Crisis) in the Western Balkan Countries

Dr. Mevludin Ibish
International Balkan University

ABSTRACT
The Western Balkan countries after the dissolution of communism and more specifically after the dissolution of Yugoslavia entered into a so called political and economical independent development. This, as a consequence brought a great political, economical and social turmoil within the geographical context of the Balkans or being more politically correct Western Balkans. The warfare process that undertook the ex countries of Yugoslavia in itself left a large gap between the national ideological promises on one hand and the reality on the other hand. With huge humanistic, infrastructural, educational and cultural consequences these countries started the most painful process within their societies which is forgetting what happened in order to proceed with new policies that will eventually enable them to tackle and grasp from the future challenges. This paper analyzes the most important /crucial historical and political events that left a mark in the Western Balkan countries and their political histories. This, at first will enable us to analyze comprehensively the issues of identity, religion, history, culture and other important social dynamisms that repeatedly were shuttered from the consequences of wars and ethnic conflicts. Afterwards, the paper aims to materialize the most important political and legal systems of the countries and speak about their misconception and misrepresentation of the idea of diversity and differences. Finally, this paper aims to detect and structurally analyze the most important political, economical and cultural activities that the countries of the Western Balkans started to show and produce political and economical values, most specifically the periods after 2002. The process of EU integration will be examined as well.

Keywords: EU Integration, Balkan countries, Political Leadership.
1. INTRODUCTION

The issue of political and leadership crises in Western Balkans is an important topic and we can state that its one the most analyzed issues in the last 10 years. The differences in political culture, the dissolution of communism and the legacy of ex Yugoslavia actually in a way helped this process to be much more intensive and the countries of the Western Balkans became part of this new prelude in leadership crises. In this paper I will try to analyze at the very beginning the concept of leadership from a theoretical point of view and I will try to identify types of leadership and important factors of leadership. In this part I will try to reveal the types of leadership and concepts of autocratic, democratic (participatory), laissez-faire and the concept of charismatic leadership.

In the second part I will try to identify the notion of Western Balkans in general and detect the legacy for the crises of political leadership within these countries. In the third part I will try to analyze the countries of Albania, Macedonia, Serbia and Kosovo and while doing this we will be in a position to discuss about the most important issues that these countries are facing these days. In the last part while concluding my remarks I will propose certain important tasks that the countries of Western Balkans need immediately to reconsider and apply in their societies and states.

2. THE CONCEPT OF LEADERSHIP

Understanding the role of political elites or the leadership of one society is one of the most crucial political contexts that today’s states, societies and scholars are trying to identify through multiple ways. The importance and the magnitude of the political leadership is the most crucial part of the human behavior in many branches and especially in politics.

The political leader creates the environment of success first of all, within the political party and afterwards once it transacts in the field of state or government, he becomes the most important one and shows the real political path in one state. It’s an enormous authority given to one person or group that will have the ability and possibility to decide and bring decision in the name of the others. Normally, this fact changes according to political systems, political cultures and behavior. We can just include the examples of indirect democracies (representative
democracy) in which the majority of today’s modern states are being involved in this system, the leadership becomes elected and they try show the political, economical and social path of one society. In this example of indirect democracy, people don’t focus quite much in the political decision management and therefore the elected political elite decide for many of the issues of the designated country.

As a second example is a direct democracy (participatory democracy) in which the people (citizens) do take care quite much for the political decision and they are being involved in that process through referendums, petitions, and elections. The success of one organization, association or state depends quiet much upon the program, platform, political culture and efficiency of the leader or the leadership. In literature, you will find different definitions about leadership and the leader but we can state that the attributes, the successful approach, the concept of equality and the ability to solve the problems of one organization, society or state are the factors that make a real leader or leadership in reality.

Leadership can be defined as influence, that is, the area or process of influencing people so that they will strive willingly and enthusiastically towards achievement of group goals (Weihrich and Koontz, 1994). Another important fact of one leader or leadership is the ingredients that really make a political leader important, successful and influential. In this context we will try to define some of these important categories (Bernard, 1990):

- The ability to use power in real perspective
- Ability to comprehend and be dynamic
- Ability to inspire and enlighten the others,
- To have leadership style and charisma

I think that if we analyze all of them separately we will understand that these categories or ingredients play a crucial role in creating or defining the political leader or the leadership. It will be very much correct if I try to identify the leadership styles that are based and influenced by power and authority. It is the most important category of today’s societies and states but most importantly about today’s leaderships that are part of the Western Balkan countries.
Firstly we can identify the **autocratic leadership** in which the power and the whole political authority is concentrated in their hand or within themselves. This concept allows a vertical subordination and it seems to me the usage of the tools such as: fear, punishment, pressure, corruption, nepotism, leadership crisis and most importantly winning the elections through special mechanisms by controlling the media, NGO sector, competing aggressively with the smaller parties, not changing the electoral systems or changing according to their needs and etc. Typically Western Balkan type of leadership can be seen through this concept.

As second example we can have the example of **democratic and participative political leadership(s)** (Ralph, 1974) in this concept of leadership the authority is not the highest level of knowing everything and deciding without consultation but on the contrary the followers are being consulted, their ideas can reach the tonality and pursue the leader or the leadership to change his or their mind on certain political agenda’s or policies. It is very important this concept not to be only in paper but people should quite much be encouraged and trying to use the opportunities of the political systems of this kind. In my position the Western Balkan states in general are far away from this concept of political culture and it seems to me that the process of education should serve more intensively courses with regard to participatory democracy, interrelationship, courses defining the concept of state and citizenship, diversity, inclusion and the decision making system. I try to target immediately the educational system because I really do think that the only gap that remained to change the concept of authoritarianism in the Western Balkans is through the process of education.

The third type of leadership can be seen through the concept of **Laissez-faire Leadership** (Davis, 1972), this type of leadership it’s more important about the internal political party leaderships and organizational leaderships. It is about how the leader actually understands the others within the political party or organization and how his collaborators, assistants and followers will be understood and what is their role actually in this context. This type of leadership could be a good example to analyze the presidents or prime ministers how they handle the issue of integration, inclusivity within their cabinets, governments and different bureaucratic levels in their ministries. This concept is called as well “free rain” concept and actually allows the followers, assistants and collaborators to be involved directly in the process of decision making and their role is not seen as a
subordinated category but its seen as an important mechanism that helps indeed in bringing policies and effective type of decisions. This type of leadership it is not used in terms of political environment and states but can be seen as a horizontal segmentation of the leader and the followers.

These dependencies amongst the leader and his collaborators should not be seen as a negative effect especially towards the leader but should be seen as a positive path towards full inclusivity of the others in the mechanisms or in the management of decisions. The Laissez-faire Leadership as I stated before can be seen in many organizations, associations but its not very welcomed in the woods of political leadership targeting especially the political parties, governments, ministries, directorates and other. I think that the future perspective lays within the hands of this type of leadership that allows you not to be afraid of your leader and in the contrary allows the leader and leadership not to be afraid of the “others” because the process of amalgamation of both categories can produce only success and effectiveness but never failures.

In order to conclude this theoretical analyzes with regard to leadership I would like mention as well the concept of charismatic leadership (Weihrich and Koontz, 1994) in which the leaders are being appointed by the masses, since they become known only through protests, social movements, religious rallies and other loosely organized rallies of in the name of the civil society towards the unproductive, corruptive and defective governments. The charismatic leadership (Gandi, Marthin Luther King, Mandela and others) as an individual he/she needs to have a vision about tomorrows happenings and futuristic concepts for the masses, to guide them in tomorrow’s paths, they do take quiet much risk and this might be their important factor while analyzing their magnitude of approach and effectiveness.

In my opinion this type of leadership becomes important and effective only during important times and periods of one society and states, the leaders having these skills and capacities are being part of these happenings but afterwards they do relinquish the capacities of political leadership since they understand their role which is to help the capacities of democracy, citizenship, transparency, equality and stability. I have to admit that in this type of leadership there are lots of emotions and different stories can be reached out of these processes.
3. WESTERN BALKANS

The concept of Western Balkans is analyzed quiet much from the perspective of geography, politics, economics, integration, conflict, resolutions, atrocities and stability. We have to underline and stress that the concept of Western Balkans its not a geographical elaboration of the Balkans even though it is using a geographical notion still it emphasizes the political process of the path of integration of some the countries of Balkan peninsula in the EU. Therefore you might see through the time this concept excludes countries (see the example of Slovenia and Croatia) after they become EU members.

If we would like to show which countries do take part in this groups of Western Balkan countries are as follows: Albania, Macedonia, Serbia, Montenegro, Kosovo and Bosnia Herzegovina. Undoubtedly we have to admit that these countries have been sharing and sill share common points and values starting from history, religion, ideologies, communism, EU and other perspectives.

On the other hand they do have quite much of common points once again on the political and leadership problems with regard to leading their states and the region as whole. All the countries except Albania have been sharing values and political power during the period of ex-Yugoslavia and in this regard I have to admit that all state structures today share similarities with regard to leadership crises, corruption, nepotism, pressure, punishment and other categories of manipulation with the financial constructions of their states. Of course we can state that even Albania that have been outside the political borders of ex Yugoslavia, shared the values of socialism and communism so once again we see many similarities with regard to corruption, nepotism, instability, destructiveness and problems in bringing new economic and political policies for the future of their country.

The Yugoslavian concept of state construction was imagined to establish the following elements: brotherhood, stability, security, equality and many other elements which in theory can sound perfect. The implementation of this system at the very beginning was very tough and repressive starting with the concept of massive killings, purification and creating the new identity of socialism and communism. National movements and associations were completely banned and punished very often. During the 80s we can state that the effect of economical
development have been very much effective and people had the chance to compare themselves with others from the Western Balkan countries actually. To be more specific it was the time of Ante Markovic and his ideas of economical openness and welfare concept of the state which didn’t last to loon indeed. The state structure has been created in a way of establishing the asymmetric federation with republics and autonomous regions. Actually Yugoslavia had 6 republics and 2 autonomous regions (Bideleux and Jeffries, 2007).

Those nations and regions that had no mother states outside the borders of Yugoslavia were designated and received the highest political achievement a republic, and those that had a mother state they received the second level an autonomous regions linked within the republic of Serbia (ex: the case of Kosovo and Vojvodina). After the dissolution of communism (the Berlin wall) as an ideological concept that competed quite much with the democratic societies on world scale, the domino effect came in Yugoslavia but even in Albania and within whole Eastern Europe. This dissolution actually, was not a peaceful construction or a peaceful agreement amongst the states and the regions but on the contrary it paved a specific attention to the suppressed national feelings all along the years of Yugoslavian existence (Bideleux and Jeffries, 2007). On one hand it is a normal process since the communistic ideology was stressing the idea of common property; common values and this brought a huge discrepancy in the methodology of dividing the states and their properties. Normally this happened in to other communist regions such as Caucasus with regard to Armenia, Azerbaijan, Georgia and the region of northern Caucasus as a part of the Russian Federation afterwards.

I am using the ex Yugoslavia as an example in order to show that ideologies which are implemented with a reason that push and force something that is not natural, it shows to us that will explode and be finished in due time. In this sense only real perspectives, transparent decisions and economically wise opportunities can open the door of a good political leadership indeed. This example I used as well to portray the today’s post transition political system, the bureaucratique development and political culture that is being implemented and strongly hold after the 2000s in the region of the Western Balkans. In fact the ideas of nationalism, patriotism and economic decline in general were a political agenda for the most of the communist leaders in the Western Balkan states. This concept left a huge mark on historical and European context at the very beginning
of the 21st century, the atrocities, killings, emigration, orphans and other social negative effects realistically show to us the level of political leadership engagements and the horrific decision making process that they used while being appointed and nominated in those positions.

It needs to be mentioned the cases of Croatia vs. Yugoslavia a huge amount of human lost and economical decline for both brotherhood sides. Democratization process actually was not accepted very well through the nationalistic engagement of Serbia and therefore misconceptions and real perspectives were completely lost and negative results were immense. The case of Bosnia and Herzegovina vs. Yugoslavia shows to us the element of hatred based on ethnical (Bideleux and Jeffries, 2007), cultural and religious inspiration through the usage of history to manipulate with facts and arguments. A huge amount of human and territorial lost has been evidenced and the reality of international law and international relations were held in a real test and unfortunately showed not very much in the sense of humanitarism in real perspective.

The case of Kosovo vs. Serbia was the last engagement of the process of secessions and democratizations in real sense in the Western Balkans. Once again we have witnessed a great lost on human capacities, the position of warfare, undemocratic perspectives and pressures and so on so forth. The position of Kosovo actually changed the international impact within the Western Balkans with regard to the process of re scheduling the positions of new states. In this respect we can say that the Kosovo state de facto became a state and its still struggling to profile its self in real perspective and to become a de jure state as the international relations processes are designed.

The case of Macedonia actually it was at least on theoretical bases as one the most quit and developed states form the ex Yugoslavia that relinquished the idea of being the oasis of peace in the whole Balkan peninsula, actually failed to start and finish the process of integration that democracy initiated in general. Therefore, in 2001 in Macedonia we had a civil conflict amongst the UCK organization representing the Albanian ethnicity and the military of Macedonia representing and protecting only the Macedonian perspective without taking into a consideration the real historical and present events within the Macedonian society. If we compare this case undoubtedly we can say that the negative results were not so huge in magnitude and the peaceful settlement with the Ohrid peace accords in
2001 arranged a new perspective in Macedonia, at least for the beginning of the 2002 until 2006.

4. WESTERN BALKAN POLITICAL LEADERSHIP AFTER 2006

Western Balkans after the conflict crises and after the process of real democratization of their societies, they initiated ideas and in some case real perspectives towards NATO and EU aspirations. This can be seen on one hand as a reality for this region after the dissolution of communism and that there is no way out to identify another path, and on the other hand as a real progress for the societies in the Western Balkan region. I do mention in many places the civil society because I think that the political leadership in general do not represent the real construction and commodity that the people have towards the Euro Atlantic integration, we can exclude in some way only the case of the Serbian society after 1999 bombings in Belgrade from the NATO alliance. Beside this I still think that the Serbian civil society in general was accepting the political philosophy of the ex prime minister Zoran Djinjic and liked his way that opened the doors towards real democratization and a huge fight towards the criminality, corruption and many changes with regard to education, economical improvements an institutional establishments.

In this part I would like to focus more on the leadership problematique and to try to develop the real picture of today’s political leaderships in Macedonia, Albania, Serbia and Kosovo. We have to admit that in real perspective we do talk for a very low economically developed region in general. This is due to the state mechanism and due to historical phenomena that can be traced back to Byzantine Empire and Ottoman Empire as well. In general we can state that this region is struggling quite much to develop their industries to target more investments and to play the role of welfare governments. In many cases countries are being observed as trying to manipulate with this approaches especially with the foreign direct investors.

In Serbia we can see a great of political pressure with regard to political openness as a leadership towards the cases of Vojvodina, Sanjak (Raska) and normally the case of Kosovo. Political leadership should take in to consideration the fact that Muhammed ibn Muhammed Al Farabi says about the leaders and leadership that the leader should enlighten and should foresee the future and
therefore he needs to be half a prophet and half a philosopher. The leadership of Serbia do not have the understanding that changes on social perspective have huge impact on political environment for one state or region. Taking this into a consideration they don’t want to face the reality and to provide for their citizens a real political future and commodity with regard to while region. This on one hand can be seen as a way out from the real economical and social problems that they are facing as a leadership of Serbia and this manipulation actually helps them to bypass the real construction. The antagonism amongst Serbs and Albanians from Kosovo should be understood as a real difference but with modalities to be understandable because of the new reality in the democratic discourse and Balkan politics in general.

The case of Kosovo can be fluently analyzed from the discourse of loosing completely the sense of statehood and that the political leadership allowed this to happen quiet fast and that the real negative results are with huge magnitude for the Kosovo society and citizenship. If we see this from an economic point of view I think that the last emigrations from Kosovo towards the Western European are a real criticism toward the political leadership that couldn’t provide the country with democratic reforms, political stability and real competition in the public sector. The youth becomes more and more without dynamism and passivity due to these facts and results coming from the real modern Kosovo state. The leadership should understand that the politics is an art not a perspective that you will be in charge of every think. Politics is a value as well and that should remain as such.

The case of Albania is a different case that has less problems with regard to ethncial divisions and integration processes, having in mind the very fact of the homogeneity of the Albanian society. But on the hand of state structures, state functionality, leadership effectiveness, legality, equality, public sector, justice and other economical, social and educational problems show the political leadership as not being very democratic and the followers are seen as subordinated followers and criticism cannot be tolerated. One of the most important hits that the Albanian state had most recently is the review in the judicial system. They have seen that the whole system is corruptive and needs to be changed and revised immediately. The antagonism between the Democrats and Socialists in Albania is evident and this kind of political struggle becomes a huge political burden for the EU integrations of the state. The positive side in this regard is the NATO membership of Albania that took place in 2009.
The case of Macedonia in recent times is becoming one of the most important political turmoil in the while Balkans if you will. After 2006 the government of Buckovski lost the political power and the national conservatives of VMRO DPOMNE came to power. This change evidently shifted the road of Macedonia towards EU and NATO integrations but it also shifted the road of political integration from an internal point of view. The whole process of Ohrid agreement stopped and the state was escorted towards different discussions and we can say that it was a new prelude for the Macedonian state.

The political leadership in Macedonia in both political campuses such as the Albanian and Macedonian, they do have the problem to culturally and academically understand the point of politics and policy making. In Macedonia the category of political parties it is still seen as the bridge that can bring employment, satisfy their membership, to spoil the mechanism of financial public budgets, escaping the judiciary, manipulating the parliament as being their machinery of bringing laws without any spirit and real sense and etc.

The political leadership in Macedonia needs to be politically and academically rescheduled and reformatted since the last happenings showed that the political leadership becomes too related with the political party and their membership so that the whole political system can be controlled from one center. The position of separation of powers, check and balances become only instruments to be discussed but never to be implemented in reality. In Macedonia there are political turmoil’s, protests, new political changes and in future we will see what effects this will bring to enlighten the idea of political leader and political leadership. This region of Western Balkans always had and will have the capacity to restore the civilization that belongs to them and the historical conjunction that is imprinted in their culture and identity.

5. CONCLUSION

In this part I would like to evaluate the problems and mistakes that are being too evident in the whole region of the Western Balkans, systematically. In this regard my conclusion will be a sort of proposal for the new future perspective and changes that the new generation of politicians and political leadership should know about politics and decision making systems.
The **first point** that should be immediately taken into consideration is the context of education. The whole region and the states individually as well immediately need to **change the educational process** from the academic fellows so that new generations will understand more precisely the concepts of **politics**, **political environment**, **justice**, **distribution**, **diversity**, **solidarity**, **media**, **representation**, **welfare**, **interaction**, **debate** and **new perspectives**.

The **second point** that I would like to stress is the activity of the civil society and different NGO’s, associations to push for new reforms and for more social capital. The only way to understand the ideas of changes is: **if we understand the reality in which we live**.

**Thirdly** we need to strengthen the **capacity of political culture and political behavior** in real perspective. Here, I can include **direct involvement for the political processes**; the society needs to be proactive and to reschedule the norms of state stability and state institutions. **At the end changing the electoral codes, imposing proportional representation** so that small parties will enter the parliaments and will help to have more coalitions and their needs and requests will be hear, more transparency and equality for the public sector and governmental responsibility (Trevor Munroe, 2002).

**REFERENCES**


Robert Bideleux and Ian Jeffries The Balkans: A post-Communist history, 2007 by Routledge, USA and Canada

Effects of Human Resource Management on the Working Behaviour of Employees in the Pharmaceutical Industry: Case Study of Bosnia and Herzegovina (B&H)

Meliha Muradbegović
International University of Sarajevo

ABSTRACT

The main aim of this paper is to analyze the impact of human resource management (HRM) on the working behavior of employees in the pharmaceutical industry in Bosnia and Herzegovina (B&H). The additional purpose of this study is to provide companies, from the pharmaceutical industry, a view of their HRM practices from the standpoint of their employees. The main instrument for data collection was the self-developed quantitative survey. It consisted of 24 items, out of which 5 belonged to descriptive and 19 to inferential statistics. The Likert's scale (1 – strongly disagree to 7- strongly agree) was used to depict the 19 questions of inferential statistics. The survey was successfully filled out by 118 people. Target population consisted of women, employed in the pharmaceutical industry in B&H, in the age between 30-40, with work experience from 3 to 7 years. The survey was conducted online, in the cross-sectional time frame in the beginning of the first quarter of 2016. The participants answered, anonymously, questions about their overall satisfaction, positive and negative sides of HRM and human resource development in the company. The data collected from this survey was additionally supported by the Pearson Product-Moment Correlation Coefficient, at α=0.05 significance and 95% confidence level. The null hypothesis (H₀) was confirmed, and there is the conclusion that there is a correlation between the success or failure of HRM and the working behavior of employees. The HRM departments in B&H's pharmaceutical industry are not sufficiently developed and need to be improved. Their strategy should be oriented towards the improvement of the interpersonal relations between employees and a more social company politics where the satisfaction of their employees should be a priority. This approach could lead to more motivated employees.

Keywords: Human Resource Management, Business Development, Employees, Working Environment.
1. BUSINESS PROBLEM

In establishing and building a business, business management issues come first, such as: customer acquisition and market presence in the foreground, but the internal development of the enterprise is not considered a priority. It is deemed that the influences of HRM practices are not sufficiently researched to determine their impact on the working behavior in the pharmaceutical industry in B&H. Competitive and stable business development cannot be realized without functioning internal structures and rules.

2. AIMS

The supporting aim is to provide companies, from the pharmaceutical industry, a view of their HRM practices from the standpoint of their employees. The economic objective of human resource management emphasizes the perspective of investors, who are interested in efficiency and profitability. To achieve this, companies need to set up concrete implementation strategies, primarily long-term with profit maximization or cost minimization strategies. The manpower is seen as a factor of production. In combination with the other factors of production it is possible to achieve efficient use of human resources. Whether the use is efficient depends on whether the staff required for the performance in real numbers, is with proper qualification or not.

3. OBJECTIVES

The main objective is to analyze if the human resource management in companies in the pharmaceutical industry in B&H, are sufficiently developed and do they need to be improved. The target population consisted of of woman, employed in the pharmaceutical industry in B&H, in the age between 30-40, with work experience from 3 to 7 years.

4. HUMAN RESOURCE MANAGEMENT

In today's science and practice, there are a variety of terms which refer to the operational function that deals with the human aspects of a company. It is generally understood, by personnel management, the design and control of personnel management tasks and problems. Experts define personnel management
as segments that deal with the human aspect of the system, its design and process control. The former includes the design of systems for the control of behavior and conditioning, while the latter includes the management activities and the handling of the systems. For the purposes of system design, personnel management takes lead activities for the staff, by rules and conditions which were created and who regulate the procurement, training, transfer, wages etc. of employees. By contrast, personnel management as behavioral control is equivalent to the management of staff. The staff is under the leadership of the supervisors. The term "personnel management" can now be used both in the institutional, functional and in the procedural sense. If the Personnel Management is considered as an institution, Henderson (2011) explains, the organization is seen as a system that includes both humans and machines as elements of the production and the fulfillment of personnel management tasks is equally distributed.166

Personnel management, as a function includes all areas / functions that are connected to people in the organizations. The individual staff functions (e.g. as recruitment, deployment and retention) are not seen as detached elements of human resources management, but they are mutually interdependent in relation to other functions of the system and the subsystems that extend the scope to which HRM belong. With a focus on the value-adding process the task is to ensure that members of a company administration have duties and that intangible flows are regarded as services and as value-added activities. It is a characteristic of a process in which individual objects are no longer considered separately, but as a set of steps that will lead to a desired result.167

5. HUMAN RESOURCE DEVELOPMENT

Due to the ever faster changing and growing professional requirements, more and more lifelong learning is expected today. In fact, companies that received particularly good management say that they use more of targeted and planned development of their managers and other qualified employees, which increase the responsibility of positions, create special jobs, provide in-house and external training programs, to enable employees between functions, divisions and countries, to have mentors and coaches to give them feedback on their

166 Ian Henderson (2011)
development progress and show them how they can make their own development.\textsuperscript{168}

6. PHARMACEUTICAL INDUSTRY

The pharmaceutical industry is very complex. It is in the modern era defined with technologies related to medicament discoveries and further development within the limits of human knowledge. The enormous size of the industry and the complexity of the process and technology are major challenges for the organization and management. Development and distribution systems are very expensive. Performance in managing all aspects of the industry is a necessary condition for the survival of global pharmaceutical companies. This industry is the largest in the world, since the world-wide total revenue is about US $900 billion. Tootelian, Wertheimer & Mikhailitchenko (2012) concluded that, in recent years, the industry went through several significant changes related to new investors, producers and consumers.\textsuperscript{169} Customers now demand the same choices and benefits from the pharmaceutical industry that are found in other industries.

6.1. Pharmaceutical Industry in B&H

Since the earliest times, medicaments have played a major role in the treatment of diseases and influence the improvement of quality of life and its continuation. Each person is expected to have access to safe, affordable and effective medicaments, the latest technological and biomedical advances. The pharmaceutical industry, based on research and development, gives the outstanding contribution to finding and developing of new medicaments. Thanks to new medicaments, today is successfully treated infectious hurts, some forms of cancer, heart diseases, nerve disorders, asthma, hypertension and AIDS. The Pharmaceutical market in Bosnia is one of the least developed markets in Central and Eastern Europe. The value of this market is estimated at 607 million Euros in 2014 (http://www.pharmaceuticalcommerce.com, 2016).

In the coming period it is expected to accelerate the development of the pharmaceutical market in Bosnia. The main reason is the tendency of states to join the European integration. To obtain a license for the introduction of a medicament

\begin{footnotesize}
\begin{itemize}
\item[\textsuperscript{168}] Becker B.E. & Huselid M.A. (2006)
\item[\textsuperscript{169}] Dennis H. Tootelian, Albert I. Wertheimer & Andrey Mikhailitchenko (2012)
\end{itemize}
\end{footnotesize}
on the market, there has to be preceded legislations with respect to specific provisions to protect patents and intellectual property rights. According to the ownership of the patent for the original medicament, developed on the basis of new substances, the pharmaceutical industry is divided on the innovation industry, producers of original medicaments and generic industry.\textsuperscript{170}

7. QUANTITATIVE SURVEY ANALYSIS

For every company in the world, the most import assets are the employees. In companies which work in the pharmaceutical industry, it is especially important that the workers have a healthy environment and that they are satisfied with their work. A satisfied worker is not only working for his own benefit, but also for the benefit of the company. This survey will analyze what the segments are in which employees in pharmaceutical companies are not satisfied. With these results companies can change their company politics and adjust them to be better for employees and so boost their production. To analyze the results the Likert’s, 7-point scale system is used. With this method we can determine the satisfaction level of respondents and with that conclude results which can help companies to improve their working environment.

7.1. Data and Methodology

In the modern era of globalization where everything is digitalized, the best way to conduct a survey on this topic was through the internet. The survey was conducted online and was targeted to companies which work in the pharmaceutical industry. The survey had 118 respondents who were mostly females between the age of 30 and 44 with 4 to 7 years of experience in the pharmaceutical industry with a bachelor or master degree. They are medium level employees which means that they know best how the HRM department is working and what they are doing in the company and for the employees.

The main purpose of this survey was to show where the HRM needs improvements and to show the overall satisfaction of employees in this particular industry. The results show that the working environment in companies in this industry is good, but the HRM department isn’t paying much attention to the satisfaction of their employees but are focused on the production development and

\textsuperscript{170} Haslinda A. (2009)
profit maximization. The main point is that the employees want the company to take their suggestions and opinions into consideration and with their help try to improve the business flow.

7.2. Results

7.2.1. Demographics

This data gives an overview of the respondents. Variables which were included are, gender, age, education level, years of working experience in the pharmaceutical industry and their current working position. The survey has mostly female respondents (78%), which are between the age of 30 and 44 (69%), with 4 to 7 years of experience in the pharmaceutical industry (47%) and with a bachelor or master degree (49% and 37%), respectively.

7.2.2. Overall Satisfaction

Due to the data collected, in the pharmaceutical industry, many workers are satisfied with the job which they have and considering the current economic situation in the company they will do anything to stay in their positions and to have a job. The respondents agree that their working environment is good and acceptable. The fact which they can’t agree or disagree is about the salary, which they get considering the amount of tasks which they do. The workers know that the pharmaceutical company in which they are working is selling these medicaments into other countries with a huge profit, because the working force there is more expensive. The fact with which almost everyone from this industry agrees is that the salary is always on time and that the treatment there is good because they know that their success is depending on their human capital. 

7.2.3. Human Resource Management – Positive Sides

The Human Resource Management department can have positive and negative sides. The respondents slightly disagree that if they have a problem that the HRM department will immediately solve their problem. They are also not satisfied with the fact that their company is not organizing seminars to give them information’s about their right in the company. Such information’s are strategically not given to

---

171 Wright P. M. (2008)
employees so that they do not know what their rights exactly are. In this company every employee need to be strictly educated and because of some reasons the HRM department is not always employing fully qualified staff. They do not care about the satisfaction level of the employees in the company and they don’t give reports to workers about the changes that are happening in the company.\textsuperscript{172}

7.2.4. Human Resource Management – Negative Sides

When the HRM department is not working correctly it affects the workflow and is generating less profit for the company. When a problem occurs, it need to get through all relevant management stages so that it can be analyzed, but this process is slow and in the meantime the problem could have grown. Also, if employees complain about problems inside of the company they can have consequences and because of that many of them are afraid to say anything, instead they try to fix it by themselves. The HRM is working for the benefit of the company and not for the benefit of the employees. They are not investing into the development of the interpersonal relations by organizing events.\textsuperscript{173}

7.2.5. Human Resource Development

One segment in which the pharmaceutical industry is developed is the technical segment. They are almost always buying new equipment and they train employees how to handle them in accordance to be more productive and to optimize their productivity. The companies in which our participants are working are organizing meeting, but they are not focusing on suggestion of regular employees how to improve the production. The positive thing is, they are offering employees the opportunity to visit educational classes to improve their educational level, but these classes are not free. It is not always guaranteed that the salary will be bigger with the rising of the educational and specialization level, but in most cases it is so.\textsuperscript{174}

\textsuperscript{172} Laakso-Manninen R. & Viitala R. (2007)
\textsuperscript{173} Desselle S. P. & Zgarrick D. P. (2009)
\textsuperscript{174} Gibb S. (2006)
8. CONCLUSION

In the ever-changing requirements and the growing importance of interpersonal (social) skills, there are many things that can an organization do to promote employees with potential, but only if the candidate in question is in a particular way even willing and able to develop. The main responsibility for the successful development of its competence lies with the individual candidates themselves in the area of personal development which through which he gains self-management approaches that require autonomous learning, which is becoming increasingly important. Companies should be well advised to raise the learning itself, which becomes a basic discipline of their training and development programs. After all, even the educational and psychological research discovered the theme of self-directed learning recently.

In addition, we need to understand more about the potential that development of staff means for the performance of the company. The performance of a candidate: his attitudes, values and willingness, which can be seen as a potential for identification or identification readiness are a key psychological condition of future performance and professional development. The organization has to fit the employees into the system of the company which may not be in conflict with the organizational values at least. Companies should put renewed emphasis on values, morals and integrity - except of course on the job-related requirement characteristics. They need to realize that the selection and identification, promotion and long-term commitment of talent are increasingly becoming a critical success factor of companies and other organizations. Companies need help channeling their further development in the direction of relevant professional experience. For companies in global economic competition high performance and good results are essential for survival. It is much easier and cheaper for companies to invest in the development of one worker instead of hiring 2 additional workers with no experience.
REFERENCES


Wright P. M. (2008), *Human resource strategy: Adapting to the age of globalization*, Alexandria, Publisher: SHRM Foundation


Corpora and their Integration in the Language Classroom

Emin Idrizi
International Balkan University

ABSTRACT

Corpora – large amounts of text of written and spoken language stored in computers – have changed the way we investigate language. One of the main and promising features of corpora is their wide use in all branches of Linguistics. Corpora have also been regarded as very useful tools with great potential in foreign language teaching and learning. For instance, they can be utilized to teach, learn or explore lexis, grammar, patterns, register, to name just a few. Vast research, though still insufficient, has been conducted in the last decades in order to shed more light on corpora’s full potential in English Language Teaching (ELT) and English Language Learning (ELL) in classroom and outside classroom practice. But despite growing interest and promising results, corpora have not yet been incorporated into the foreign language classrooms, especially when it comes to their direct use. This paper thus aims to discuss two key issues of corpora and their integration in foreign language teaching and learning. Firstly, it aims to prove why corpora deserve to be integrated in language classrooms. Secondly, it aims to explore some major obstacles to their integration and what can be done to overcome them.

Keywords: Corpora, Corpus Consultation, Concordancing, Data-Driven Learning, Learner Autonomy.
1. INTRODUCTION

Corpora have revolutionized the way we investigate language. Today, we can all access corpora and investigate various aspects of language quickly and efficiently. For example, from a simple investigation of the word *fond* in *The Corpus of Contemporary American English* (Davies, 2008-) we are able to draw vast information on this particular word, i.e. its most frequent collocations, the most frequent verb heads, patterning, frequency, to name just a few.

**Figure 9: An Excerpt from Concordancing Lines for the Word fond**

Source: Corpus of Contemporary American English (Davies, 2008-)

---

Second Sarajevo International Conference on Social Sciences  
May 17-20, 2016
Namely, we learn that in the 520 million words COCA, the word *fond* has 3971 total occurrences and it is more used in fiction and less in spoken language. In 2765 cases, that is in 70% of all occurrences, the word *fond* is followed by the preposition *of*. Its typical patterning is *ADJ of n* (Hunston and Francis, 2000) which translates into: *to be fond of something/doing something*. In addition, the corpus also indicates that the word *fond* collocates a lot with the word *memory*, especially with the plural form, *memories*.

This example provides us with only a small insight of what corpora can do for us. Thus, corpus-based approach has a wide use in language investigation. As Leech (1997, p.9) puts it, “the study of corpora can illuminate virtually all areas of linguistic study.” That is to say, corpus-based studies can investigate lexis, multi-word units, grammar, registers, genres, discourse, to name just a few (O’Keeffe and McCarthy, 2010). The investigation of the adjective *fond* discussed above is a practical example that shows how a language investigator, i.e. researcher, teacher, or a language learner, can use corpora to explore aspects of language efficiently, like never before.

With all these features, it is evident that corpus can be a very useful educational tool in language teaching and learning. According to Campoy-Cubillo et al. (2010), corpus-based approaches to language teaching provide teachers with broader perception of language use. Language learners, on the other hand, can be exposed to authentic language in context. In addition, concordancing will engage learners in “a more student-centred approach to learning, giving them the opportunity to evaluate data and draw their own conclusions” (Ebeling, 2009, p. 81).

The central approach to corpus-based language pedagogy is the data-driven learning (DDL) approach, which is “using the tools and techniques of corpus linguistics for pedagogical purposes” (Gilquin and Granger, 2010, p. 359). There is a direct and indirect application of DDL. The indirect approach, as the name itself suggests, has to do with using corpus data to design learning materials, such as dictionaries or grammar books (e.g. COBUILD Grammar). In the direct approach learners are directly engaged in exploring concordance lines for patterns, collocations or vocabulary in context.
In this paper we are going to focus on the direct use of corpus or the direct application of DDL in English language teaching and learning. Considering that language corpora are still not part of ELT and ELL, in the coming sections we are going to explore reasons why corpora should be integrated in the foreign language classroom. Finally, we are going to examine several obstacles that direct corpus use has to overcome before it is incorporated in language pedagogy.

2. WHY DO WE NEED CORPORA IN ELT and ELL?

There are strong reasons for us to believe that corpus is a very helpful tool with high potential for language teaching and learning. The resourcefulness and possibilities that the new technology provides on one hand, and the promising research results on the use of corpora in language pedagogy, on the other, proves that.

One of the most promising features of DDL is that it takes a more constructivist approach to language learning, which means it gets learners actively involved in learning through experiences in corpus use. The language learner is expected to be an active ‘player’ in language investigation; they are “encouraged to observe corpus data, make hypotheses and formulate rules in order to gain insights into language” (Gilquin and Granger, 2010, p. 359). This means that the DDL approach includes “an element of discovery” (2010, p.359) and it makes it possible for the learners to explore language autonomously. It is important to argue here that the process of exploring corpora can be sometimes considered essential to successful language learning. In order to illustrate this, we can refer to language patterns. According to Willis (2003), fluent language production is a result of recalling patterns rather than single words. Hence, it is necessary for a language learner to identify and learn language patterns in order to have a successful language production. But something that Willis considers to be a problem with patterns is that they are so many. He, therefore, suggests some patterns be introduced in the class, but it is on the learner to explore more patterns for himself. And this is where corpora can play a very important role: it can help language learners explore far beyond what a language instructor or a grammar book can do for them.

Learner’s ability to explore corpus for language comprehension will give him the ability to achieve two important goals: (1) one is that it will make learners
more autonomous during their language learning process; and (2) secondly, the learner, by getting familiar with corpus consultation, will be guaranteed a lifelong reference tool which he can refer anytime he needs to. In other words, corpora are promising tools which can foster learner autonomy in class and outside classroom. If we refer back to the Willis’ advocated pedagogy of learning language patterns, it is clear that learners should be exposed to some language patterns and this can be done by consulting corpus as an in-class activity. Afterwards, it will be on learners themselves to identify other patterns by having corpora as a suitable and sometimes the only tool to do that. It is evident thus that corpus consultation is a resource which is clearly compatible with at least two significant approaches in language teaching and learning, the student-centered approach and learner autonomy.

In addition to the positive features of corpus use discussed so far, there are more advantages that deserve to be mentioned. As a result of corpora use, learners get exposed to a large amount of authentic language, original texts produced by native language speakers, which is something that current dictionaries cannot provide. Also, since the DDL approach includes “an element of discovery”, it makes the learning process more encouraging and interesting (Gilquin and Granger, 2010, p. 359). Last but not least, corpus consultation makes learners go through various processes. O’Sullivan (2007, p. 277), for instance, mentions a number of cognitive processes that learners experience when using concordance lines, that is: “predicting, observing, noticing, thinking, reasoning, analysing, interpreting, reflecting, exploring, making inferences (inductively or deductively), focusing, guessing, comparing, differentiating, the orising, hypothesising, and verifying.”

Research in general shows positive results from language learners’ use of corpora, especially in terms of using corpora as reference tools and how they feel about using concordancing lines (Boulton, 2010). For example, there are numerous studies that have been conducted on corpus consultation for writing purposes, particularly on using corpus data in error correction (Gaskell and Cobb, 2004; Gilmore, 2009; Mull, 2013; Luo and Liao; 2015). These studies more or less indicate concordancing to be a useful approach to error correction. What is more important is the fact that in all of these particular studies, as it is also the case in other studies (Boulton, 2010), language learners have a positive attitude towards corpus consultation.
3. SOME OBSTACLES TO CORPUS INTEGRATION

Besides the positive sides and the promising features of corpus use, there are various obstacles which remain to be overcome before we see corpora fully integrated in language teaching and learning. The word *obstacle* has been deliberately used here since the challenges we face today in incorporating corpora in language classroom are possible to be dealt with successfully in the near future. In this section we will look at some of these hindrances which may be the reason why corpora are still not part of language pedagogy.

One of the reasons why corpora is still not part of ELT and ELL is that research on corpora use for pedagogical aims is insufficient when it comes to proficiency. As we pointed out earlier, studies so far have mainly focused on using corpora as reference tools and learners’ experience and attitudes towards direct corpus use, but less on whether concordancing results in actual learning or learners’ proficiency, although this is a matter of debate. For Boulton (2010) there is more empirical research on positive learning effects from corpus consultations than what is usually claimed. He refers to some corpus studies conducted around the world for this claim. Bolton, however, still approves the idea that more are needed to add to the current ones if we need to clarify the issue even further. On the contrary, Gilquin and Granger (2010, p. 365) point out that studies do prove that corpus is a useful educational tool and very encouraging to learners, but disagree on the assertion that DDL is an effective approach that results in proficiency. Research, they hold, is currently not sufficient to confirm this belief. According to them, these conclusions are usually “an act of faith, sometimes relying on subjective observation or informal testing, but usually engaging in pure speculation”(2010, p. 365). Based on these and other similar beliefs among researchers, it is hard to conclude whether corpus research is sufficient to prove that DDL results in learning, and this may be one of the explanations of why corpora is still not part of ELT and ELL.

It is evident that further empirical studies are needed in order to have a complete picture of the full potential of DDL. However, one valid question that arises here is: is lacking evidence on corpora’s potential to result in proficiency a valid obstacle to using corpora in language teaching and learning? In my opinion, it is not. First of all, there is already some empirical research (although still lacking) on positive learning effects of DDL (Boulton, 2010). Also, if we refer
back to O’Sullivan (2007) discussed earlier, we learn that there are various mental processes learners experience during concordancing. Given all those processes taking place, it is reasonable to assume that learners must develop some kind of proficiency. Thirdly, the usefulness of corpora as reference resources and the positive attitude of learners towards them are sufficient evidence to suggest that corpus consultation is worth the effort. If dictionaries are desirable in a language class then why wouldn’t a corpus be useful considering that what can be found in the later, such as grammatical patterning, cannot be found in the former or other resources, i.e. grammar books (Flowerdew, 2010)?

Another obvious obstacle is instructors’ and learners’ computer literacy and skills in corpora use. By computer literacy here we don’t mean the minimum ability to use basic features of a computer but rather more complex ones, such as being able to deal with troubleshooting or unexpected network problems, or in our particular case, being able to deal with any trouble while using corpus software. Electronic corpora software is advanced and in order to use it efficiently one has to know the program well and be quite confident when using it. In order to get similar results for the word *fond*, as illustrated at the beginning of this paper, we should go through multiple queries which require some skills. In other words, computer literacy and corpora mastery is essential before we even think of integrating corpus in the language teaching and learning.

In addition to computer literacy, educators and language learners should be also able to interpret corpus data. Not every construction appearing after a word in concordancing lines are its pattern and not all the words that appear together are collocations. Thus, educators should be trained appropriately for corpus data interpretation and to share that knowledge with their students.

Achieving sufficient computer literacy and developing the skills needed for corpora use may be in fact one of the most difficult challenges that we face in incorporating corpora in ELT and ELL. This is more evident in the developing countries, such as Balkan countries, where typical English teachers are insufficiently educated, if not illiterate, in both computer and corpus use. Improving teachers’ computer and corpora skills as well as overcoming computer anxiety are a must if we want to accelerate corpora integration. For Römer (2009), (prospective) English teachers should be trained in computer corpora use as early as their undergraduate studies, i.e. while in teacher training programs; DDL should
be taught as a university course by corpus linguists who can adopt it to the English teachers’ needs. In short, we can’t expect English instructors to use concordancing in the classroom without proper and prior training.

Similar obstacles exist with English learners who are not familiar with concordancing and DDL. They certainly need enough corpus training before they are ready to use concordancing effectively. Gaskell and Cobb (2004), for instance, conducted a study on learners’ concordance use to correct their writing errors autonomously. Their results showed that concordancing is useful but not an easy approach for the learners, suggesting a longer period of corpus training time for the learners. Providing enough corpora training would ensure that learners become skillful enough to consult corpus for various needs and would also guarantee they continue using corpora autonomously, outside the classroom.

The costly and hard to maintain computer labs in schools, colleges, and universities have also been considered an obstacle to corpora integration. However, maintaining labs are becoming easily manageable for educational institutions as hardware and computers are now cheaper than they used to. Similarly, access to corpora is not a privilege as it used to be. A lot of new corpora are becoming more and more available. Educational institutions can gain access to decent low-cost corpora, such as COCA, for their everyday needs.

4. CONCLUSION

In this paper I have been trying to suggest that computer corpora deserve to be part of language pedagogy. As we saw in the first section, there is valid evidence that indicates electronic corpus to be a very resourceful and useful reference tool for both teachers and language learners; it generates beneficial mental processes in language learners; and what is more important, concordancing is viewed as a stimulating learning method for learners. Data-driven learning, therefore, can be considered an effective method with considerable potential as we move into technological era.

In the last section we have looked at some hindrances which may be the explanation of why corpora have not reached the language classroom. Obstacles that remain in the path of corpora integration are not easy to overcome, but also not impossible. At this point, we learned that more research would shed more light
on the full potential of DDL, especially on whether corpora results in learning. Also, we concluded that educational institutions with their teacher training programs should play their role in training prospective English teachers in corpora use. If these goals are achieved in the near future then we can hope to see the day in which teachers take full advantage of corpora to educate the future generations.

REFERENCES


Challenges of the Integration Process of Bosnia and Herzegovina towards the NATO Membership

Dr. Peter Plenta
International University of Sarajevo

Hamza Preljević
International University of Sarajevo

ABSTRACT

This paper aims to analyze the challenges and the political determination of the NATO integration of Bosnia and Herzegovina. The study focused on the concerns, aspirations, reforms and the political barrier that are result of complex structure of semi-autonomous entities, e.g. the Republika Srpska and the Federation of Bosnia and Herzegovina. The Dayton Peace Agreement which created these entities was a very welcome achievement by the international community back in the 1995. However, with Bosnia and Herzegovina’s ambition to accede to both NATO and the European Union, things have changed and the complex political structure brought the state into political difficulties. The Bosnian political and intellectual elites have continuously pledged their commitment to perform the necessary reforms to acquire the NATO membership. Although NATO membership represents one of its foreign policy priorities, Bosnia and Herzegovina still lags behind other countries in the region and has a long way ahead to fulfill indispensable NATO requirements. Moreover the integration process has entered a new decisive phase in Bosnia and Herzegovina in 2010, which demands the involvement of many state and civil society actors, as well as the participation of the public. The society in Bosnia and Herzegovina by the new phase must be introduced with the positive and negative sides of the NATO membership. Many studies and surveys which have been conducted in Bosnia and Herzegovina showed a result that the public sector in not well informed about the NATO integration, and often a subject of propaganda.

Keywords: NATO, Bosnia and Herzegovina, European Union, Enlargement, Defense Reform, Challenges, Political Complexity.
1. INTRODUCTION

With the entrance into the NATO integration process, Bosnia and Herzegovina has identified the NATO membership as one of the priorities of the foreign policy. The commitment of Bosnia and Herzegovina for the NATO integration process, as well as the intention of the country to implement the necessary reforms in this direction, is shown in the foreign policy statement of the Presidency of Bosnia and Herzegovina, and in the Defense White Paper of Bosnia and Herzegovina. The relationship between NATO and Bosnia and Herzegovina is in many ways unique and in the historical context the relationship can be marked as a “milestone” between the two countries. Nevertheless, the historical context is not viewed by all ethnic groups, particularly the Bosnian Serbs, as a positive “milestone” of the relations between Bosnia and Herzegovina and NATO.

However, from today’s perspective it is evident that the process of establishing the mutual trust (which has not been completed yet) among the ethnic groups in Bosnia and Herzegovina, as well as the functioning of the society without the active and deliberate engagement and support of the international community, particularly NATO, was very difficult, and perhaps impossible. In reflection to this, special role belongs to the NATO Alliance that has been presented throughout different timelines and forms of engagements in the reform process of Bosnia and Herzegovina, especially in the military reforms. In this way, NATO from its initial tasks in establishing and maintaining the peace and security in the country, assumed the role of an important international partner and initiator of the reforms in Bosnia and Herzegovina. In regarding to this, here we would underline that in the country before 2003, there were two-semi-autonomous defense systems, and there was a need to make a revolutionary change in aiming to create an integrated defense system for the whole country.

The reform of the defense system was difficulty to be achieved without the NATO assistance impossible. The essence of the process in 2003 was followed with the creation of a mutual state institution of defense, a clear chain of command and a civilian oversight of the armed forces uniform. NATO had a very important

---

contribution in building awareness of the need for reforms and the creation of the necessary critical mass of political leadership and experts for initiating and guiding the reform process. NATO has shown a willingness and ability to help Bosnia and Herzegovina to cope with the painful effects that accompany the reform process through the financial and expertise assistances.

The implementation of reforms in 2004 and 2005 resulted in the establishment of a new form of institutional relations between Bosnia and Herzegovina and NATO and the final accession of Bosnia and Herzegovina to the PfP in December 2006. Accession to Framework Agreement: Partnership for Peace (PfP) in Bosnia and Herzegovina was accepted as a significant event and a result of the joint efforts of Bosnia and Herzegovina and NATO in the integration process. The formal status of PfP made it possible for Bosnia and Herzegovina to apply standard tools of individual cooperation with NATO such as Individual Partnership Programme (IPP), Planning and Review Process (PARP), Status of Forces Agreement (SOFA), Individual Partnership Action Plan (IPAP), Intensified Dialogue (ID), and hopefully soon Membership Action Plan (MAP). This has ensured the continuity of the reform process in Bosnia and Herzegovina and the transformation of the defense system and society in general in NATO compatible structures. Certainly, we are also aware that despite these achievements, there are certain difficulties which burdened the full implementation of the planned reform activities, as well as the challenges of the future progress of Bosnia and Herzegovina towards the NATO membership. The MAP process has not met the requirements despite the numerous initiatives at the level of the Council of Ministries and the Parliament of Bosnia and Herzegovina, the negotiation among the ethno-leaders in the country, and the political parties. Some of the challenges that slow down the integration process of Bosnia and Herzegovina towards the NATO membership we will cover in this study.

2. CHALLENGES OF BOSNIA AND HERZEGOVINA TOWARDS THE NATO INTEGRATION PROCESS

The integration process of Bosnia and Herzegovina towards the NATO membership is accompanied with challenges and problems at the technical and political levels. In this section we will incorporate some of the challenges and problems that affect the slowdown of the integration process.
2.1. Institutional and Constitutional Reform: Challenges of the Dayton Accords (Annex 4)

The Constitution of Bosnia and Herzegovina was part of the General Framework for Peace in Bosnia and Herzegovina negotiated by the warring parties and signed in Paris December 14, 1995 by representatives from The Republic of Bosnia and Herzegovina, The Republic of Croatia and the Federal Republic of Yugoslavia (today's Republic of Serbia, and Republic of Montenegro). It provides a central government with a rotating, three-person Presidency, a bicameral parliamentary assembly, and a Council of Ministers; divided among the three constituent peoples. Due to the lack of consensus among the political representatives of the three constituent peoples of Bosnia and Herzegovina, the constitution even 20 years after signing the Peace Agreement has not been yet ratified in the Parliament of Bosnia and Herzegovina. We argue that signing of the Dayton Accords reached the primary goal – to stop a war that caused great human casualties and enormous material casualties, and had displaced and left homeless nearly half of the population of the Bosnia and Herzegovina; but it also created unsustainable multi-ethnic state in Bosnia and Herzegovina.

In Bosnia-Herzegovina, the NATO deployment was the result of a negotiated settlement, signed by former warring parties in Dayton and Paris and confirmed by means of a United Nations Security Council resolution (ICRC, 2000). However, the NATO was not responsible for negotiations with the warring parties, the conditions of the Dayton Agreement, and subsequent political settlement but the UN and the US. The International Crisis Group (2014) argued that “the heart of the problem is in Annex 4 to the Dayton Peace Agreement, known as the constitution” (p. 3). It defines Bosnia and Herzegovina as a single state with two ethno nationalist entities (the Federation of Bosnia and Herzegovina, or FBiH, and the Republika Srpska, or RS), in effect but not explicitly federal, but also the state of three constituent peoples (Bosniaks, Croats, and Serbs). This means that the State Constitution reinforces ethnic group identification at the same time that they seek to diminish Bosnia and Herzegovina. In addition to these two entities the Brcko federal district in the north of Bosnia and Herzegovina was created in 2000 out of the land from both entities (Karic, 2007).
The Dayton Peace Agreement brought the flawless peace to Bosnia and Herzegovina but still yet many issues in the country remained unsolved. The end of the conflict in the country showed the need for the presence of international actors in the country to balance the will and desire between the recently warring sides. Therefore, the international community in Bosnia and Herzegovina attached to the Dayton Accords the Office of High Representative in Bosnia and Herzegovina as an institution in charge for the civil aspect of the implementation of the Dayton Accords with special review on the Annex 4 of the Dayton Peace Agreement. In addition to the aforementioned legislative powers, the OHR has been empowered with the “Bonn Power” in December 1997.\(^\text{177}\) The presence of the OHR in Bosnia and Herzegovina is of crucial importance for the preservation of territorial integrity and national sovereignty, and in end for the preservation of peace in Bosnia and Herzegovina. We believe that the international community was aware of the deficiency of the Dayton Peace Agreement, with special reference to Annex 4 of the Peace Agreements (the constitution of Bosnia and Herzegovina), and therefore the international community is insisting in keeping their representatives in the country in hope that the political representatives will recognize and put effort for the reforms needed to join the Euro-Atlantic family.

The power sharing in Bosnia and Herzegovina among the constituent peoples at the state level, entity, and cantonal level is often studied through the classic works of Arendt Lijphart on the consociational political system. The features of Dayton Peace Agreement include ruling grand coalitions, constitutional veto power, proportional representation and segmental autonomy, which are also typical features of consociational system. The tensions created by constitutional schizophrenia and the extraordinary state decentralization (e.g. three-person rotating presidency, 10 cantons, 14 governments, 14 parliaments – 600 members, more than 200 ministries, 190 political parties, and three educational systems) are pushing Bosnia and Herzegovina to the breaking point. According to some reports, Bosnia and Herzegovina is spending 40-45 percent of the GDP only in financing the ministries. Power sharing and the political structure of Bosnia and Herzegovina are based on the provision of the Annex 4 of the Dayton Accords.

\(^\text{177}\) The Bonn Powers enabled the OHR in Bosnia and Herzegovina to (1) adopt binding decisions when local parties in the country seem unable or/and unwilling to act, and (2) remove from office public officials who violate legal commitments or, in general, the Dayton Peace Agreement at the entity or state level.
The constituent ethnic groups are each represent in the state institutions in Bosnia and Herzegovina, including the Presidency, Council of Ministers, bicameral parliamentary assembly, constitutional court, arm forces, and border police forces. The Dayton Peace Accord, in Bosnia and Herzegovina serves as example of the formal institutionalization of mutual vetoes - devised a formula that at least one-third support from each of the three constituent groups will be required for all decisions in House of Representatives.

The proportionality principle in Bosnia and Herzegovina is shown through nearly every aspect of government and civil services, it is most evident: in the Council of Ministers, where the Minister and Deputy Minister may not be from the same ethnic group; in the House of Peoples, where there is proportional representation of the ethnic groups and other minorities; and, finally, within the House of Representatives, where one-third of its members are from the entity Republika Srpska and two-thirds from the entity Federation of Bosnia and Herzegovina (McCulloch, 2009). Decision-making system in Bosnia and Herzegovina protects the right of the constituent peoples (ethnic groups) and the interest of the both entities, but at the same time is serves as mechanism to block certain reforms and country's progresses by the so-called entity vote. “All decisions in both chambers (House of Peoples, and House of Representatives) shall be by majority of those present and voting. The Delegates and Members shall make their best efforts to see that the majority includes at least one-third of the votes of Delegates or Members from the territory of each Entity. If a majority vote does not include one-third of the votes of Delegates or Members from the territory of each Entity, the Chair and Deputy Chairs shall meet as a commission and attempt to obtain approval within three days of the vote. If those efforts fail, decisions shall be taken by a majority of those present and voting, provided that the dissenting votes do not include two-thirds or more of the Delegates or Members elected from either Entity”(Article 4 of the Constitution of Bosnia and Herzegovina). Precisely because of such decision-making system in state institutions of Bosnia and Herzegovina, where majority cannot decide if they fail to meet certain conditions, Bosnia and Herzegovina lags behind the regional countries in the Euro-Atlantic integration.

According to the article five of the constitution of Bosnia and Herzegovina, the country's rotating presidency consist of three members: one Bosniak and one Bosnian Croat, each directly elected from the territory of
Federation of Bosnia and Herzegovina, and one Bosnian Serb directly elected from the territory of Republika Srpska (Karic, 2007). As for the veto, each president can exercise a veto on policies that they view as ‘dangerous’ to the ‘vital interest’ of their ethnic groups that they are representing in the Presidency of Bosnia and Herzegovina, however, when this occurs the Republika Srpska National Assembly, or the Federation’s Parliament, can override a Presidential veto by a two thirds majority vote.

Bosnia and Herzegovina’s system of government has reached breaking point and the country’s path to European Union (EU) membership and the NATO membership still did not face the requested progress. Bosnia and Herzegovina in its integration process towards Euro-Atlantic community has found itself in a difficult situation in 2006, when it was obvious that the state constitution was discriminatory and based on the ethnic rather than on the individual rights. The European Court of Human Rights (ECtHR) in Strasbourg ruled in favor of the plaintiffs in the case Finci-Sejdije vs. Bosnia and Herzegovina. The tensions created by constitutional schizophrenia and the discrimination of individual rights of the citizens in Bosnia and Herzegovina requires two key institutional reforms, the presidency and the upper chamber of parliament – the House of People (only open to Serbs from the Republika Srpska and Bosniaks and Croats from the Federation of Bosnia and Herzegovina).

On the other side, the entities in Bosnia and Herzegovina preserved the rights to allow a form of special relationship with the neighboring countries (Serbia, Croatia, and Montenegro) and maintain double citizenship (Article 3 of the constitution of Bosnia and Herzegovina). The ethnic group ties (e.g. Bosnian Croats and Bosnian Serbs) to the neighboring countries that reinforce them have

178 The applicants, Dervo Sejdije and Jakob Finci, are citizens of Bosnia and Herzegovina. They were born in 1956 and 1943 respectively and live in Sarajevo. The former is of Roma origin and the latter is a Jew. They are both prominent public figures. The Bosnian Constitution, in its Preamble, makes a distinction between two categories of citizens: the so-called “constituent peoples” (Bosniacs, Croats and Serbs) and “others” (Jews, Roma and other national minorities together with those who do not declare affiliation with any ethnic group). The House of Peoples of the Parliamentary Assembly (the second chamber) and the Presidency are composed only of persons belonging to the three constituent peoples. Mr. Jakob Finci enquired with the Central Election Commission about his intentions to stand for election to the Presidency and the House of Peoples of the Parliamentary Assembly. On 3 January 2007 he received a written confirmation from the Central Election Commission that he was ineligible to stand to such elections because of his Jewish origin (Council of Europe Office in Belgrade, 2009).
an impact on the decision making and agreements in Bosnia and Herzegovina. The entities have constitutional rights to establish parallel and special relations with the neighboring countries, but we believe that it is hard by the special relations to avoid the interference and influence on the political orientation in Bosnia and Herzegovina. Throughout such cooperation more effort is given in the development of the entity-neighboring countries diplomatic or/and economic relations rather than to contribute the relations between two states. We strongly argue that the Article 3 of the Annex 4 of the Dayton Peace Agreement (constitution of Bosnia and Herzegovina) harms the Euro-Atlantic integration of Bosnia and Herzegovina. This we can specify with the special or/and parallel relations between the Government of Republic of Serbia and Bosnia and Herzegovina's entity RS. Because of such strong political cooperation, the Euro-Atlantic integration of Bosnia and Herzegovina is tied to Serbia. “I can only repeat that in NATO we can enter only if and when in the Alliance enters Serbia. Clearer position from this cannot be. Any other option would include the division of the Serbian people. We do not need referendums. The subject does not even need to open because of Bosnia and Herzegovina’s membership in NATO, there is no requirement as long as Serbia is not in the Alliance” – said the Bosnian Serb member of the Presidency of Bosnia and Herzegovina Mladen Ivanic (Politika, 2015).

The constitution of Bosnia and Herzegovina is preventing the country to join the Euro-Atlantic community because the country remained ethnically divided. We do not see soon reforms and amendments to the current constitution, but we agree that without the presence of the international community the reforms will never be made.

2.2. The Immovable Military Property/Surplus Arms and Ammunition

The full transfer of competencies of the armed forces (VRS and AFBIH) in Bosnia and Herzegovina to the state level, beginning on 1 January 2006, with the Ministry of Defense of Bosnia and Herzegovina absorbing all functions of the former entity Ministries of Defense, represented a huge challenge to all institutions and organizations involved in the newly created structure of the Armed Forces of Bosnia and Herzegovina (Haupt, 2007). The Ministry of Defense and the Armed Forces of Bosnia and Herzegovina were authorized to improve the control and management of the country’s ammunition, weapons and explosive. With advice
and financial support from the international community, the Ministry of Defense and the Armed Forces of Bosnia and Herzegovina aim to further facilitate the disposal of surplus ammunition and weapons under the framework of the Movable Defense Property Agreement signed in 2008 (United Nations, 2015). Huge amounts of obsolete and surplus weapons and ammunition of the former two warring armies needed to be eliminated, once the Armed Forces of Bosnia and Herzegovina equipment requirements have been identified based on the future structure. On the other side, the defense property was categorized as movable and immovable property. The authorities in Bosnia and Herzegovina did not manage to take any significant, concrete steps forward to regulate the issue of perspective military property and the broader issue of state property.

The integration process of Bosnia and Herzegovina brought primarily attention to the problems of implementation with regard to the issue of state property (prospective defense properties) and the structure of the military budget. The decision on the establishment of wider cooperation between Bosnia and Herzegovina and NATO Alliance under the Membership Action Plan (MAP) was made at the NATO Tallinn summit, held from 22 to 23 April 2010, with one condition attached: “The NAC is authorized to accept Bosnia and Herzegovina's first Annual National Program only when all immovable defense properties identified as necessary for future defense purposes have been officially registered as the state property of Bosnia and Herzegovina, for use by the Bosnia and Herzegovina Ministry of Defense” (Ministry of Defense of BiH, 2011, p. 21).

An international presence in Bosnia and Herzegovina under the “Peace Implementation Council Steering Board has set objectives and conditions to be met for the closure of the OHR. In particular, a resolution of the issue of state property and other levels of government and of defense property is still outstanding. This is linked to the implementation of the Constitutional Court’s decision regulating property distribution. In April, the House of Representatives of Bosnia and Herzegovina rejected a proposed law on the disposal of immovable military property, as it did not receive support from Republika Srpska delegates” (EU Progress Report, 2014, p. 4). Due to the failure to meet the condition attached with regard to immovable prospective defense property for further NATO integration, the ANP document was put on ice and the implementation of the IPAP, as the previous mechanism of Bosnia and Herzegovina's cooperation with
NATO, was reactivated. “Bosnia and Herzegovina has been working towards NATO membership in the Partnership for Peace programs for many years. This shows that the necessary long-term political commitment and consensus exists. It is now up to Bosnia and Herzegovina to take the next step by resolving the immovable defense property issue so that the Membership Action Plan (MAP) can be initiated. MAP commences with the submission of the Annual National Program (ANP). The normal ANP cycle is September through June; we are encouraging Bosnia and Herzegovina to resolve immovable defense property before September, in order to facilitate Bosnia and Herzegovina commencing MAP with Montenegro”– said the Commander of NATO Headquarters Sarajevo US Marines Corps Brigadier General John Bullard (Atlantic Initiative, 2015).

It is now on the authorities in Bosnia and Herzegovina to solve the problem of immovable military property on 69 land-registered locations and to share advantages and risks. NATO Headquarter in Sarajevo has been working with the Ministry of Defense of Bosnia and Herzegovina and other parties to help resolve this issue and NATO remain ready to support the effort to overcome the political disagreement in regards to the immovable military/defense property. The NATO Alliance urges Bosnia and Herzegovina to register the prospective immovable defense property. The NATO Secretary General Anders Fogh Rasmussen during the visit to Bosnia and Herzegovina in 2013 thanked the authorities for the contribution the Armed Forces of Bosnia and Herzegovina made in the peacekeeping mission in Afghanistan. He stressed that he came to encourage politicians in Bosnia and Herzegovina to continue reforms and to clarify that the solution to the issue of immovable military property is in its registration as the State property (Council of Ministers of BiH, 2013). “Look at the countries in Central and Eastern Europe and see how they benefited from NATO and EU,” said Rasmussen, “they enjoy security that has also made them attractive for foreign investment and they've seen high economic growth and job creation” (Al Jazeera, 2013).

Despite the fact of strong international presence to overcome the issue in regards of the immovable military property, and the NATO assistance, the political parties and representatives from both entities are unable to agree upon the ownership of defense property that once belong to the former Yugoslavia. The representatives of the entity RS are arguing that the property of the former military belongs to the entities, while the political elites argue that the property belongs to

539
the state. We argue that the registration of the immovable military property is a politicized issue in the by the political leaders in the Bosnian and Herzegovina's entity RS and that it has come out of the close relationship with the neighboring Republic of Serbia. “This is logical if one takes into account the full range of historical reasons. One of these facts is that the NATO twenty years ago bombed the Serbs in Bosnia and then Serbia” – said the President of the Bosnia and Herzegovina's entity RS noting that the military neutrality of Serbia will continue to direct the behavior of Bosnian Serbs authorities in the integration process to NATO (Bosna, 2014). The Ministry of Defense of Bosnia and Herzegovina is conscious of the reason why the registration of the immovable defense property in the country is not successful, and it is working to overcome the political challenges. "Bosnia and Herzegovina on its path to NATO membership is supported by Croatia and political representatives of the Bosnian Serbs in Bosnia and Herzegovina used the position of Serbia as a reason for opposition. We were also interested whether Bosnia should wait for Serbia on its way to NATO’” - said Minister of Defense of Bosnia and Herzegovina Marina Pendes (Faktor, 2015).

The registration of the immovable military property is a precondition (and the only one) for Bosnia and Herzegovina to access into the Membership Action Plan (MAP) of NATO, and moreover it is a condition to end the mandate of OHR in Bosnia and Herzegovina; which cannot be implemented by the Bosnian Serbs authorities.

Beside the immovable property to the authorities in Bosnia and Herzegovina have to fulfill for further NATO integration, the country itself was under the pressure of the international community and NATO Headquarter to resolve the issue in regard the perspective movable military/defense property. The perspective movable property includes military equipment (tanks, helicopters etc.), weapons (small and light weapons), and ammunition. In accordance with the “Decision of the Presidency of Bosnia and Herzegovina on the establishment of surplus weapons, ammunition and mine-explosive ordnance in the Armed Forces of Bosnia and Herzegovina, the principles of their resolution (no. 01-011-1599-32/09 from the June 10 2009), the Decision of the Presidency of Bosnia and Herzegovina on the resolution on surplus weapons, ammunition and mine explosive ordnance of the Armed Forces of Bosnia and Herzegovina (no. 01-011-2562-47/09 from August 10 2009), the Ministry of Defense has taken action on implementation of the mentioned” (Ministry of Defense of BiH, 2010).
There is approximately 35,000 tons of surplus ammunition in numerous poorly secured state-run weapons storage sites. 5,700 tons are unsafe at present and will be demilitarized; a large amount of the remaining ammunition will become unsafe in the next years. The destruction capacities in Bosnia and Herzegovina need to be increased and additional funding is required by the international community and NATO for the planned destruction projects and those ammunition and SALW destruction programmes which are to come. According to the Ministry of Defense of BiH (2010), the authorities in Bosnia and Herzegovina brought several operational measures through the Presidency Decision on the surplus weapons, ammunition and mine explosive in the Armed Forces of Bosnia and Herzegovina:

1. Donation of weapons and ammunition to the Afghan security forces;
2. Donation of weapons and ammunition to the Iraqi security forces;
3. Donation of weapons and ammunition to the Republic of Srpska – the Ministry of Internal Affairs of the Republic of Srpska;
4. Donation of weapons and ammunition to the Federation of Bosnia and Herzegovina – the Ministry of Internal Affairs of the Federation of Bosnia and Herzegovina;
5. Allocation of museum exhibits for the equipment of infantry regiment museums of the AF of Bosnia and Herzegovina.

Since the adoption of the Law on Defense of Bosnia and Herzegovina in 2005, there has been no sale of weapons or ammunition by the Ministry of Defense of Bosnia and Herzegovina - the sale of surplus of weapons and ammunition of the Armed Forces of Bosnia and Herzegovina has been put into regular procedure in 2010. However, in accordance to NATO criteria and recommendations made by technical staff of the OSCE and EUFOR, all surplus ammunition and explosive ordnance owned by the Armed Forces of Bosnia and Herzegovina, have been classified into the category of the high risk (Ministry of Defense of BiH, 2011). The OSCE Mission to Bosnia and Herzegovina supports arms control mechanisms and improvement of military arms and ammunition stockpile management in the Armed Forces of Bosnia and Herzegovina, advocating for increased destruction of the country’s large amount of arms and ammunition surpluses that are posing a security risk to the country and beyond (OSCE, n.d.). On the other side, the assistance by USA Government is “helping Bosnia and Herzegovina to consolidate its arms and munitions depots by demilitarizing those small arms/light weapons (SA/LW) and munitions that are
excess to its needs, and destroying unstable aging munitions. In addition, U.S. funding is helping to remove landmines and explosive remnants of war that remain” (USA State Department, 2013).

The international community and NATO should increase the financial assistance to Bosnia and Herzegovina for the destruction of the movable military/defense property. The OSCE and UNDP in 2012 presented a joint project proposal for funding consideration by European Union under its Instrument for Stability. This project, titled by the EU as the “EXPLODE Project” - designed to address several aspects of arms control in Bosnia and Herzegovina including activities to reduce the risk of accidental explosion by upgrading the “safety” of Armed Forces of Bosnia and Herzegovina’s prospective ammunition and weapons storage sites (OSCE, 2015). The 46th Progress Report of OHR in Bosnia and Herzegovina showed progress on surplus munitions demilitarization and destruction continued, and that the Ministry of Defense and Armed Forces of Bosnia and Herzegovina have continued to improve the control and management of the country’s ammunition, weapons and explosive stockpiles (OHR, 2014). Unlike the defense immovable property of Bosnia and Herzegovina, the issue in regard to the movable property of the Armed Forces of Bosnia and Herzegovina is not politicized. We argue that the problems in the issue regarding to the movable military property in Bosnia and Herzegovina is more financial in the nature than politically.

3. POLITICAL DETERMINATION AND THE EXAMINATION OF POLITICAL PARTIES ORIENTATION TOWARD THE NATO MEMBERSHIP

The intricate political system of Bosnia and Herzegovina (BiH) reflects its multi-ethnic texture and complex history of the country that is often used in terms of the last conflict in the country. Its entities' dominant ethnic composition and the established power-sharing mechanisms have so far fostered ethnic voting and left little chance for non-nationalist political parties to fight for seats in the parliaments and other representative institutions. The result of such an ethnic-based power-sharing mechanism results with a political instability and dysfunctional institutional working. However, the political parties in the countries agreed with the EU integration of Bosnia and Herzegovina, and some concrete results have
been made (e.g. the submission of the country’s Presidency application for EU membership). Nonetheless, the political leaders and political parties disagree with the country's membership in NATO. Nevertheless, the declarative political aspiration of Bosnia and Herzegovina to join NATO exists in the country's official documents\textsuperscript{179}, but the political reality of the NATO membership integration process is accompanied with many political complexities.

Bosnia and Herzegovina's multi-party political system was introduced in the 1990s, after the transition and the dissolution of communism in Yugoslavia, and eventually the collapse of its League of Communists that was the pillar of the communist regime in Yugoslavia. The country's first democratic multi-party election defined new orientation of the country's history, and led to the strongest political disagreement between the ethno-political parties that lasted until today. The multi-party system in Bosnia and Herzegovina resulted with a lift of law that banned the establishment of ethno-based political parties. Soon after, the ethno-groups in Bosnia and Herzegovina established its own political parties\textsuperscript{180} that exist still today, but new ethno-political parties were established in the contemporary political stage of the country. The establishment of the ethno-political parties showed its triumph in the 1990s, and it represents a strong platform for the political orientation in the country based on the ethno-perspectives. The shift of the country's political system, and the disagreement between the ethno-political parties, and the ethnically heterogeneous Bosnia and Herzegovina broke up into the ethnic and religious conflict in 1992-1995.

The ethno-conflict and the aggression on the statehood of Bosnia and Herzegovina ended up with Dayton Peace Agreement (DPA) that failed to guarantee the ethnic groups' efficient cooperation. However, today, the country's multi-party system is more dynamic and new political parties emerged as a result of intra-party conflicts, but still the ethno-political party orientation is playing a crucial role in the country. Additionally, the multi-ethnic political parties emerged in the country but are not well supported by the citizens. The understanding of the

\textsuperscript{179} According to the Presidency of Bosnia and Herzegovina and the Ministry of Foreign Affairs of Bosnia and Herzegovina (2015) “activities relating to the Euro-Atlantic security structures, with the utmost aim of institutionalizing the relations with North-Atlantic Treaty Organization (NATO) would be, first of all, directed to BiH inclusion into the program of Partnership for Peace”, with emphasis on further development of the relations.

\textsuperscript{180} The Bosniak's Party of Democratic Action (SDA), the Croat Democratic Union (HDZ BiH) and the Serb Democratic Party (SDS).
ethno-political parties in the country and their relations with the neighboring countries (Serbia, and Croatia) is crucially important to draw a line of the country's progress and the future membership of Bosnia and Herzegovina in NATO Alliance. The complexity of the country is not just the political dysfunctional mechanism itself that resulted out of the Dayton Peace Agreement, but rather than the ethno-based political parties. Additionally, ethno-nationalist parties (SDA, HDZ, and SNSD) continue to dominate the country's politics.

The political agenda of the political parties that we have examined in our research are not alluding to much military aspect of Bosnia and Herzegovina; accept the Party program of SDS that argued the military neutrality and the respect to the status of the Republic of Serbia\textsuperscript{181} and the “Serbian Democratic Party fully opposes the idea of the Republic of Srpska being a part of NATO” (Political Program of SDS, n.d., 72). In addition, the SNSD does not include any statement regarding the NATO membership in its political program regardless they present themselves as the strongest opposition for the membership. Nevertheless, the president of SNSD and the president of Republika Srpska, Milorad Dodik, stated: “I will never vote for joining the NATO because as President of the Republika Srpska and when I get retired, I will not forget that NATO bombed the Serbs with depleted uranium” (Blic, 2014).

In addition, the Serb member of the Presidency of Bosnia and Herzegovina, Mladen Ivanic, argued that “clearer attitude of this cannot be. Any other opinion would involve the division of the Serbian people. We don’t need a referendum to decide on it. Moreover, in fact, there is no need to call for a referendum because for the membership of Bosnia and Herzegovina to the NATO there is no fulfilled requirement as long as Serbia is not in the Alliance” (Al Jazeera Balkans, 2015). The Bosnian Serbs do not see the future protection of their vital national interest without the membership of Republic of Serbia in the Alliance. Such an excuse is often use in the media to justify the political instability

\textsuperscript{181} Serbian Democratic Party sees military neutrality and demilitarization of the Republic of Srpska and BiH as the only realistic policy in this region. It is a genuine interest of the Republic of Srpska to have identical status as that of the Republic of Serbia in order to prevent some situations that had occurred in a relatively recent past period that Serbs from two sides of Drina River find themselves on two opposed military sides against each other (Political Program of SDS, N.D.).
and unwillingness to become a part of a strongly Western oriented security umbrella.

In contrary, the Party of Democratic Action (SDA) argues in its political agenda (2015) “We are committed to the accession Bosnia and Herzegovina in NATO and other security World, European, and other regional frameworks for cooperation, not for confrontation, but for integration, and not for fragmentation. Our goal is the membership of Bosnia and Herzegovina in NATO. If it is required referendum on Bosnia and Herzegovina's membership to NATO, it can only and exclusively adopted by the votes of all adult citizens of Bosnia and Herzegovina in the area throughout Bosnia and Herzegovina” (p. 4). In regarding to this, the Union for a Better Future (SBB) declared that “the strategic objective of SBB is the full membership of Bosnia and Herzegovina in NATO, European Union, but the special importance is given in building bilateral relations with Croatia, Serbia, and Montenegro, as well as other countries in the region” (SBB, 2015). Additionally, the Croatian Democratic Union (HDZ) supports the NATO membership of the country and considers it as a vital national interest of Croats in Bosnia and Herzegovina. “Accession of Bosnia and Herzegovina to the European Union, NATO, and other Euro-Atlantic integrations are the top policy priorities of the HDZ BIH, and the memberships are guarantee for long-term political, economic, and social stability of Bosnia and Herzegovina. HDZ BIH considered the preservation of vital national interest of Croatian peoples as an integral part at the defense strategy and security levels of Bosnia and Herzegovina” (HDZ, 2015, p. 30). On the other side, the second biggest Croatia political Party, Croatian Democratic Union 1990 (HDZ '90) highlighted “HDZ 1990 supports the accelerated path to NATO and EU, and calls on all the adoption of laws and all other assumptions upon the procedure that was used by all the countries that have gone the way of transition and harmonization of legislation in order to enter the European Union” (HDZ 1990, 2015).

Additionally, the multi-ethnic political parties in the country are supporting the NATO membership of Bosnia and Herzegovina, and considered the membership as the political priority. The current biggest multi-ethnic political party, Democratic Front (DF), elaborated that “the first foreign policy priority of Bosnia and Herzegovina should be integration into NATO. Extremely important is the fact that Croatia and Albania are already members of NATO, and it would soon become and Montenegro. By joining NATO, our country would largely
ensure their future security. In addition, the experience of the member countries of NATO showed that membership in the organization, in addition to security guarantees, an extremely favorable impact on the development of their economies” (DF Party program, 2014). On the other side, the former most successful multi-ethnic party that lost its support in the last years, Social Democratic Party BIH (SDP BIH), argued that “in the area of safety we advocate NATO membership as a framework of global security system in the conditions of globalization and strategic responses to the challenges of global security, the fight against terrorism and to achieve peace in the world” (SDP BIH Party program, 2015, p. 37). In reflection to the multi-ethnic party approach, the country faced in the last few years the rise of a new multi-ethnic political party, Our Party (NS). Our Party “believes that membership in Euro-Atlantic integration can guarantee Bosnia and Herzegovina, security, stability and further democratization of the society. There is no single historical, geographical, cultural or economic argument against the accession of Bosnia and Herzegovina to the European Union and NATO” (NS Party program, 2015). However, the multi-ethnic political parties in Bosnia and Herzegovina are widely supported by the Bosniaks and Croats, and less likely by the Serbs in the country. The multi-ethnic political party approach cannot be taken as a measure of the multi-ethnic support of Bosnia and Herzegovina's society for the Euro-Atlantic integration, but we see the multi-ethnic political parties as a platform for future better off of Bosnia and Herzegovina.

The political parties' programs framed the behavior of the members of the parliaments and other politicians at both state and entities’ levels. The problem of the non-functional mechanism in the parliamentary system of Bosnia and Herzegovina is because the ethno-party politics of the members of the parliaments at both state and entity levels is dictating the decision making. It seems that in Bosnia and Herzegovina only seven party leaders deal with politics in the country, where they gather together in pubs and restaurants, and agree or disagree with crucial issues related to the progress of the country; while the members of the parliament are only party puppets that are following the ethno-party political

\[\text{The party leaders are coming from the following parties: (1) Party of Democratic Action (SDA), and (2) Union for a Better Future (SBB), (3) Croatian Democratic Union (HDZ), (4) Croatian Democratic Union 1990 (HDZ 90), (5) Serb Democratic Party (SDS), (6) Alliance of Independent Social Democrats (SNSD), and (7) Social Democratic Party BIH (SDP BIH).}\]
Because of such a political domestic situation, we think that the country will hardly see future progress. We argue that the country must reoriented its current political approach, and that the politics and decision-making must be given to those to whom it belong – to the parliaments, and that the members of the parliaments should present the interest of the citizens and the country itself, but not the interest of their party leaders. This is related to the members of the parliaments (at both state and entity levels) from all the three constituent peoples of Bosnia and Herzegovina. On the other side, many of the political leaders and members of the parliament highlighted that the lack of the political will is the main problem of the country’s stagnation, but it cannot be used as an excuse for not letting Bosnia and Herzegovina to progress.

Unfortunately, the political will of the party presents the political will of the members of the Parliament of Bosnia and Herzegovina. Each blockage for the NATO progress in the Parliament of Bosnia and Herzegovina is leaves the country to remain in status quo. It even hard to see any future progress towards the NATO membership of Bosnia and Herzegovina with such a political party programs by the Bosnian Serbs political parties that directly oppose the membership. Nonetheless, we argue that the country did much in the NATO integration process with such a differentiated political parties program.

4. CONCLUSION

In the authors’ opinion, the main problems that slow down the integration progress of Bosnia and Herzegovina towards the NATO membership primary are:

183 Nonetheless, the parliaments in Bosnia and Herzegovina within the political structure are functioning in a way that they are, and they do not really represent the political interests of the citizens. The perception about the NATO membership of Bosnia and Herzegovina is differently viewed and supported by the political representatives coming from the two entities. Many studies showed that the Bosnian Serbs are in less favor for the membership that the Bosnian Croats and Bosniaks. According to the study conducted by the Centre for Education "Pro Educa" on a sample of 144 MPs in the entities and the state parliaments of Bosnia and Herzegovina, the membership of Bosnia and Herzegovina in NATO is supported by 9.5% MPs from the RS and 86.7% of MPs from the Federation of Bosnia and Herzegovina. Additionally, 42.9% of MPs from the RS and 13.3% of MPs from the Federation of Bosnia and Herzegovina support the membership under certain conditions and requirements, while the membership is opposed by 38.1% of MPs from the RS and no MP from the Federation of Bosnia and Herzegovina (Puhalo, 2013).
• The entities in Bosnia and Herzegovina continue to disagree on certain reforms, as well as about integration into the Euro-Atlantic community despite the fact of the importance of NATO in the country and the region. Instead of concentrating on what would be the most beneficial for Bosnia and Herzegovina as a whole, the political leaders are more concerned with their personal and ethnic interest;
• NATO Integration in Bosnia and Herzegovina is carried out in several fields, not only in the defense sector, which requires time and carry out the necessary reforms;
• Reforms seek the existence of adequate human and material resources to carry out these processes. In terms of human resources, Bosnia and Herzegovina is close to the required standards of NATO, and there are no major problems, however, the material resources are currently insufficient and the country need to do much more in terms of material optimization;
• Lack of political will to change the public way of thinking about the NATO membership.

On the other side, the public opinion of the justification of the existence of NATO as a political and security alliance in modern political international relations, as well as membership of Bosnia and Herzegovina in NATO, resulted out of the insufficient public knowledge and the inadequate access to critical analysis about the NATO membership. Therefore, here we will define some of the comparative advantages of the NATO membership:

• By the accession in the NATO Alliance, Bosnia and Herzegovina is becoming a full member of the wide family of states which are committed to respect human rights and democracy;
• Bearing in mind that all decisions in NATO, as a political-military alliance, are made throughout the consensus, by the membership Bosnia and Herzegovina will become a visible political entity in the decision-making, at the same time, the country will have the opportunity to promote its own interest and attitude;
• NATO as a security organization is unprecedented in the history, with the primary task of ensuring the territorial integrity and sovereignty of the member state;
• The NATO concept of the collective security in the contemporary international affairs proved to be the most effective response to modern security threats (e.g. terrorism, natural disaster etc.);
• NATO membership contributes to the increase of foreign investments by sending the message that the country is safe for investment;
NATO is the largest market for potential placement of the military industry of Bosnia and Herzegovina;

NATO integration process strongly supports the process of the EU accession, which is the second strategic objective of Bosnia and Herzegovina.

In addition we argue that the political challenges and disputes can be overcome by the following strategy:

- To form public debate among the domestic politicians about the NATO membership of Bosnia and Herzegovina;
- NATO should transparently explain the reasons and results of the intervention during the 1990s;
- Put economic policy in the center of government interest and create clear incentives for policy makers;
- Impose a strategy for transparent and objective media campaign about the NATO membership;
- Improve the role of the International Community in the NATO integration process;
- Improve the financial assistance for the NATO integration process;
- Empower the role of educational institutions and academia as the tool for pressure on government institutions and shaping the intellectual foreign policy orientation.

To conclude, Bosnia and Herzegovina has to continue towards the NATO integration progress, which can only be done if its leaders are completely devoted and willing to cooperate for the national interest rather than the ethnic interest. However, once Bosnia and Herzegovina fulfills all NATO's requirements for the membership, there is a still possibility that the membership might fail in the last integration steps – the requested referendum in RS BIH. In addition, the study showed that the referendum should not be implemented unless the citizens obtain objective analysis about the NATO membership. Currently, the citizens in Bosnia and Herzegovina (mainly in RS BIH) are driven by insufficient information and analysis about the NATO membership. The public outreach initiatives about the NATO membership of Bosnia and Herzegovina might play a significant role in informing and educating the public. Such initiatives are in progress, but in the authors opinion the number is insufficient. On the other side, we argue that the
NATO membership will bring desired security and stability to Bosnia and Herzegovina. With the membership, Bosnia and Herzegovina will be more secure from the external threats, and it is less likely to see a violent conflict in the country again.

REFERENCES


552


Puhalo, S. (2013). Šta poslanici i novinari u Bosni i Hercegovini mile o evroatlanskim integracijama?. Banja Luka, Bosnia and Herzegovina: Pro Educa.


Human Resource Management in The Civil Service of Bosnia and Herzegovina in The Context of Sigma Principles of Public Administration

Amel Delić
University of Sarajevo

Merima Tanović
University of Sarajevo

Refik Begić
Federal Ministry of Internal Affairs

ABSTRACT

Public Administration Reform is one of the priority activities for each candidate country in the European Integration process, as well as a continuous obligation for each European Union member country. It is of great importance to create a self-updating framework that includes institutions, legislation and relations in the context of the modern administrative culture and in accordance with the achieved values of the rule of law and political participation, in order to enable the social development and the promotion of general and particular interests. Such framework would enable the modern network of governors to manage the public affairs effectively, transparently, responsibly and inclusively, with optimal costs, and in accordance with the principles of the New Public Management and Good Governance. Two pillars of this framework are the norms and quality and motivated human resources. SIGMA, a joint initiative of the European Commission and the Organization for Economic Cooperation and Development, while combining the present values and experiences from the European Union Member States and current experiences of the countries in the European Integration process, defined the monitoring framework for reforms in European Union candidate and potential candidate countries. In late 2014 the ‘Principles of Public Administration’ document is presented, with six reform areas, each consisting of reform principles. The central area, conditional to the realization of other areas is named ‘Public Service and Human Resource Management’. It requires that the scope of public service is adequate and clearly defined; the legal framework for professional and coherent public service is established and applied in practice; good
managerial standards and human resource management practices are ensured; political influence on managerial positions in the public service is prevented; and professional development, training and mobility of public servants is ensured in order to promote integrity and prevent corruption in public service. The present situation in this area in Bosnia and Herzegovina partially meets the defined SIGMA principles. The definition and the position of the civil service is different at certain levels of government. There is a significant lack of coordination and synchronization between relevant ministries and specialized agencies entitled for the civil service human resource improvement. The current recruitment system to the civil service, performance measurement system, and remuneration and accountability system are inadequate and they create space for political and corruptive influence on civil servants. The last normative changes in this area do not focus on the real sources of the related problems. This paper, while analyzing the existing legislation and practices in the field of human resource management in the civil service in Bosnia and Herzegovina, and comparing them with the regulations and practices in the European Union member states, makes the recommendations for the Sigma Principles of Public Administration implementation, respecting the social and constitutional characteristics of Bosnia and Herzegovina.

**Keywords:** Civil Service, Human Resource Management, Public Administration Reform, SIGMA Principles of Public Administration.
1. INTRODUCTION

The modern state, despite all the changes in the global society: the internationalization of the legal standards, market influence to the state affairs, general human development and very broad demands from the individuals and organizations utilizing the civil services, altogether with the following threats; is still the primary and very complex organization for achieving the social regulation. And for the everyday functioning of the state, the role of public administration is of essential significance. Those authorities are assigned to implement the laws to everyday cases, collaborate with the subjects for the purpose of understanding and respecting the existing legal order, monitor the implementation of the laws in most of the cases and suggest the necessary social reforms.

A well-functioning public administration is a prerequisite for transparent and effective democratic governance. As the foundation of the functioning of the state, it determines a government’s ability to provide public services and foster the country’s competitiveness and growth. It also plays a fundamental role in the European integration process by enabling the implementation of crucial reforms and organising efficient accession dialogue with the European Union. Hence, the EU enlargement criteria recognise and emphasize the need for a country to build a national public administration with the capacity to pursue principles of good administration and effectively transpose and implement the acquis communautaire (SIGMA, 2014).

For this purpose, SIGMA (Support for Improvement in Governance and Management), the joint initiative of European Commission (EC) and the Organization for Economic Cooperation and Development (OECD) created a document ‘The Principles of Public Administration’. The document had been presented at the Ministerial Conference in Brussels in November 2014, with the presence of respected high level officials of the EC, OECD, SIGMA, Turkey and Western Balkan countries.

SIGMA, summing over two decades of experience with the EU accession countries, as well as the international standards and practices and acquis communautaire, designed the principles that indicate the key requirements and criteria that should foster the accession activities of the EU candidate countries and enable them to achieve the general EU values, but primarily those related to
public administration. The 19 key requirements, outlining the general characteristics of good administration are presented in 48 principles grouped into 6 key areas: Strategic Framework of Public Administration Reform, Policy Development and Coordination, Public Service and Human Resource Management, Accountability, Service Delivery and Public Financial Management.

The area ‘Public Service and Human resource Management’ that will be analysed in this paper consists of the following principles:

- The scope of public service is adequate, clearly defined and applied in practice;
- The policy and legal framework for a professional and coherent public service is established and applied in practice; the institutional set—up enables consistent and effective human resource management practices across the public service;
- The recruitment of public servants is based on merit and equal treatment in all its phases; the criteria for demotion and termination of public servants are explicit;
- Direct or indirect political influence on senior managerial positions in the public service is prevented;
- The remuneration system of public servants is based on the job classification; it is fair and transparent;
- The professional development of public servants is ensured; this includes regular training, fair performance appraisal, and mobility and promotion based on objective and transparent criteria and merit; and
- Measures for promoting integrity and preventing corruption and ensuring discipline in the public service are in place (SIGMA, 2014).

The achievement of these principles should enable two crucial requirements to be met: that the scope of public service is clearly defined and applied in practice so that the policy and legal framework and institutional set-up for professional public service is in place, and that professionalism of public service is ensured by good managerial standards and human resource management practices.
2. THE LEGAL ASPECTS OF THE CIVIL SERVANTS STATUS REGULATION IN BOSNIA AND HERZEGOVINA IN THE CONTEXT OF SIGMA PUBLIC ADMINISTRATION PRINCIPLES

In Bosnia and Herzegovina there are four isolated and different systems of perceiving the legal and practical aspects of the civil service. This significantly contributes to different functioning of the civil service at all levels of government, and complicates the implementation of reform measures, currently and in the future. In terms of the complex organization of state in Bosnia and Herzegovina, followed by a complex organization of public administration at all levels of government, there is no obstacle for the same, or approximately equal legal solutions. This demonstrates a deeply fragmented and divided system, without substantial institutional cooperation and communication. Furthermore, the current plan and process of the public administration reform in Bosnia and Herzegovina, institutionally entrusted to the Public Administration Reform Coordinator’s Office, in which Strategy for the Public Administration Reform and Action Plans 1 and 2 were adopted, actually demonstrate intangibility and non dealing with the essence of the public administration reform in Bosnia and Herzegovina. Insufficiently clear and defined strategies, and minimum interventions without the system support and reform intentions, can not result in systematic changes that are required for European Union integration process of Bosnia and Herzegovina. Also, the differentiation in terms of the type and number of regulations that define the civil servants categories, their rights and duties, admission procedures, performance appraisal, professional development and training, other issues related to their professional status, as well as the termination of the civil servants employment, indicates the unnecessary, but deep fragmentation in the legal system in Bosnia and Herzegovina.

Following are the tabular and graphic presentations of the different approaches to all aspects of human resource management in the civil service at all levels of government in Bosnia and Herzegovina: state Bosnia and Herzegovina (hereinafter: BiH), Entity Federacija Bosne i Hercegovine
(Federation of Bosnia and Herzegovina, hereinafter: FBiH), Entity Republika Srpska (Republic of Srpska, hereinafter: RS), and Brčko distrikt Bosne i Hercegovine (Brčko District of Bosnia and Herzegovina, hereinafter: BD BiH). The regulations of FBiH apply to the administrative level of 10 cantons in the same Entity, and the civil servants in local self-government units are excluded, due to the specific status of local-self government in the state organization in general and the specific status of those servants in the system of public affairs in Bosnia and Herzegovina.

The presentations demonstrate that the existing forms and practices of human resource management in the civil service in Bosnia and Herzegovina follow the SIGMA Principles of Public Administration in uneven, incomplete, inconsistent and inadequate mode. The analysis is pointing the implementation status of each segment of the SIGMA Principles of Public Administration in the complex system of Bosnia and Herzegovina.

Table 1. Legal framework of the admission procedures in the Civil Service

<table>
<thead>
<tr>
<th>BIH</th>
<th>FBiH</th>
<th>RS</th>
<th>BD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Civil Service Act in the institutions of BiH (Official Gazette of BiH, No. 19/02, 05/03, 4/04, 17/04, 26/04, 37/04, 48/05, 2/06, 32/07, 43/09, 8/10 &amp; 40/12)</td>
<td>1. Civil Service Act of FBiH (Official Gazette of FBiH, No. 29/03, 23/04, 39/04, 54/04, 67/05, 08/06, 04/12,99/15)</td>
<td>1. Civil Servants Act (Official Gazette of RS, No. 118/08, 117/11 &amp; 37/12)</td>
<td>1. Civil Service Act in the Public Authorities of BD BiH (Official Gazette of BD BiH, No. 09/14 &amp; 37/15)</td>
</tr>
<tr>
<td>2. Rules on advertising, candidate selection, transfer and appointment of civil servants in the case of a transfer or taking over the jurisdiction by the institutions of Bosnia and Herzegovina (Official Gazette of BiH, No. 27/08, 56/09, 54/10 &amp; 70/12)</td>
<td>2. Rules on unique criteria, norms in the process of nomination and appointment of civil servants in the civil service authorities of the FBiH (Official Gazette of FBiH, No. 4/13)</td>
<td>2. Rules on unique norms and procedures of public competition for employment and appointment of civil servants (Official Gazette of RS, No. 68/09 &amp; 24/15)</td>
<td>2. Rules on employment (Official Gazette of BD BiH, No.33/14)</td>
</tr>
<tr>
<td>3. Decision on taking public and professional examination (Official Gazette of BiH, No.</td>
<td>3. Rules on unique criteria and selection and recruitment procedure for trainees with university degree in the</td>
<td>3. Program for professional training and means of taking the exams for trainees in the administrative bodies of RS (Official Gazette of RS, No. 43/09)</td>
<td></td>
</tr>
<tr>
<td>96/07, 43/10 &amp; 103/12</td>
<td>Federation of BiH civil service (Official Gazette of FBiH, No. 4/13)</td>
<td>4. Regulation on professional exam for work in the administration of RS (Official Gazette of RS, No. 68/11 &amp; 7/15)</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>4. Rules on taking public examinations (Official Gazette, No. 28/08, 18/12)</td>
<td>4. Regulation on the conditions, means and program of taking the general knowledge and professional exam for the civil service candidates in FBiH (Official Gazette of FBiH, No. 69/06; 78/06; 63/08; 27/14)</td>
<td>5. other bylaws (e.g. regulating the evidence on foreign language knowledge)</td>
<td></td>
</tr>
<tr>
<td>5. Decision on conditions and means for employing trainees with level VII qualifications in the institutions of Bosnia and Herzegovina (Official Gazette of BiH, No. 52/05, 102/09 &amp; 9/15)</td>
<td>6. Instruction on conditions and means for awarding extra points during the implementation of an open competition (Official Gazette of BiH, No. 51/04)</td>
<td>5. other bylaws (e.g. defining the same or similar jobs for the purposes of the election, the documents that provide the evidence of foreign language knowledge, the rules of conduct of candidates in the selection procedure, compensation and code of conduct of the Selection Commission, etc.)</td>
<td></td>
</tr>
<tr>
<td>6. Instruction on conditions and means for awarding extra points during the implementation of an open competition (Official Gazette of BiH, No. 51/04)</td>
<td>7. Decision on conditions and procedure in the case of improper appointment of civil servants in the institutions of Bosnia and Herzegovina (Official Gazette of BiH, No. 103/12)</td>
<td>8. other bylaws (decisions defining the same or similar jobs for the purposes of the election, the documents that provide the evidence of foreign language knowledge, the rules of conduct of candidates in the selection procedure, compensation and code of conduct of the Selection Commission, etc.)</td>
<td></td>
</tr>
<tr>
<td>7. Decision on conditions and procedure in the case of improper appointment of civil servants in the institutions of Bosnia and Herzegovina (Official Gazette of BiH, No. 103/12)</td>
<td>8. other bylaws (decisions defining the same or similar jobs for the purposes of the election, the documents that provide the evidence of foreign language knowledge, the rules of conduct of candidates in the selection procedure, compensation and code of conduct of the Selection Commission, etc.)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Very extensive legal framework that regulates the procedure of the civil servants employment (excluding specific categories in public administration, e.g. assistant or part-time civil employees in BiH and FBiH) indicates that, nomotechnically and structurally, there is no unified strategy regarding the regulation of the civil service throughout the country. The complexity is present, in particular, at the state and Entity FBiH levels, where overregulation is observed, concerning the type and scope of legislation, as well as the number of amendments (which, for example, nomotechnically require the adoption of entirely new laws or sublimation of less significant legal issues in one bylaw). In RS and BD BiH categories of civil servants and assistant civil employees are regulated by single law, opposite to BiH and FBiH, which have separate laws that regulate the status of civil servants and other civil service employees, and they are accompanied by several bylaws. After the last amendments of the Civil Service Act in the Public Administration Authorities of BD BiH in 2015, the following bylaws have not been adapted by this moment, so the legal vacuum exists. But, it is very likely that the previous acts will be copied, due to their efficiency.

Graphic 1a: Admission procedure in the Civil Service of BIH
Graphic 1b: Admission procedure in the Civil Service of FBiH

Graphic 1c: Admission procedure in the Civil Service of RS
Each of the displayed procedures of the civil servants engagement includes the participation of the respected civil service authority (e.g. Civil Service Agency, Civil Administration Agency or Subdivision for Human Resources) from the selection of successful candidates to the stage of appointment (FBiH, RS) or in the selection process, including the appointment of a civil servant (BiH, BD). Although notable differences exist, and certainly disadvantages in procedures, all of procedures sufficiently ensure the open competition, but also the uncertainty of the outcome, regardless of the quality of the candidates, because the testing phases are not ensuring the secrecy of candidates nor the objective parameters for the evaluation of candidates. This leaves the space for abuse and corruption at the level of BiH, RS and FBiH. Exception and example to observe is the procedure for civil servants admission in BD BiH, where each phase, in a well-balanced manner, provides the aspects of publicity and confidentiality, professionalism and objectivism, and can reasonably be said to guarantee the appointment of the best candidate in the open competition.
If we analyse the issue of the composition and role of the commissions for the selection of civil servants at the levels of BiH, RS and FBiH, only at the state-level, within the commission of five members the dominating role of the Civil Service Agency is present, and that should provide a higher degree of objectivism. Furthermore, only at the state-level the process of the selection includes the candidate’s final appointment, while at the level of FBiH and RS this is done by the executives of administrative bodies and with the possibility of neglecting the most successful candidate in the selection procedure, thus the role of the specialized Agency becomes useless.

The nominal possibility of political influence to the senior civil servants at each level of government other than the BD BiH, is entirely open due to the appointment of such categories of civil servants by political, executive authority. The FBiH, by adopting the new amendments to the Law on civil service\textsuperscript{184} totally radicalized the above mentioned solution by ‘transforming’ the senior civil servants into political appointees, persons performing functions for the limited term in the office. These amendments additionally minimized the role of the FBiH’s Civil Service Agency in appointing the civil servants, while they abolished the obligation of the head of the institution to require the opinion of the Agency prior to the appointment of the civil servant.

\textsuperscript{184}Article 1 & 2 of the Law on Amendments to the Civil Service Act (Official Gazette of FBiH, No. 99/15)
Table 2. Categories of Public Servants

<table>
<thead>
<tr>
<th>BIH</th>
<th>FBiH</th>
<th>RS</th>
<th>BD BiH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) senior civil servants - Secretary - Secretary with a special assignment - Assistant Minister, Assistant Director - Chief Inspector 2) other civil servants - Head of the Internal Organizational Unit - Professional Advisor - Senior Professional Associate - Professional Associate 3) employees</td>
<td>1) civil servants<strong>a</strong> - Head of the Internal Organizational Unit - Inspector - Professional Advisor - Senior Professional Associate - Professional Associate 2) assistant civil employees</td>
<td>1) senior civil servants - Secretary of Ministry - Assistant Minister - Head, Deputies and Assistants of Republican Administration - Head, Deputies and Assistants of Republican Administrative Organisation - Chief Republic Inspector - Secretary in the Agency 2) civil servants - Inspector - Internal Auditor - Professional Advisor - Head of the Internal Organizational Unit - Senior Professional Associate - Professional Associate 3) assistant civil employees</td>
<td>1) senior civil servants (Level I, Level II, Intermediate Level - I &amp; II) 2) civil servants (specialists - levels I, II &amp; III; operatives - levels I, II &amp; III; assistants – levels I, II &amp; III) 3) senior assistant civil employees (Level I, Level II, Intermediate Level - I &amp; II) 4) assistant civil employees (specialists – levels I, II &amp; III; operatives – levels I, II &amp; III; assistants – levels I, II &amp; III)<strong>b</strong></td>
</tr>
</tbody>
</table>

**a** Article 6.1. of the Civil Service Act of FBiH (Official Gazette of FBiH, No. 29/03, 23/04, 39/04, 54/04, 67/05, 8/06 & 4/12) had stipulated that senior civil servants are: head of independent administration or independent institution, secretary of the civil service authority, head of administration or institution within the ministry, assistant head of the civil service authority and chief federal and cantonal inspectors. But, Articles 1 & 2 of the Law on Amendments to the Civil Service Act (Official Gazette of FBiH, No. 99/15) explicitly excluded from the civil servants status all previously defined senior positions, and it was defined that civil servants status is reserved only for the previous category of ‘other civil servants’.

**b** Very complex and detailed jobs categorization in administrative authorities, determined by types of jobs (by the Law), and the additional five criteria: responsibility related to position, the complexity of the position, the necessary skills for the position, qualifications for the position and work experience. See more details in Decision on jobs categorization in public administration authorities of Brcko District (Official gazette of BD BiH, No. 10/15)
Legal framework in Bosnia and Herzegovina does not imply uniformity neither in the perception of the term public servant, that theoretically sublimates all employees in public administration regardless of the level of qualification, category of employees and type of work they perform. The existence of two general groups of public servants, the civil servants and assistant civil employees is a common starting point. But, within this categorization, there are, also, inconsistencies at different levels of government, whereas all civil servants at each level of government perform the core public affairs related to a specific administrative institution, but are not necessarily obliged to have a university degree (RS, BD BiH). In RS’s law, there is no distinction within the aspect of qualification and conditions for the civil service admission, if we compare the civil servants and assistant civil employees. Instead, the main differentiation of categories has been done by the Regulation that makes a difference in the civil administration affairs. So, there are civil servants with level VII (university degree), level VI (college) and level IV (high school diploma) of education who perform the core public affairs related to a specific administrative institution and assistant civil employees with level VII (university degree) and lower levels of qualifications, including the elementary school of 8 years program duration, that execute the administrative, assistant-technical, accounting, financial and other tasks necessary for the performance of the core tasks of the respected institution. Civil servant in RS can not perform tasks from the core business of the institution only if he carries the degree of primary school education. Also, fostering non-uniformity and unsteadiness, FBiH, with the last amendments to the Civil Service Act, completely lost their categories of senior civil servants, while they are replaced with the solution where the top of the civil service’s pyramid are "non-permanent" political appointees that manage other public servants, as opposed to SIGMA Principles of Public Administration.
## Table 3. Conditions for the Admission of Civil Servants

<table>
<thead>
<tr>
<th>BIH</th>
<th>FBIH</th>
<th>RS</th>
<th>BD BIH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL CONDITIONS</strong></td>
<td>1) <strong>BiH citizenship</strong></td>
<td>2) <strong>legal age</strong></td>
<td>3) <strong>university degree and other educational or academic qualifications of at least level VII qualification</strong></td>
</tr>
</tbody>
</table>

- 1) **BiH citizenship**
- 2) **legal age**
- 3) **university degree and other educational or academic qualifications of at least level VII qualification**
- 4) general health capability
- 5) **no discharge from the civil service (as a result of a disciplinary measure at any level of government within three years before the publication of the vacancy)**
- 6) not covered by the Article IX.1. of the BiH Constitution (Special provisions that allows the Civil Servants already in service with college qualification to attain the university degree in 3 years)
Incompatibility of the general, basic conditions for the admission into the civil service at all levels of government in Bosnia and Herzegovina, leads to the admissions by very different qualifications and required profiles of civil servants in the overall legal system of Bosnia and Herzegovina. If

---

Special conditions for the admission to the civil service are explicitly determined by the organizational plan of public administration authorities of the BD BiH. They adopt these acts that are regulating the internal organization and job systematization, with the approval of the Mayor.

---

### Special Conditions

| Rules on Internal Organisation and Jobs Systematization | Rules on Internal Organisation and Jobs Systematization | 1) appropriate professional qualifications  
2) professional exam passed for work in republic administrative bodies  
3) the necessary work experience in the requested level of qualification  
4) other conditions prescribed by law, Regulation on Internal Organization and Jobs Systematization of the republic administrative body where the vacancy is present, or by other legal acts  
187) other conditions when required by the nature and conditions of work |
|-------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------|

---

187Special conditions for the admission to the civil service are explicitly determined by the organizational plan of public administration authorities of the BD BiH. They adopt these acts that are regulating the internal organization and job systematization, with the approval of the Mayor.
uniformity is not achieved at the level of the specific conditions prescribed in the Rules on internal organization and jobs systematization, an important differentiation with no standardization exists in the appointment of the category that performs the most important activities for attaining the public interest and the citizen rights, which are considered the core affairs of the administrative bodies. The starting discrepancy is the inconsistency of terminology and understanding of the civil servant/public servant/assistant civil employee/employee, followed by the differentiation regarding the:

- terms of academic or professional qualification of the civil servants (BiH and FBiH – university degree, RS and BD BiH – university degree, college or high school diploma);
- general health capability that is not common general requirement for the admission to the Civil Service (the state level institutions do not establish such condition);
- fact that convictions and absence of criminal proceedings are not common general condition for the admission to the Civil Service;

- fact that conditions regulated by the Article IX.1 of the Constitution of Bosnia and Herzegovina (sentence, indictment or non-appearance before the International Tribunal for the Former Yugoslavia) are not the common general requirement for the admission to the Civil Service (the conditions are not required in RS).

The burden of regulating the essential, general requirements for admission to the civil service, necessarily provided primarily by law, is being transferred under special conditions and transferred to the bylaw, Rules on internal organization and jobs systematization, if general requirements are anticipated, as it is the discretion of the head of the institution who adopts these legal acts and then claims the approval of the political, executive body.

The common general conditions for admission to the civil service at all levels of government are: the citizenship of Bosnia and Herzegovina/Entity, age over 18 years, and no discharge from the civil service as a result of a disciplinary procedure (only in BD BiH it is noted that the act has to be valid) three years before the public tender. It is interesting that the general requirement of citizenship
of a state of Bosnia and Herzegovina or its Entity Republika Srpska alternatively set by the RS’s law, would exclude the citizens of Entity FBiH from the public competition, if the Law on citizenship of FBiH (Official Gazette of FBiH, No. 43/01, 22/09 & 80/11) did not imply that the citizen of FBiH is at the same time a citizen of BiH.

A serious issue is that, based on the legal requirements for the admission to the civil service, the profile of a civil servant does not suit the dignity and the height of the civil servants epithets, while such person does not have to fulfill the general health capability, can be convicted, can be criminally indicted and in RS can be indicted or convicted before the International Tribunal for the Former Yugoslavia.188

Table 4. Salary Grades

<table>
<thead>
<tr>
<th>BIH</th>
<th>FBIH</th>
<th>RS</th>
<th>BD BIH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law on Salaries and Allowances in the Institutions of BiH (Official Gazette of BiH, No. 50/08, 35/09, 75/09, 32/12, 42/12, 50/12, 32/13, 87/13 &amp; 75/15)</td>
<td>Law on Salaries and Allowances in the FBiH Authorities (Official Gazette of FBiH, No. 45/10 &amp; 111/12)</td>
<td>Law on Salaries of Employees in the Administrative Bodies of RS (Official Gazette of RS, No. 118/07 &amp; 116/09)</td>
<td>Law on Salaries of Employees in the Administrative Bodies of BD BiH (Official Gazette of BD BiH, No. 14/06, 41/06 &amp; 3/13)</td>
</tr>
<tr>
<td>The basic salary is determined by multiplying the base (labor cost in RS) and the coefficient of salary grade</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 salary grades – Council of Ministers, 8 salary grades – independent, regulatory and other institutions</td>
<td>5 salary grades</td>
<td>7 salary groups with subgroups</td>
<td>10 salary grades with subgrades</td>
</tr>
</tbody>
</table>

188 This is the question of non-compliance of the Civil Servants Act (Official Gazette of RS, No. 118/08, 117/11 & 37/12) with the Article IX.1. of the Constitution of Bosnia and Herzegovina, that considers all appointed and elected public positions on the territory of BiH. Thus, the authorized proposers should initiate the assessment of constitutionality before the Constitutional Court.
Salary base is determined in bylaw, adopted by the Council of Ministers. Base can not be less than 50% of the average net salary in Bosnia and Herzegovina on annual basis, compared with for two fiscal years preceding the year in which the base is used.

The height of the salary base is determined according to the lowest net hourly wage agreed with the union[^89]. The lowest hourly wage is being multiplied by the working hours in a month.

Labor cost presents the cost of the simplest work. For each fiscal year it shall be determined by the RS Government with the industrial unions.[^90]

The height of the salary base, representing the lowest salary, is determined by the BD BiH Budget, proposed by the BD BiH Government.

Incompatibility of legislation regarding the salaries of employees in administrative bodies at all levels of government in Bosnia and Herzegovina, which is primarily related to the civil servants and assistant civil employees, especially present with uneven determination of the salary’s base, coefficient, and the basic salary in general, can seriously jeopardize the compliance with international anti-discrimination principles in the field of labor and social policy, which is the principle of "equal pay for equal work" or work of equal value. At different levels of legal regulation, as this study indicates, there is no legal guarantee that the civil servants performing the "same" job will be paid equally, but there is a legal presumption, respectively potential or real discriminatory basis to put in unjustifiably different position regarding the fundamental laborers’ right on salary, as one of the fundamental issues and rights at work.

[^89]: Article 6 of the Law on Salaries and Allowances in the FBiH authorities (Official Gazette of FBiH, No. 45/10 & 111/12) determines that the basic salary can not be less than 70% of the average net salary paid in FBiH according to the last published statistics.

[^90]: Variability in the salary base/labor cost for civil servants and assistant civil employees in RS is possible every year. The height of the basic salary is linked to the budget, with the legal basis for the reduction of coefficients that happened with the amendments of the Law in 2009. The Article 5 of the Law only guarantees that the basic salary can not be lower than the minimum wage established in RS.
Table 5. Performance Appraisal of Civil Servants

<table>
<thead>
<tr>
<th>BIH</th>
<th>FBiH</th>
<th>RS</th>
<th>BD BiH</th>
</tr>
</thead>
</table>
| - Law (table 1); Civil Service Agency's Rules on the means of performance appraisal of the civil servants in the BiH institutions (Official Gazette of BiH, No. 59/11)  
- the assessment is carried out by line manager or head of institution;  
- semi-annual evaluation;  
- criteria: the established work objectives appraisal according to other criteria (independence, attitude to work, creative ability and initiatives, relations with other in performing duties and communication skills, willingness to adapt to changes and (optionally) additional criteria established in advance;  
- Grades:  
--unsatisfactory (0-1.49),  
--satisfactory (1.50-2.49),  
--successful (2.50-3.49),  
--particularly successful (3.50 and above);  
- special explanation for grades unsatisfactory and particularly successful | - Law (table 1); Civil Service Agency's Rules on performance appraisal of civil servants in the civil service of FBiH (Official Gazette of FBiH, No. 62/11 & 89/13)  
- the assessment is carried out by Head of Civil Service, concerning the line manager's proposal;  
- at least once per year evaluation;  
- criteria:  
--general (working independence, attitude to work, creative ability and initiatives, relations with other in performing duties and communication skills, willingness to adapt to changes)  
--additional (optionally)  
--special (working objectives accomplishment);  
- Grades:  
--unsatisfactory (0-1.49),  
--satisfactory (1.50-2.49),  
--successful (2.50-3.49),  
--particularly successful (3.50 and above);  
- special explanation for grades unsatisfactory and particularly successful | - Law (table 1); Civil Administration Agency’s Rules on performance appraisal and promotion of civil servants and assistant civil employees (Official Gazette of RS, No. 43/09)  
- the assessment is carried out by line manager or head of institution, and head of institution is assessed by RS Government Commission  
-semi-annual evaluation with possibility in each 3 months  
- Grades:  
--unsatisfactory (up to 50 points)  
--satisfactory (50-65 pts)  
--standing out (66-85 pt)  
--particularly standing out (86-100 points);  
- criteria: the established work objectives, quality of work, working efficiency, working independence, creative ability and initiatives, communication skills, willingness to adapt to changes and other skills required by the work place (work ethics, work motivation, contribution to the organisational culture)  
-point differentiation | - Law (table 1); Mayor of BD BiH's Rules on performance appraisal (Official Gazette of BD BiH, 2008)  
- the assessment is carried out by the evaluator from the list of civil servants and assistant civil employees (the assessment is performed in presence of the evaluator, evaluated person and the representative of Subdivision for Human Resources  
- annual evaluation  
-Grades:  
--does not meet the expectations (up to 5,0),  
--meets certain expectations (5,1-7,5),  
--completely meets the expectations (7,6-10,0),  
--exceeds the expectations (over 10,0);  
- criteria: working aspects (quality of work, working efficiency, working independence,
Performance appraisal of civil servants in FBiH, as well as at the levels of BiH and RS, have general, common shortcomings in the sense that:

- Civil Service (Administration) Agency is excluded from the evaluation process;
- The consequences of non-participation/non-signing the appraisal form by the evaluated person or the head of the administrative institution are not regulated;
- Procedurally, the subjectivity of the civil service manager is not excluded in the evaluation process;
- The performance appraisal is executed by partially different criteria, period of assessment and the mode the results are described.

Rules at the national level clearly define the assessment criteria (goals defined in advance and additional criteria) and point to their importance when evaluating, but also provides an instruction regarding the civil servants assessment in a sense that most of the civil servants (up to 80%) are to be evaluated with the average grade – successful. How can one predict the civil servants’ work? Is the uniformity of civil servants’ performance possible or it is being forced? What are the consequences of such uniformity to the motivation? Standardization of the average performance of a civil servant reveals a message that a typical civil servant is "not particularly bad, nor very good" and produces a mediocre contribution and capacity in their daily work. It may be noted that the range of grades for a

---

191 Article 33 of the Rules (Recommended quota for performance appraisal)
successful civil servant at all analysed levels, except for BD BiH, is too loose, likely to fit the largest number of civil servants, which also speaks in favor of the so-called ‘forced mediocrity’ of civil servants.

What is very important to raise is that performance appraisal can be, but does not have to be taken into account in the professional promotion of civil servants (BiH, FBiH). Therefore all aspects of a civil servant only may lead to rewarding and movement in service, and thereby performance appraisal partially cease to be motivating factor in the civil service. In RS, performance appraisal is one of the conditions for professional promotion, while in BD BiH it is the basis for the salary grade change. These last examples give the evaluation procedure the motivational element in terms of remuneration (BD BiH) or movement in the civil service (RS). Since in BD BiH civil servants evaluation includes the areas of work in which the progress is recorded progress and the areas in which improvements are needed, as well as the objectives and content of the professional development, thus the individual assessments of civil servants become also an orientation factor for the future Programs of professional training and education of the public employees, in order to eliminate the operational problems of the public administration. This way the evaluation in BD BiH has a potential development character. Thus, the civil servants appraisal in BD BiH is the basis for the adoption of Plans for professional training and education within the annual Program, together with the professional needs of administrative bodies. As two consecutive negative performance appraisals necessarily lead to the termination of employment in the civil service, and the head of an institution actually provides an assessment throughout the immediate superior, this way the appraisal can be a mean for eliminating the "undesirable" civil servants (except for BD BiH, where subjectivity is excluded in the procedure).

The conclusion is that the assessment of civil servants in Bosnia and Herzegovina generally does not fulfill its purpose: ensuring professionalism, quality and quantity of work, and motivation of the civil servant. On the contrary, it is potentially a mean of manipulation of direct supervisor or the political influence to the work of the individual, because the supervisor is a person appointed by the political, executive branch of government, and head of institution, in conjunction with the direct supervisor, gives the final grade. Furthermore, it is very interesting to examine the role and decision-making of the Civil Service Appeals Board (BiH, FBiH) or Appeals Commission (RS) in all cases of civil servants complaints.
regarding the appraisals. Again, different deadlines for appeals submission are legally defined (BiH, FBiH and BD BiH – 8 days, and RS – 15 days).

Table 6. Termination of Employment in the Civil Service

| BiH | 1) voluntary withdrawal from the civil service (on the day of reaching the agreement with the institution, unilaterally with a notice period of 30 days from the date of application);
|     | 2) 65 years of age and at least 20 years of service or 40 years of service regardless of age;
|     | 3) permanent working incapability;
|     | 4) loss of BiH citizenship;
|     | 5) acquiring the citizenship of another country in violation of the Constitution of Bosnia and Herzegovina and its laws;
|     | 6) overabundance;
|     | 7) expiration of the period which the Secretary with a special assignment was appointed on, in cases when the Secretary with a special assignment was not before the civil servant prior to the appointment;
|     | 8) refusal of taking the oath and/or signing the text of the oath;
|     | 9) unsatisfactory probationary period;
|     | 10) two consecutive negative performance appraisals;
|     | 11) condemning the criminal act that is sent to serve the sentence of imprisonment longer than six months;
|     | 12) imposition of a disciplinary measure of the employment termination in the civil service;
|     | 13) unexcused absence from work continuously for more than five working days;
|     | 14) finding that a person provided false information as evidence during the employment and which led to appointment in service/finding that, in the meantime, a person ceased to fulfill the conditions prescribed by law¹⁹²

| FBiH | 1) voluntary withdrawal from the civil service;
|      | 2) legal age for retirement, or respectively 40 years of service;
|      | 3) loss of BiH citizenship;
|      | 4) acquiring the citizenship of another country in violation of the Constitution of Bosnia and Herzegovina and its laws;
|      | 5) overabundance;
|      | 6) refusal of taking the oath of allegiance and/or signing the text of the oath of allegiance;
|      | 7) unsatisfactory probationary period;
|      | 8) two consecutive negative performance appraisals;
|      | 9) condemning the criminal act and absence from work in civil service due to

¹⁹² Article 50 of the Civil Service Act in the institutions of BiH (Official Gazette of BiH, No. 19/02, 05/03, 4/04, 17/04, 26/04, 37/04, 48/05, 2/06, 32/07, 43/09, 8/10 & 40/12)
| RS | imprisonment longer than six months;  
10) imposition of a disciplinary measure of the employment termination in the civil service;  
11) providing the documents or statements during the application for civil service admission, which are subsequently found to be false.  
1) death;  
2) upon the expiry of the employment contract;  
3) voluntarily by the civil servant;  
4) 65 years of age and at least 15 years of service or 60 years of age and 40 years of service;  
5) total loss of working capability – by the day of the valid decision of competent authority  
6) unsatisfactory probationary period;  
7) two consecutive negative performance appraisals;  
8) in case of the abolition or reorganization of the republic administrative authority or in case of the respected workplace abolition, if not assigned to another position within three months of unallocation;  
9) with the valid judgement to unconditional imprisonment of at least six months;  
10) the refusal of transfer or assignment when the consent of the civil servant is not required/unjustified refusal of transfer or assignment;  
11) no appearance at work within five days of the termination of work hibernation reasons or within 30 days of the termination of public office term;  
12) by failing to disclose or providing false information relevant to the employment during the employment process;  
13) refusing the deployment of a civil servant appointed by the government to the same or another position which is appropriate to the qualifications within three months of unallocation of the civil servant;  
14) due to a disciplinary measure of the employment termination.  
194 Article 86 of the Civil Servants Act (Official Gazette of RS, No. 118/08, 117/11 & 37/12) |

| BD BiH | 1) voluntary withdrawal from service on the basis of a written request from the civil servant of assistan civil employee;  
2) an agreement between the civil servant or assistant civil employee and Mayor, based on previous written request for employment termination;  
3) death;  
4) 65 years of age and 20 years of service or 40 years of service, regardless of age;  
5) by the date of delivery of the valid decision, to the employer, on determining the total loss of working capacity of the civil servant or assistant civil employee;  
6) permanent inability to fulfill his official duties due to health conditions;  
193 Article 51 of the Civil Service Act of FBiH (Official Gazette of FBiH, No. 29/03, 23/04, 39/04, 54/04, 67/05, 8/06, 4/12 & 99/15) |
<table>
<thead>
<tr>
<th>Condition</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>provided that the employer is unable to transfer the civil servant or assistant civil employee to other suitable position in the service;</td>
<td>7) loss of BiH citizenship;</td>
</tr>
<tr>
<td>7) loss of BiH citizenship;</td>
<td>8) acquiring the citizenship of another country in violation of the Constitution of Bosnia and Herzegovina and its laws;</td>
</tr>
<tr>
<td>8) acquiring the citizenship of another country in violation of the Constitution of Bosnia and Herzegovina and its laws;</td>
<td>9) overabundance and refusal to accept the position that was offered after the declaration of overabundance;</td>
</tr>
<tr>
<td>9) overabundance and refusal to accept the position that was offered after the declaration of overabundance;</td>
<td>10) negative appraisal of the probationary period (by the delivery day of the decision on service employment termination);</td>
</tr>
<tr>
<td>10) negative appraisal of the probationary period (by the delivery day of the decision on service employment termination);</td>
<td>11) two consecutive appraisals ‘does not meet the expectations’ (by the delivery day of the final decision on last appraisal);</td>
</tr>
<tr>
<td>11) two consecutive appraisals ‘does not meet the expectations’ (by the delivery day of the final decision on last appraisal);</td>
<td>12) validity of judgement for criminal act and absence from service due to imprisonment longer than 6 months;</td>
</tr>
<tr>
<td>12) validity of judgement for criminal act and absence from service due to imprisonment longer than 6 months;</td>
<td>13) valid disciplinary measure of employment termination in civil service;</td>
</tr>
<tr>
<td>13) valid disciplinary measure of employment termination in civil service;</td>
<td>14) unexcused absence from work continuously for five working days;</td>
</tr>
<tr>
<td>14) unexcused absence from work continuously for five working days;</td>
<td>15) not completing the test for work in administrative authorities in accordance with this Law;</td>
</tr>
<tr>
<td>15) not completing the test for work in administrative authorities in accordance with this Law;</td>
<td>16) finding that civil servant or assistant civil employee submitted counterfeit documents in the employment procedure (by the day of finding the fact);</td>
</tr>
<tr>
<td>16) finding that civil servant or assistant civil employee submitted counterfeit documents in the employment procedure (by the day of finding the fact);</td>
<td>17) learning that civil servant or assistant civil employee did not meet the conditions for the admission in the civil service prescribed by this Law in the moment of admission (by the day of finding the fact);</td>
</tr>
<tr>
<td>17) learning that civil servant or assistant civil employee did not meet the conditions for the admission in the civil service prescribed by this Law in the moment of admission (by the day of finding the fact);</td>
<td>18) learning that the barrier for the civil service admission existed in the time of admission (by the day of finding the fact);</td>
</tr>
<tr>
<td>18) learning that the barrier for the civil service admission existed in the time of admission (by the day of finding the fact);</td>
<td>19) upon the expiry of the employment contract, in the case of term employment;</td>
</tr>
<tr>
<td>19) upon the expiry of the employment contract, in the case of term employment;</td>
<td>20) if the civil servant or assistant civil employee was imposed by the valid safety measure or the protective measure of the court that is longer than 6 months (by the validity day of the judgement);</td>
</tr>
<tr>
<td>20) if the civil servant or assistant civil employee was imposed by the valid safety measure or the protective measure of the court that is longer than 6 months (by the validity day of the judgement);</td>
<td>21) if appointed to the public office, with direct or indirect election, in any legislative or executive authority at any level of government in Bosnia and Herzegovina, with the exception of senior civil servants and senior assistant civil employees that are terminated from the service at the moment of the confirmation of their candidacies for public office;</td>
</tr>
<tr>
<td>21) if appointed to the public office, with direct or indirect election, in any legislative or executive authority at any level of government in Bosnia and Herzegovina, with the exception of senior civil servants and senior assistant civil employees that are terminated from the service at the moment of the confirmation of their candidacies for public office;</td>
<td>22) in the conflict of interest cases prescribed by law;</td>
</tr>
<tr>
<td>22) in the conflict of interest cases prescribed by law;</td>
<td>23) other cases defined by a special law195</td>
</tr>
</tbody>
</table>

Lack of harmonization within the reasons and the number of explicitly set conditions for the termination of employment in the civil service, brings to unequal position the same category of public employees at various levels of government in Bosnia and Herzegovina, especially from the aspect of "continuity"

---

195 Article 117 of the Civil Service Act in the Public Administration Authorities of BD BiH (Official Gazette of BD BiH, No. 09/14 & 37/15)
of employment that is attributed to the civil service. An analysis of discrepancies applies only to the differences in the conditions for the termination of civil servants employment. It does not include possible differences in terms of employment termination of assistant civil employees or employees, while it is regulated by special regulations (except in the BD BiH, where they provide the same conditions for both categories). The consequences of unequal conditions for the employment termination in the civil service are such that too broad and not precisely defined legal formulations in all cases do not define that the status of civil servant ceases for instance in cases of death, loss of ability to work, loss of general health, a loss of ability, loss of the citizenship of Bosnia and Herzegovina etc.

Table 7: Professional Development and Training

<table>
<thead>
<tr>
<th>BiH</th>
<th>FBiH</th>
<th>RS</th>
<th>BD</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Decision on determining the implementation method of training and development of civil servants in the institutions of Bosnia and Herzegovina (Official Gazette of BiH, No. 35/14)</td>
<td>- Regulation on planning, organization and implementation of vocational education and training of the civil servants in the civil service in FBiH (Official Gazette of FBiH, No. 74/12)</td>
<td>- Framework for training of employees in the republic administrative bodies of RS for the period 2015-2018</td>
<td>- Rules on professional development and training (Official Gazette of BD BiH, No. 39/13)</td>
</tr>
<tr>
<td>- Plan and program of training/Training catalog (based on the analysis of strategic documents of BiH institutions, the proposal of the BiH institutions and trainees)</td>
<td>- Regulation on the criteria attaining the status of trainer in the civil service of FBiH (Official Gazette of FBiH, No. 74/12)</td>
<td>- Annual plan and program of trainings (based on the training needs of the civil servants in the republican administrative bodies)</td>
<td>- Strategy for professional training and education civil servants and assistant civil employees (3 yrs.)</td>
</tr>
<tr>
<td>- Strategy of training and development of civil servants 2013-2015</td>
<td>- Regulation on the criteria attaining the status of trainer in the civil service of FBiH (Official Gazette of FBiH, No. 74/12)</td>
<td>- Annual plan and program of trainings (based on the training needs of the civil servants in the republican administrative bodies)</td>
<td>- Program of professional training and education (Plan of training plan and Plan of professional education - for 1 year –based on data about the need to improve certain areas of work that are obtained in the professional appraisal of civil servants and work</td>
</tr>
<tr>
<td>- Regulation on the criteria attaining the status of trainer in the civil service of FBiH (Official Gazette of FBiH, No. 74/12)</td>
<td>- Strategy for training of employees in the administrative bodies in FBiH 2016-2020</td>
<td>- Catalog of training programs (for 1 year; based on a</td>
<td></td>
</tr>
<tr>
<td>- Catalog of training programs (for 1 year; based on a</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

578
Also, regarding the professional education and training of civil servants, as a continuous process of their development, not harmonized approach is notable concerning the regulation, strategic planning, identification of training needs and target groups (civil servants or civil servants and assistant civil employees). Civil Service Agency/Civil Administration Agency/ Subdivision for Human Resources play a key role in continuous education aimed at improving knowledge of each category of employees in administrative bodies, but by acting such key role in all segments of the professionalization of the civil service: the procedures of admission, career development, performance appraisal, disciplinary actions, etc. In the context of deficiencies in the current implementation of professional education and training the following can be listed: insufficient funding, insufficiently developed mechanisms for the evaluation of trainings, inadequately equipped rooms for training sessions and outdated equipment, incomplete approach to vocational education and training (not including assistant civil employees and employees), inadequate determination of training needs ("correspondence to the offer and not to necessity", the comparison of undertaken and planned training shows relatively frequent repetition of the same topics and instructors), inadequate monitoring of the trainings effects of training to practical experiences and so on.

CONCLUDING REMARKS

In the context of the reform of the traditional civil service, it has generally been stressed out that the basic problem of the public sector management is system, and not civil servants. This brings us to the conclusion that the reform of public administration’s organization, combined with improvement of its functionality

---

196 Civil Service Agency of FBiH has the Strategy and Catalog for training the employees in local self-government units for the period 2016-2020; more details at: www.adsfbih.gov.ba

197 The SWOT analysis of internal and external factors concerning the development of Training System was performed for the Strategy for training of employees in the administrative bodies in FBiH for the period 2016-2020 (available at: www.adsfbih.gov.ba)

198 More details on the basic problems in civil training system are available in the Training framework of employees in republic administrative bodies of RS at: www.adu.vladars.net
elements, within the framework of already available civil service personnel, can lead to a significant modernization of public administration.

Public administration’s bad image is mostly attributed to the functional aspect of the classic “bureaucracy” rather than shortcomings of the organizational structure, and therefore the aspect of civil service reform is primary in relation to the simplification of a vast and complex organization chart of the public administration. However, the theory of the organization indicates a major impact of the public administration’s organizational factors to the human resources management, in particular to the: motivation, innovation, flexibility, efficiency and effectiveness as the final outcomes of a successful reform of the civil service. So, the cohesion of the organizational and functional reform of public administration deeply permeates the total “being” of the public administration and is necessarily comprehensive in order to be successful. The process of engagement and level of competitiveness in the employment process of civil servants, categorization of civil servants, conditions of employment, working conditions, and career promotion are determined by the so-called "System of state governance", which eventually produces the desired and obtained profile of a civil servant.

SIGMA Principles of Public Administration in the area section of human resources management include: a policy framework and legal framework to ensure a coherent and professional civil service, and institutional arrangements for consistent human resources management; the principle of merit and equal treatment in all stages of employment; the conditions for appointing the employee to a lower position and termination of employment are clearly established; inability of direct or indirect impact on senior management positions in the civil service; fair and transparent salary system based on jobs systematization; the assurance of regular professional training of civil servants; fair professional appraisal; mobility and promotion on the basis of transparent and objective criteria; measures to prevent corruption, promote integrity and ensure discipline in the civil service.

In principle, ostensibly and partially, the legal regulations are providing the application of some of the SIGMA principles. However, the primary conclusion is that in Bosnia and Herzegovina the fragmented systems of the civil service exist and are regulated by the regulations that are unnecessarily different in their content regarding all aspects of human resources management, with the standard of
mediocrity and not exceptional civil servant, and the included segment of the
politicization of the senior civil servants appointment (according to the last
amendments in FBiH directly to senior positions and indirectly to other civil
servants), alongside of the Civil Service/Civil Administration Agency
minorization, and inadequately planned and uniformed professional education and
training, and possible unfair professional appraisals by the direct superior or head
of the institution. All these disadvantages exist in the legal framework containing
the non-objectified criteria and rules that that "fail and allow” the corruption to the
extent that it becomes a "culture of behavior” of the average civil servant.

Fair and transparent salary system for civil servants is established at single level of
government throughout the salary grades within the jobs systematization, and with
regard to all other levels of government there is a possibility and practical
consequence that civil servants who are performing the same duties in public
administration, but in various levels of government, to be classified in different
salary grades and be rewarded unequally.

Since the laws are the basic legal acts for functioning of the civil service at all
levels of government in Bosnia and Herzegovina, their review and analysis
together with the bylaws, compared with the SIGMA Principles of Public
Administration that are related to human resources management, lead to the
inevitable conclusion that the existing legal acts in its implementation absolutely
do not provide guarantees for not even the reform direction, and particularly not
for the reform measures regarding the central category of public employees – the
civil servants. The legal framework itself, indicates the existence of a high degree
of non-uniformity of legislation, the civil service politicization within the civil
servants enrollment procedures, the limited public competition during the selection
of candidates, legal vacuum and non-objectified criteria that allow the influence of
corruption, inadequate role of the Civil Service/Civil Administration Agency in
the essential aspects of the civil service professionalization.

In conclusion, unsuccessful and limited reform processes in the field of human
resources management are\textsuperscript{199}:

- the lack of harmonized legislation on civil service;

\textsuperscript{199} For more details see the analysis of the Initiative for BiH European Integration monitoring at:
www.eu-monitoring.ba
- the lack of uniformity in understanding the civil servants and other categories of public employees, - inequality of enrollment conditions, inequality in access to positions, lack of legal assumptions for the selection of the most successful candidate, the possibility of politicization, corruption and nepotism in the application procedures for the admission to the civil service;

- uneven system of salaries and conditions of the employment termination in the civil service for the same performance at all levels of government;

- inadequate, weak and secondary role of the Civil Service/Civil Administration Agency in key aspects of human resources management in the civil service; - the absence of a general, common policy of human resources development in the civil service; and- limited developments in performance appraisals and professional trainings of civil servants have been transformed into the general negative citizen perception about the state of public administration in Bosnia and Herzegovina.

The problem of "this system" is primarily a problem of totality, which does not exist, and the problem of a common direction and goal, which is completely vague or absent. Daily decisions of mandated officials in the form of legislation began to create the conditions for the long-term damage and the European way, but in reverse.

REFERENCES

Civil Service Act in the institutions of BiH (Official Gazette of BiH, No. 19/02, 05/03, 4/04, 17/04, 26/04, 37/04, 48/05, 2/06, 32/07, 43/09, 8/10 & 40/12)

Civil Service Act of FBiH (Official Gazette of FBiH, No. 29/03, 23/04, 39/04, 54/04, 67/05, 08/06, 04/12, 99/15)

Law on citizenship of FBiH (Official Gazette of FBiH, No. 43/01, 22/09 & 80/11)

Civil Servants Act (Official Gazette of RS, No. 118/08, 117/11 & 37/12)

Civil Service Act in the Public Administration Authorities of BD BiH (Official Gazette of BD BiH, No. 09/14 & 37/15)

Law on Salaries and Allowances in the Institutions of BiH (Official Gazette of BiH, No. 50/08, 35/09, 75/09, 32/12, 42/12, 50/12, 32/13, 87/13 & 75/15)

Law on Salaries and Allowances in the FBiH Authorities (Official Gazette of FBiH, No. 45/10 & 111/12)
Law on Salaries of Employees in the Administrative Bodies of RS (Official Gazette of RS, No. 118/07 & 116/09)

Law on Salaries of Employees in the Administrative Bodies of BD BiH (Official Gazette of BD BiH, No. 14/06, 41/06 & 3/13)

Bylaws

Decision on jobs categorization in public administration authorities of Brcko District (Official gazette of BD BiH, No. 10/15)

Rules on advertising, candidate selection, transfer and appointment of civil servants in the case of a transfer or taking over the jurisdiction by the institutions of Bosnia and Herzegovina (Official Gazette of BiH, No. 27/08, 56/09, 54/10 & 70/12)

Decision on taking public and professional examination (Official Gazette of BiH, No. 96/07, 43/10 & 103/12)

Rules on taking public examinations (Official Gazette, No. 28/08, 18/12)

Decision on conditions and means for employing trainees with level VII qualifications in the institutions of Bosnia and Herzegovina (Official Gazette of BiH, No. 52/05, 102/09 & 9/15)

Instruction on conditions and means for awarding extra points during the implementation of an open competition (Official Gazette of BiH, No. 51/04)

Decision on conditions and procedure in the case of improper appointment of civil servants in the institutions of Bosnia and Herzegovina (Official Gazette of BiH, No. 103/12)

Rules on unique criteria, norms in the process of nomination and appointment of civil servants in the civil service authorities of the FBiH (Official Gazette of FBiH, No. 4/13)

Rules on unique criteria and selection and recruitment procedure for trainees with university degree in the Federation of BiH civil service (Official Gazette of FBiH, No. 4/13)

Regulation on the conditions, means and program of taking the general knowledge and professional exam for the civil service candidates in FBiH (Official Gazette of FBiH, No. 69/06; 78/06; 63/08; 27/14)

Rules on unique norms and procedures of public competition for employment and appointment of civil servants (Official Gazette of RS, No. 68/09 & 24/15)

Program for professional training and means of taking the exams for trainees in the administrative bodies of RS (Official Gazette of RS, No. 43/09)

Regulation on professional exam for work in the administration of RS (Official Gazette of RS, No. 68/11 & 7/15)

Rules on employment (Official Gazette of BD BiH, No.33/14)
Rules on the means of performance appraisal of the civil servants in the BiH institutions (Official Gazette of BiH, No. 59/11)

Rules on performance appraisal of civil servants in the civil service of FBiH (Official Gazette of FBiH, No. 62/11 & 89/13)

Rules on performance appraisal and promotion of civil servants and assistant civil employees (Official Gazette of RS, No. 43/09)

Rules on performance appraisal (Official Gazette of BD BiH, 2008)

Decision on determining the implementation method of training and development of civil servants in the institutions of Bosnia and Herzegovina (Official Gazette of BiH, No. 35/14)

Regulation on planning, organization and implementation of vocational education and training of the civil servants in the civil service in FBiH (Official Gazette of FBiH, No. 74/12)

Regulation on the criteria attaining the status of trainer in the civil service of FBiH (Official Gazette of FBiH, No. 20/13 & 81/15)

Rules on professional development and training (Official Gazette of BD BiH, No. 39/13)

Internet sources

Official website of SIGMA (www.sigmaweb.org)

Official website of BIH Public Administration Reform Coordinator's Office (www.parco.gov.ba)

Official website of the BIH Civil Service Agency (www.ads.gov.ba)

Official website of FBIH Civil Service Agency (www.adsfbih.gov.ba)

Official website of the RS Civil Administration Agency (www.adu.vladars.net)

Official website of the BD BiH Government (www.bdcentral.net)
Fear of Crime in World Refugee Crisis:  
The Role of Media

Ena Kazić  
University of Travnik

ABSTRACT

Media in contemporary society has extremely important role and it can contribute in creating and shaping numerous social phenomena. In this article the author analyses the role of media in emergence and evolution of fear of crime. In other hand, fear of crime can contribute in actual crime, through the acts undertaken by people who have fear of crime and which acts they find as the best method of fight against the thing that they have fear of. World refugee crisis is part of our present and related to that Author analyses sensitive ways of media reporting in offences committed by migrants and correlation between those reports and deepening intolerance that can result with criminal acts.

Keywords: Media, Crime, Migrants, World Refugee Crisis, Reporting, Fear of Crime.
1. INTRODUCTION

We are living in a period of mass migrations and of a World Refugee Crisis. The matter of migrations got politicised and among countries there are strong divisions regarding the issue of refugees. Some of them welcome refugees and some of them try to avoid their entrance to the state. Fear of crime can have influence in perception of refugees. That fear is very important humans’ psychological dimension and it is growing and it is deepening along with the deepening of refugee crisis. In this article we will firstly make a review of fundament surveys about general fear of crime with the aim to understand the causes of this fear and it’s importance in a life and afterwards, we will try to find connection between media and fear of crime. Since media in all its forms has extensive power in creation of public opinion, in this article we will try to show the role of media in emergence of fear of crime during the World Refugee Crisis.

2. DAILY OUR FEAR

Fear of crime is not something new for the society, but yet it is something relatively new for the science since the efforts to explain this fear started to develop in 1960’s. Both the fear and scientific research of it, escalated by time. Fear itself have lost it’s borders and objects. Today everybody fears of being victimised. The crucial point of that fear is that it has big influence in a quality of life.

According to Petrović and Meško (2004), the fear of crime is the prime fear of all fears. In an attempt to define this psychological condition, we will use Ferrara’s view on the fear of crime. According to him, this “fear is a factor that indicates humans concern of their own safety and the feeling that they can’t prevent their own victimization of crime”. (Bug et al., 2010) That means that the fear of crime consists of two elements: concern of safety and feeling of being unable to prevent the suffering. Both concern and feel of incompetence are emotional reactions and that emotional element of fear causes the problem related to the research of fear of crime in general. Even though the fear of crime is very important and real social phenomena, it is subjective since the object, motive and dimension of fear varies from person to person.
2.1. Measurement of Fear of Crime in General

Having that in mind, measurement of fear of crime\textsuperscript{200} is specially related to sex and age of person who feels the fear (Vilalta Perdomo, 2010). Smolej’s (2006) research in Finland showed that respondents over 55 years of age express high level of fear for walking alone in neighbourhood at night. Women are more fearful of being victimised of street violence than man.

In other hand, Perdomo’s research showed that men are more fearful for the safety of their wives, women are more fearful for themselves. Some people are afraid of being victimised outside, some people are afraid of being victimised in their own private place. Finally, young people are more afraid of being victimised than the older ones; unemployed are more fearful than employed ones (Vilalta Perdomo, 2010).

Even though being subjective, the fear of crime it is quite related to objective elements of society. There are three elements that have immense influence at the fear:

- Earlier victimization;
- Degree of trust in local police;
- News contents.

This shows us that the efficiency of work of police and the content of news, which are objective elements of society can result with subjective sensation as a fear of crime. Finally, it’s interesting to mention the results of Bug’s survey (2010), that shows that “people are particularly anxious in areas where there is actually no significant threat”.

2.2. Nature of Fear of Crime in World Refugee Crisis

After having in mind the facts about the fear of crime in general, it’s very important to define the nature of fear of crime in World Refugee Crisis. Compared with general fear of crime, this fear is of a special nature. It is predisposed by factor of time (during the World Refugee Crisis) and social changes that come along with it. The fear itself can be real and surreal, it can have a real cause, but

\textsuperscript{200} Fear of crime has been measured by examining degree of worry about becoming a victim of different types of crime.
sometimes it can be predisposed by stereotypes and social influences that can exclude objectiveness and include only subjective elements of fear.

Within the process of migrations there is a great mobility of people. That mobility leads to less predictability of behaviour (Smolej and Kiviviouri, 2007). Migrants that enter in new social surrounding are new to it. Very often they bring their own cultural and social standards and habits. Those habits can be incomprehensible for the locals. Big differences between locals and migrants and unpredictability of their future actions can generate the fear in locals. They show concern to their property, but also a fear of being victimized by sexual or other violent offences.

3. CONNECTION BETWEEN MEDIA AND THE FEAR OF CRIME

Earlier in this article we stated that content of news can be very important factor of fear of crime and itself involves media in the subject of the Fear. “Media is transmitter of information that are created for numerous and anonymous audience” (Bošković, 2006). Without any doubt media in all its’ forms has great impact into humans life and into creation of public opinion. Moreover survey shows that media has big influence on youth, specially in creation of their valuable opinions. Gerver and Gross are authors of the Cultivation hypothesis which proves that TV shapes and misshapes the audiences’ conceptions of the real world, specially related to criminality.201

Media and the knowledge about crime are closely connected. People most often receive information about the crime through media since it has been noted to be one of the central source of information related to crime.202 It is extremely important to be well informed about crime and we can say that without any doubt media are helpful in prevention of crime. If a person knows where the danger is, then she/he will avoid the problematic situation, place or person.

---

201 This hypothesis was criticised from Doob and McDonald who opposed to it, and they stated that people are not more scared because the content of media, but because the fact they live in dangerous neighbourhood. Their view however is not applicable in situations if people live in peaceful and safe neighbourhoods (Heath and Petratis, 1987).

202 According to Smolej, few people have actually experienced crime or criminal victimisation. The rest of them feel fear of crime due to the content of informations recieved through media.
The problem though, which hereby we want to emphasise, is in the objectiveness of media reporting of crime in general and particularly of media reporting of crime in World Refugee Crisis. Even though it is very useful, media reporting of crime in general doesn’t always correspond to the real level of crime. That means that media sometimes report of increasing crime even though the crime level remains the same.

Smolej (2007) for this problem blames sensationalism in news topic and the fact that the press is commercialised. According to her, the impact of sensationalised media into human mind can be explained by four hypothesis:

- **Substitution hypothesis** – the ratio is in the fact the less is the people’s experience of crime, the bigger is impact of media information about the crime;
- **Resonance hypothesis** – is based on the fact that when the media effect is more significant, the reflect of personal experience is even bigger;
- **Individual vulnerability hypothesis** – more the audience is vulnerable, more the sensational media report of crime is effective;
- **Affinity hypothesis** – the more similarity with the victim is, the bigger fear of crime becomes and the news is more effective.

These hypothesis can help us understand how media reporting and fear of crime can be in a very close connection. But that also makes us understand how much is important to report correctly, objectively, with the aim to meet the audience with the real life and world that surrounds it, not with the aim to transfer just politically or ideologically wrapped subjective information, nor just to write sensational overpriced information with the aim to sell the paper more quickly or to get high ratings.

**4. IS THERE A PROBLEM WITH MEDIA REPORTING IN WORLD REFUGEE CRISIS?**

The objective fact is that the latest figure for 2015 marked an increase of 693 thousand first time applicants of asylum than the year before, and that number compared to 2014 doubled. They seek for asylum in Europe, and they mostly some from Syria, Afghanistan, and Iraq, and less from Pakistan (Eurostat). Humanity is
Facing with the biggest challenges of them all – how to handle this situation in the best possible way?!

World Refugee Crisis is subject of daily reports in media. Information varies from the current number of migrants, critical situations at the borders, tragic suffering of migrants in their path of finding the Promised land. Some reports cover topics of crime committed by migrants. Objective way of reporting that crime is something commendable and desirable for a society, but sometimes between lines, other adjectives that don’t include journalist’s objectiveness, can be red. Sometimes even not between lines but in front pages!

It is not uncommon now days to read an article in which refugees are strictly connected with their culture and generalised to be criminals. For example, one act of rape for the New Years Eve in Germany let few local media to call Syrians “rapists”. Moreover, in the blog www.smh.com.au, the national affiliation was equalized to religious affiliation so that the article entitled “Muslim Refugees are committing this sick crime and getting away with it”. That speech involves hate speech as well.

It is not uncommon that media in reporting about refugees use the term illegal migrants. “According to international documents refugees have right to go across the border of other countries without being punished and there is nothing illegal about it”. The term “illegal migrant” itself can increase the fear of crime and homophobic feeling towards the migrants along with it. The same effect makes term “unwanted invader”. Can media decide that they are unwanted and why are they invaders if using their human right?

It is seen that when reporting about crime committed from refugees media make sensational news. Having migrants in one country is not a new phenomena and migrants actually as well as locals can commit a crime. That is not something unusually. After all Criminology as a science gave us theories about causes of crimes committed by migrants. And again, as we said before, daily reporting

---

203 Refering to rape.
205 For example The Sun’s employee Katie H. Calls refugees „cockroaches“. (Cashmore, 2014)
206 www.media.ba
207 Very interesting ideas of causes of crime committed by migrants are offered in various cultural, social and economic criminological theories. For example according to Dollards *Frustration*
about crime can prevent the crime. But finding middle path in reporting is needed if publicist doesn’t want to cause homophobia. For example at the *German news in English*, the article was published in which the rates of crime in Germany were offered. And one of the rates was rate of crime committed by refugees. Subtitle of that article was “Refugees and asylum seekers were responsible for less than 4% of sex crimes committed in Germany last year”. That number of cases is truly alarming. But afterwards it was said that total number of the sex offences in Germany for 2015 year was 47 000, and number of offences committed by migrants was 1 688. Actually, the rate is 3,6% not 4%. In the article the accent was given to the rate of migrant’s crimes and not to alarming rate of sex offences in general. That information can cause fear of sex crime where as a perpetrator is expected to be migrant, even though 96,4% of perpetrators of sex crimes in Germany for that year were locals.

Homophobic ideas can even escalate in fight and disorder between migrants and locals. For example 14 Poles were arrested in Sweden under suspicion for planning attack on refugees with iron pipes and axes. Sometimes media reports can give space to development of homophobia. In Daily Telegraph’s article “Tear gas and water were used by police to control about 300 asylum seekers who were attacking the fence with weapons about 9 p.m. last night”. (Kovačić, 2010) S. Parker criticised this article by showing that asylum seekers

---

*theory*, the sense of frustration due to bad economic and social position can cause a migrant to commit the crime. Hirshays’ *Theory of social bonds* explains migrants crime in fading social bonds. When migrant arrives to the new social surrounding and while being away from family and friends, his social bonds are less effective. Social bonds are ones that made him to obey the social rules and their fading is giving him a chance to do illegal action. In a third hand, *Theory of cultural conflict* gives emphasis to cultural groups. When being away from his custom social and cultural surrounding, it can be difficult to migrant to enter in a new cultural or social group. Every cultural group has it’s rules and it is quite shut. Then migrants create their own new cultural groups whose members have immense bond and their create their new rules that can be different from the rules of domestic cultural groups and can even be in conflict. That as well can make a migrant to commit a crime. Finally, from economic point of view, Beckers’ *Economic theory of crime* shows us that migrants have unequal possibility for getting a job than domestics. Bad economic situation and a need to survive can result with a crime.

A similar situation was seen in Sweden, where bombastic title was written: “European Refugee Crisis in Sweden: 1% of Swedish Crime Involved Asylum – seekers” by Adam Lidged.
were presented as criminals and people who need to be controlled, and tear gas as the only method of communication with them.

5. CONCLUSION

It is quite clear that media and fear of crime are nearly connected. Examples given in this article show few of many cases where media reporting of crime in World Refugee Crisis is very sensationally written and sometimes can result not only with the fear of crime, but that fear can cause homophobic perception of refugees. Objective reporting of reality is something very needed now days. Every journalist should have in mind that the border between sensationalistic reporting in one hand and giving space or creating preconditions for homophobia is very thin. That brings us to conclusion that journalist have to have in mind main rules of their profession and how important their profession is for creating public opinion (and even fear of crime).

Surveys about main causes of crime committed by migrants show that one of major ones is their incapability of social integration and adaptation in the new surrounding. Not every migrant will ever commit a crime. Nothing should be generalised so not all migrants should be shown as dangerous, nor unwanted persons. Special daily report where migrants are mentioned in negative connotation and where only their crime is emphasized is not a path to take. Instead of that, objective reporting of crime that involves both rates of crime perpetrated by locals and migrants would be desirable. Media should establish programs that show that refugees are not tabu nor the ones that should be “kept out”. Those steps will help migrants to socially integrate and to prevent them of committing crimes in a first place.

REFERENCES

Bošković, Milo. (2006) Kriminologija, University of Novi Sad, Faculty of Law. Novi Sad;


Petrović, Borislav and Meško, Gorazd. (2004) Kriminologija. University of Sarajevo, Faculty of Law, Sarajevo;


Saxena, V.: *Muslim Refugees Are Committing This SICK Crime and Getting Away With It*,www.sidneymorningherald.com, retrieved 06.04.2016;
