FEAS RESEARCH E-BULLETIN

December 2014
This third issue of FEAS E-Research Bulletin covers the names of PhD students that are graduated from our faculty between Spring 2013 and Spring 2014, the names of their advisors and co-advisors, and the title & abstract of their dissertations.

I kindly acknowledge the Director of Graduate School of Social Sciences Prof. Dr. Meliha Altunşık, our faculty staff Volkan Akşit, and our assistant Emre Demirezen for their help to publish this issue. Our research bulletin will be available three times a year and we hope it contributes to our information about our faculty members’ research activities and leads to future cooperative works.

Prof. Dr. Özlem Özdemir Yılmaz
FEAS Associate Dean
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published within METU FEAS
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Title
EMPIRICAL ANALYSIS OF THE RELATIONSHIP BETWEEN ELECTRICITY DEMAND AND ECONOMIC UNCERTAINTY

Supervisor
Assist. Prof. Dr. Esma Gaygısız Lajunen

Summary
The determination of the factors that influence electricity demand and the estimation of price and income elasticities are very crucial for both effective policies and consistent demand projections. The purposes of this dissertation are to investigate the determinants of electricity demand, to obtain the price and income elasticities, and to examine the effect of economic uncertainty/volatility on the electricity demand. We model electricity demand as a function of electricity price, income, urbanization ratio, weather variables, and economic volatility. This dissertation includes two panel data applications: one for the panel of provinces of Turkey covering the period from 1990 to 2001, and another one for the panel of 27 OECD countries over the period between 1985 and 2007. We employ panel data techniques. In order to check for the robustness of our results, we use different proxy measures of economic uncertainty obtained from the estimation of ARCH/GARCH models. Results show the positive significant effect of the industrial production volatility on the electricity consumption of Turkey, and the significant adverse short run impact of oil price volatility on the electricity consumption of OECD countries. In addition, based on the results, such as the presence of feedback effects between energy and economy and limited responsiveness of electricity demand to electricity prices, as well as, considering environmental issues and supply security, accompanying to the pricing policies, the countries should give priority to the energy efficiency programs, diversification of energy resources, environmentally friendly clean electricity generation technologies, and transformation of their industries to the less-energy intensive structure.
Author
Anlar, Aslıhan

Title
SECURITY IN THE BLACK SEA REGION: CONTINUITY AND CHANGE

Supervisor
Prof. Dr. Mustafa Türkeş

Co-supervisor
Assoc. Prof. Faruk Yalvaç

Summary
This thesis analyzes how a relative security in the Black Sea Region has been established and sustained since the end of the WWII by adapting international structure understanding of Neorealist theory to regional structure. In the Region, there has been a Soviet/Russian sphere of influence and special relations between the USSR/RF and its subordinates shape both the distribution of capabilities and the ordering principle of the regional structure. In the Black Sea Region, the distribution of capabilities has not been unipolar since the beginning of the Cold War due to the presence of Turkey, which has been the US ally country. The ordering principle has been anarchical hierarchy within anarchy because of the co-existence of subordinate states of the different great powers. This regional structure has been effective in enhancing or terminating regional security because it affected the policies of the regional and the non-regional actors that could destroy or maintain regional security. In this thesis, from 1948 (beginning of the Cold War) to 2012; in main three periods, security situation of the Region, regional structure, sphere of influences in the Region, security situation of international system and relations between great powers are defined and then, relationship between regional structure and regional security is laid down. In all periods, how regional structure affects policies of regional and related non-regional actors and how this web of relations and position affects regional security is shown.
During the Cold War period, NATO has been the primary organization that links the US and Europe on defence and security matters. European and Transatlantic forces have been very content with stable and extraordinarily predictable security environment. Nevertheless, after the demise of common perceived threat and with the emerging unpredictable threats and upheavals the security environment has become unpredictable. Moreover, the crises in Bosnia and Kosovo have provided dramatic confirmation of European weaknesses with regards to adequate military capabilities in the new security environment. The conflicts in Europe’s own backyard sharply manifested that without making an effort to improve its military capabilities, Europe’s influence and responsibility for ensuring its own security and stability would remain to be very restricted. These concerns led respectively to the emergence of the European Security and Defence Identity (ESDI), the European Security and Defence Policy (ESDP) and recently after the Lisbon Treaty the CSDP, parallel to transformation of NATO’s military capabilities. Although Europe’s military capabilities gap, the EU has embarked upon CSDP project. Therefore it is really interesting to see “How is the evolving process of the CSDP affecting itself and NATO in terms of transatlantic air forces’ capability gap?” The thesis argues that the EU has indulged in a path where turning back or turnover is really difficult and inconvenient. The current CSDP structures seems to be locking-in the EU member states in the process of security and defence integration by continuous collaboration and cooperation. Given the established structures and completed/ongoing missions of CSDP, the CSDP project will continue to evolve although its current shortfalls and its capability gap. Nevertheless, the capability gap will affect to a great extent the operational capability (scope & range) of the EU member states. Moreover, the capability gap will affect the operational capability and harmony of the NATO as well. But the latter effect would not be as much as the first one as long as the US remains and stays in the organization of NATO, since it takes much of the burden.
Author
Arıner, Hakkı Onur

Title
INSTITUTIONALIZATION OF HUMAN RIGHTS IN TURKEY: EXPERIENCES AND PERCEPTIONS OF WOMEN’S HUMAN RIGHTS ACTIVISTS AND STATE OFFICIALS

Supervisor
Prof. Dr. Feride Acar

Summary
This thesis contends that human rights advocates’ dismissal of attempts by the state in Turkey to institutionalize human rights since the 1990s as insincere or as efforts to delimit and control human rights advocacy is informed by the dominant historical narrative that posits a center-periphery dichotomy as key to explaining Turkey’s democratization process, as well as the actual experiences of the state’s failure to tolerate autonomous human rights institutions. This dismissal is contested on theoretical and practical grounds. A case is made in support of seeing actors as manifestation of past and present relations acted out in specific contexts and thus eschewing characterizations across space and time that reify social actors. In-depth interviews with representatives of the state and civil society organizations in 17 provinces, on the other hand, reveals that despite state selectivity, women’s human rights advocates in the East have managed to turn Provincial and Human Rights Boards into local platforms for deliberation and networking, positively contributing to the protection of women’s human rights. The thesis argues that human rights advocates should support the continued operation of the Boards and its contribution to the functioning of the Human Rights Institution of Turkey due to its long experience of bringing a diverse set of actors together in dealing with individual applications at the local level.


_Author_
Başak, Zeynep

_Title_
PERSISTENCE OF INFORMAL EMPLOYMENT IN TURKEY

_Supervisor_
Prof. Dr. Erol Taymaz

_Summary_
The primary aim of this study is to examine the persistence of informal employment in Turkey and to test two hypotheses proposed by labor market segmentation theory (LMS) which suggest that there are persistent wage, security, working conditions, and control mechanisms differentials between the various segments of the labor market and the labor mobility between the segments is limited. In doing so, two data sets have been utilized: the Household Labor Force Survey (2006-2011) and the retrospective labor market history survey we have conducted. The findings of the three main essays, in addition to the one where the different conceptualizations of the informal sector have been discussed, confirm the segmented nature of the Turkish labor market. Specifically, by investigating the determinants of labor force participation decision and wage inequality in Turkey, the first essay provides clues on the segmentation between formal and informal employment due to the substantial wage differences between them. The second essay investigates the effect of variables over which one has no control on the degree of inequality of earnings in Turkey. The results reveal that gender accounts for the largest share of opportunity inequality. The last essay is devoted to analyze labor market transitions across four labor market states: formal employment, informal employment, non-employment, and out of labor market/schooling. The existence of limited labor mobility between formal and informal employment is verified through the computation of transition probabilities of individuals and the estimation results of a multi-state multi-spell competing risks model.
Author
Başdaş, Ülkem

Title
EVENT STUDY METHODOLOGY FOR THE BORAŞA İSTANBUL

Supervisor
Assoc. Prof. Dr. Adil Oran

Summary
The primary research question of this thesis is to try to determine the appropriate event study methodology for studies carried out on the Borsa Istanbul. In order to find the most appropriate methodology we compare the performance of different models (mean adjusted returns, market adjusted returns, market model) in the Turkish Stock Market with two parametric (portfolio time-series standard deviation test, Patell test) and two non-parametric tests (generalized sign, generalized rank tests) under different return definitions (log versus arithmetic), sample sizes, event windows, and clustering. Also, the sensitivity of results to time period, different databases (Datastream versus Matriks) as well as statistical tools (Excel macros versus Stata) are considered. This thesis basically follows the experimental design of Brown and Warner (1980; 1985) (BW, henceforth) but modifies the test statistics in line with the current developments. According to the results on Turkish stock market data of 471 securities over 1988-2012, similar to the findings of BW, the mean adjusted returns do not cause a severe specification and power problem under certain circumstances, but in case of clustering, the results suggest not to use the mean adjusted returns. In most of the cases crude adjustment test is well-specified. Besides, samples with larger number of securities and shorter event windows are preferred for the power of tests. Shortening the time period does not affect the results whereas using a different database can cause changes in specification and power.
**Author**
Bülbül, Onur

**Title**
HEGEMONY IN THE AGE OF GLOBALISATION AND GOVERNANCE BY THE EUROPEAN NEIGHBOURHOOD POLICY: IS THE EU BECOMING AN INFORMAL HEGEMON IN THE MAGHREB BY MEANS OF THE ENP?

**Supervisor**
Assoc. Prof. Dr. Sevilay Kahraman

**Summary**
Hegemony refers to the ultimate form of dominance over the international system as well as over actors operating in the system. Yet, the pressures of globalisation over the state as it used to be the sole legitimate authority and over the system necessitated a redefinition of old concepts. In this context, the conceptualisation of neoliberal hegemony referring to the global domination of neoliberal ideology divorced hegemony from the agent as its exerciser and defined hegemony as the dominance of values. Informal hegemony, as the novel concept created with this thesis, attempts to bring in the agent to the definition of the term. As a concept defined within the neoliberal system, informal hegemony refers to regional domination of an actor over necessary power structures by effective external governance mechanisms. Accordingly, effectiveness of a governance mechanism is measured by the degree of power it grants to its beholder over the structures of IPE in a region. In this context, an analysis of the degree of power that the ENP grants to the EU in the Maghreb demonstrates that, although in varying degrees - the regulatory convergence taking place in the Maghreb countries towards the EU acquis generated a process to transform the EU into an informal hegemon via the ENP in the region.
Summary  This thesis proposes a suite of models, which are a set of independent but complementary models, for conducting a macro stress test of credit risk for the Turkish banking sector. First model links financial stability to macroeconomic stability and estimates the relationship between macroeconomic variables and macrofinancial variables within a VAR framework. Second model employs static and dynamic panel data techniques to regress nonperforming loans to these macroeconomic and macrofinancial variables. With a view to the possible nonlinearities inherited in macroeconomic and financial series, nonlinear VAR and panel data models are considered. We also use alternative scenarios to test resilience of the banking sector. In a nutshell, we find that nonlinear models perform better than linear models and the banking sector is resilient to external shocks under the proposed scenarios.
Author
Demirhan Atabek, Aslıhan

Title
EXPORT BEHAVIOR OF THE TURKISH MANUFACTURING FIRMS, 1989-2010 PERIOD

Supervisor
Assoc. Prof. Dr. Hakan Ercan

Summary
Using firm-level data of manufacturing sector during the period 1989-2010, this thesis explored the export behavior of firms in Turkey. Up to date, Turkey’s export performance has been analyzed from macro perspective extensively. However, far too little attention has been paid to firm-level analysis contrary to ongoing and growing empirical literature. The preliminary analysis revealed the superiority of exporting firms. Both self-selection and learning-by-exporting are found to be valid explanation for the source of this observed export premium. Dynamic discrete choice model results provide supportive evidences for the existence of sunk-costs. Besides, it is observed that sunk-costs varied during the crises. Sunk-costs not only shape export decision but also affect timing decision. The exit and entry dynamics of the firms has been studied using duration analysis. Results showed self-selection of less profitable firms into export markets and importance of non-price competition for the survival of exporters. Impact of crises on export behavior has been examined by regarding extensive and intensive margins of exports separately. The findings implied that for 1994 crisis increase in extensive margins, for the case of 2001 crisis increase in intensive margin and for 2008 crisis decline both in extensive and intensive margins of exports dominated. This thesis makes several noteworthy contributions to the existing literature. First, it contributed to the ongoing and growing empirical literature using Turkish data. Secondly, unlike, existing studies that investigate single feature of the export behavior, in this thesis, using different approaches the issue has been analyzed extensively. Moreover, using advantage of the data set and Turkish economy, the impact of different types of crisis on export behavior has been analyzed and contributed to the literature that studies the impact of shocks on export behavior.
Author
Doğangün, Gökten

Title
FROM EARLY MODERNIZATION TO AUTHORITARIAN POLITICS: GENDER CLIMATE IN TURKEY AND RUSSIA

Supervisor
Prof. Dr. Ayşe Ayata

Summary
This dissertation attempts to examine how and why the gender politics has transformed towards neo-conservatism in Turkey and towards neo-traditionalism in Russia in the recent decades. Despite a long history of women’s rights in both Turkey and Russia, neo-conservative and neo-traditional approaches have been emerging in both countries, particularly after the access of Prime Minister Recep Tayyip Erdoğan and President Vladimir Putin to power. In examining this transformation, the main focus is put on the gender climate, which mainly shapes around the process of hegemony constitution. It is concluded that while modernization attempts by the Republican and Bolshevik revolutions gave the way to the adoption of the principle of women’s equality, authoritarian tendencies, which have been appearing under the rule of Prime Minister Erdoğan and President Putin in the recent decade, have given rise to re-focus on biological determinism under the conditions of neo-liberalism, the rise of political Islam and the rise of the Orthodox Church.
Author
Dudu, Hasan

Title
CLIMATE CHANGE, AGRICULTURE AND TRADE POLICY: CGE ANALYSES AT REGIONAL, NATIONAL AND GLOBAL LEVEL

Supervisor
Prof. Dr. Nadir Öcal

Summary
This thesis investigates the effects of climate change on the Turkish economy by using computable general equilibrium (CGE) models at regional, national and global level. The physical impact of climate change is first translated into yield and irrigation requirement shocks by using a crop-hydrology model developed for this study. Then these are introduced into the CGE models as productivity shocks to investigate their effects on the overall economy. Simulation results suggest that climate change will come into play after 2035, and its effects on the economy will get worse after 2060. The final economic effects at regional and global levels will depend on the location and structure of agricultural production. Trade liberalization is considered as a policy response to contain the negative impact of the climate change. The results indicate that trade liberalization helps, but the positive effects are limited. International trade plays a key role in the response of the economy to the climate change shocks. Trade liberalization with the European Union is found to have positive effects on welfare of households, however these effects are low compared to the harm caused by climate change. Moreover, it was also noted that these positive effects increased as climate change effects are worsened. At the global level, the simulation results suggest that there is a significant uncertainty about the impact of climate change on the global economy. The effects are not homogenous for different regions of the world or different sectors in a region. On the other hand, effects of trade liberalization are not affected by the uncertainty in the climate change scenarios. Our results suggest that adverse effects of climate change on welfare can be alleviated by trade liberalization in most parts of the world.
Among better-educated employed workers, the fraction of full-time full-year (FTFY) workers is quite high and stable over time in the U.S. Among those with low education levels, however, this fraction is much lower and considerably more volatile. These observations suggest that the composition of unobserved skills is subject to sharp movements within low-educated employed workers, while the scale of these movements is potentially much smaller within high-educated ones. The standard college premium framework accounts for the observed shifts between education categories, but it cannot account for unobserved compositional changes within education categories. This thesis uses Heckman’s two-step estimator on repeated Current Population Survey cross sections to calculate a relative supply series that corrects for unobserved compositional shifts due to selection in and out of the FTFY status. We find that the well-documented deceleration in the growth rate of relative supply of college-equivalent workers after mid-1980s becomes even more pronounced once we correct for selectivity. This casts further doubt on the relevance of the plain skill-biased technical change hypothesis. We conclude that what happens to the within-group skill composition for low-educated groups is critical for fully understanding the trends in the relative supply of college workers in the United States.
Author
Erol, Ertaşğrul

Title
CONSCIENTIOUS OBJECTION IN TURKEY: A CASE OF EMANCIPATORY-CRITICAL SECURITY THINKING AND PRACTICE

Supervisor
Assoc. Prof. Dr. Zana Çitak

Co-supervisor
Assoc. Prof. Dr. Pınar Bilgin

Summary
This thesis studies the issue of emancipatory agency in Critical Security Studies through the empirical case of Conscientious Objectors in Turkey. Trying to formulate a more practical way of looking into counter-hegemonic agency in Critical Security Studies, this study suggests the use of the concept of acts, and acts of dissidence in particular in a way to move away from the pre-occupation with great events and patterns to more daily ruptures and cracks in the given. The research frames Conscientious Objectors in Turkey as an agent of emancipatory-critical security thinking that aims to go beyond statist and militarist understandings of security and promote the idea of ‘security without militarism’ and ‘security as emancipation’.
Author
İmişiker, Serkan

Title
TRADE-BASED MANIPULATION IN FINANCIAL MARKETS

Supervisor
Assist. Prof. Dr. Esma Gaygısız Lajunen

Summary
The purpose of this thesis is to empirically explore the characteristics of the monetary transmission mechanism, with a particular emphasis on the role of banks, in Turkey. By looking at the banking sector at the micro level and exploiting dynamic panel data modeling approaches, the heterogeneity in banks’ response in terms of their lending and risk-taking to changes in policy interest rates is analyzed. The first essay is an empirical analysis of the bank lending channel of monetary transmission. In this regard, the lending behavior of banks operating over the period 1988-2009 is examined. Given the changes in the policy stance and developments in the financial system following the 2000-01 crisis, the analysis is further conducted for the two sub-periods: 1988-2001 and 2002-2009, to examine whether there is a change in the functioning of the credit channel. Empirical evidence suggests cross sectional heterogeneity in banks’ response to monetary policy changes during 1988-2009. Regarding the results of the pre-crisis and post-crisis periods, it is found that an operative bank lending channel existed in 1988-2001, however its impact became much stronger thereafter. Furthermore, there are significant differences in the distributional effects due to bank specific characteristics in the impact of monetary policy on credit supply between the two sub-periods. The second essay investigates the existence of risk-taking channel of monetary policy by using quarterly data over the period 2002-2012. Four alternative risk measures are used in the analysis; three accounting-based risk indicators and a market-based indicator. Our findings show that low levels of interest rates have a positive impact of banks’ risk-taking behavior for all risk measures. In terms of bank specific characteristics, our results imply that large, liquid and well-capitalized banks are less prone to risk-taking.
Author
Kars Kaynar, Ayşegül

Title
INTERACTION OF THE AKP WITH THE CONSTITUTIONAL STATE IN TURKEY: AKP’S POLITICAL JUSTICE

Supervisor
Assoc. Prof. Dr. Mehmet Okyayuz

Summary
This study examines the interaction between Justice and Development Party governments and the constitutional State in Turkey. The study demonstrates that, although Justice and Development Party stays within the formal boundaries of rule of law order and parliamentary democracy, it surpasses the substantial boundaries that constitutional state brings. In this respect, the purpose of the study is to show that, this political party surpasses the limits of executive and legislative powers, and proceeds in the direction of being a total state power. In the center of this effort, there lies political control of judiciary and its instrumentalization by political power. The most prominent example of this instrumentalization is political trials. In this framework, the study examines three political trials, namely Ergenekon Case, KCK Case, and Hopa Case. In political trials, opposition to political power is criminalized; and protection of state is equalized to protection of political power. Consequently, political trials demonstrate that judicial power de facto concentrates in the hands of the political power. During this examination, opinions of Carl Schmitt, both a political theorist and a jurist, are used.
The purpose of this study is to examine the right approach to deal with the internationalization of competition law and policy. The study particularly questions whether convergence of competition legislation of nations as a strategy is enough to deal with the international anticompetitive practices in the absence of a global competition regime. This search surely involves the increased and enhanced cooperation efforts in between and among states. The internationalization of competition law and policy stems from the necessity to fill the gap in between the domestic competition regimes and the international business activities. In this context, this study refers to a three level analysis; the venue search for international competition matters at the multilateral level, the unilateral application of competition legislation, and the bilateral and regional cooperation efforts. All these three levels together compose the internationalization process itself. To this end, this study argues that a global competition regime can be achieved if only grounded on a good understanding of the process of the internationalization of competition law and policy. Indeed, the nature of this inquiry necessitates new insights from other disciplines. Thereof, this study displays that particularly international relations theories would shed a light on the conceptualization of the internationalization process in question.
The purpose of the thesis is to examine the characteristics and limitations of Turkey’s cooperation with Georgia. This thesis employs the political realist approach in explaining Turkey’s cooperation with Georgia and seeks to answer the following question: “Why does Turkey have significant tensions with Georgia over certain issues when both countries deepened their cooperation and labelled it strategic partnership?” Contrary to the view that Turkey’s relations with Georgia reaped on exclusive cooperative behaviour, the thesis argues that Turkey’s relations with Georgia contain both conflict and cooperation since Turkey’s approach is not guided by liberal cooperation ideas but by security orientated political realist understanding.
The money demand function has been regarded as a fundamental building block in macroeconomic modelling, as it represents the link between the monetary policy and rest of the economy. The extensive literature on money demand function is concerned with the existence of a stable money demand function, which ensures adequate prediction of impact of a given change in money supply on other economic variables such as, inflation, interest rates, national income, private investment and other policy variables. This thesis employs both linear and nonlinear estimation methods to investigate the relationship between money demand, GDP, inflation and interest rates for the Euro Area over the period 1980-2010. The aim of this thesis is to compare the European money demand in linear and nonlinear framework. First a vector autoregression (VAR) model has been estimated. Then a threshold cointegration model has been employed and nonlinearity properties of the money demand relationship has been investigated. In contrast to the existing empirical literature, linear VEC model can find evidence of stability, however it has some conflicting results which can be explained by the nonlinearity of the model. Empirical results of MTAR type threshold cointegration specification verifies the nonlinearity in European money demand. The adjustment coefficient of lower regime suggests faster adjustment towards long run equilibrium compared to upper regime in nonlinear model. Moreover, the nonlinear model presents better fit to economic literature than linear model for European money demand.
**Title**

REASONS AND CONSEQUENCES OF (NON)COOPERATION DISCOURSES IN TURKEY’S IRAQ POLICY: A NARRATIVE EXPLANATION FOR EPISODES OF PACTS AND WARS

**Summary**

Given their inter-connectedness, one expects the prevalence and continuity of cooperation in Turkish-Iraqi relations. The Turkish government officials, however, have not yet fully achieved their goal of comprehensive cooperation with their Iraqi counterparts. Theoretical and empirical inquiry into this lingering puzzle formed the main research aim for this study. This dissertation sought to bring a narrative explanation for comprehending paradoxes of cooperation and non-cooperation discourses in Turkey’s Iraq policy. Four cases were explored. In the cooperation episodes, the pacts of Saadabad (1937) and Baghdad (1955) were taken as central events. The Gulf War (1991) and the Iraq War (2003) were examined as central events of non-cooperation episodes. By analyzing these episodes, the thesis found that (non)cooperation discourses in Turkey’s Iraq policy were primarily shaped by pre-event contextual reasons. In the making of pacts, Ankara’s ambiguous discourses did not pay well in providing more favorable environment for improving cooperation with Baghdad. Conversely, Turkey’s ambivalence led to less cooperative political outcomes in bilateral relations. In the war cases, the shadow of future dyadic conditions emerged as the basic contextual reason for Ankara to sever ties from Baghdad. Hence Turkish governments’ framings of their war positions remained uncertain. Liminal non-cooperation discourses primarily brought more costly political outcomes. Turkey was confronted with the challenge of Kurdish problem and the threat of PKK on both side of the border. War episodes were marked by unintended but enduring consequences for Turkish-Iraqi relations. Overall, these findings raised awareness about the implications of discursive strategies in current and future cases of Turkey’s (non)cooperation with Iraq.
This research provides a critical analysis of Turkey’s defense procurement behavior since 1923. The main goal behind focusing on such a long period is to find out the differences and sources of change behind the Turkey’s behavior and ideas that justified certain set of behavior. However, mainstream approaches – Defense Economics, Politics of Defense and Political Economy Defense – do not provide necessary tools for such a historical analysis mainly because they are problem solving theories that operate within system that arises at certain historical moment. Furthermore, these theories, although having different focus points, operate within the liberal political economy, which assumes economics and politics are separate spheres and share various assumptions. Consequently, to address limitation of existing theories, this research adopts Gramscian historical materialism and develops Gramscian defense procurement theory. The research focuses on how hegemony is established, maintained and spread among different communities and how interaction between hegemonic structures reflect upon defense procurement behavior. Through application of such theoretical framework, the history of Turkey’s defense procurement behavior is examined in three different periods (1923-1945, 1945-1980 and 1980-2013) where international structure showed different characteristics in terms of form of production, ideas and institutions as well as historical blocs and rivalry between blocs. The main argument of this research is that Turkey’s defense procurement behavior is shaped the level of integration of structure in Turkey to the hegemonic structure at the international level. Consequently, defense procurement decision are taken within the boundaries of the structure.
Author
Özçetin, Deniz

Title
STIGMATIZATION AND CRIMINALIZATION OF URBAN POOR THROUGH NEWS DISCOURSE IN TURKEY: PORTRAYAL OF PURSE-SNATCHING AND ‘TROUBLED’ LOWER CLASS NEIGHBORHOODS

Supervisor
Prof. Dr. Raşit Kaya

Summary
This thesis analyzes the portrayal of purse-snatching incidents and ‘troubled’ lower class neighborhoods in the 2000s in the news reports in relation to the changing urban policies and urban transformation projects in the case of İstanbul. New patterns of urban segregation are discussed in relation to the changes in the penal policies and policing strategies in order to understand the logic of security that underpins both. The thesis aims to understand the dynamics of stigmatization and criminalization of certain segments of the urban poor through portrayal of crime news in the newspapers. Thus, the thesis tries to understand and analyze the relation between the ‘moral panic’ on purse-snatching in the big cities and concomitant police operations to certain lower class neighborhoods that are included within the scope of urban transformation projects. To do that, the thesis examines the news reports from the perspective of Critical Discourse Analysis and the concept of moral panic to discuss the underlying mechanisms of new patterns of urban segregation and urban transformation projects in İstanbul.
Author
Özdemir Tsarouhas, Umut Evin

Title
GOOD GOVERNANCE IN CONDITIONS OF GLOBALIZATION AND EUROPEANIZATION: PUBLIC FINANCIAL MANAGEMENT IN TURKEY FROM A POLICY TRANSFER APPROACH

Supervisor
Prof. Dr. Atila Eralp

Summary
The purpose of this thesis is to explain the process of policy change in public financial management in Turkey. It looks into the interaction between endogenous and exogenous factors affecting the evolution of policy principles and programmes and uses a policy transfer approach. The author compares two periods: the adjustment-oriented (1980-1999) and accession-oriented (1999 onwards) reform eras. Considering the IFIs and the EU as proxies for globalization and Europeanization, the thesis also examines the impact of these institutions on the evolution of the good governance agenda to draw generalizable conclusions regarding the relationship between globalization and Europeanization. The main findings of the study are: first, accession-oriented reform enabled the policy transfer process and resulted in structural changes in public financial management in line with good governance principles. Although conditionality had been more coercive under adjustment-oriented reform, change had remained limited due to the ability of endogenous actors to dominate the scope and pace of change. Secondly, although economic crises triggered reform initiatives in both periods, the crucial factors accounting for transformative policy change in the second period were a) the consolidation of a reformist advocacy coalition, b) the strengthening of civil society and market forces vis-à-vis the state and c) the emergence of the EU as an anchor for change. Finally, the thesis demonstrates that the good governance agenda is an area of ideational and empirical policy convergence between globalization and Europeanization. In that sense, Europeanization facilitates globalization rather than act as an alternative to it.
Author
Öztek, Mehmet Fatih

Title
MODELING CO-MOVEMENTS AMONG FINANCIAL MARKETS: APPLICATIONS OF MULTIVARIATE AUTOREGRESSIVE CONDITIONAL HETEROSCEDASTICITY WITH SMOOTH TRANSITIONS IN CONDITIONAL CORRELATIONS

Supervisor
Prof. Dr. Nadir Öcal

Summary
The main purpose of this thesis is to assess the potential of emerging stock markets and commodity markets in attracting the attention of international investors who utilize various portfolio diversification strategies to reduce the cumulative risk of their portfolio. A successful portfolio diversification strategy requires low correlation among financial markets. However, it is now well documented that the correlations among financial markets in developed countries are very high and hence the benefits of international portfolio diversification among these markets have been very limited. This fact suggests that investors should look for alternative markets whose correlations with developed markets are low (or even negative if possible) and which have high growth potentials. In this thesis, two emerging countries' stock markets and two commodity markets are considered as alternative markets. Among emerging countries, Turkey and China are chosen due to their promising growth performance since the mid-2000s. As commodity markets, agricultural commodity and precious metal markets are selected because of the outstanding performance of the former and the "safe harbor" property of the latter. The structures and properties of dependence between these markets and stock markets in developed countries are examined by modeling the conditional correlation in the dynamic conditional correlation framework. The results reveal that upward trend hypothesis is valid for almost all correlations among market pairs and market volatility plays significant role in time varying structures of correlations.
Author
Pirgan Matur, Eser

Title
BUSINESS CYCLES IN EMERGING MARKET ECONOMIES: THE ROLE OF FINANCIAL SHOCKS

Supervisor
Assist. Prof. Dr. Ömer Kağan Parmaksız

Co-supervisor
Dr. Mustafa Kılınç

Summary
This dissertation documents the differences in the course of macroeconomic volatility in emerging market economies and advanced countries. Then the dynamics of emerging market business cycles and macroeconomic effects of financial shocks are investigated using a small open economy real business cycle model with credit constraints calibrated to the Turkish economy. The results indicate that the impact of financial shocks crucially depends on whether the firms can access to alternative sources of finance when borrowing conditions are unfavorable. If the firms can raise their cash flows through other means, the impact of the credit shocks is limited on important macroeconomic aggregates like investment, employment and output. However, conversely, if firms cannot resort to alternative sources of finance in bad times, the negative impact of financial shocks can be quite large. The quantitative analysis implies that financial shocks can account for more than 20 per cent of output fluctuations in the latter case under our benchmark calibration.
Author
Ratip, Mehmet

Title
DOING JUSTICE TO HISTORY IN THE FACE OF GROSS HUMAN RIGHTS VIOLATIONS: EPISTEMIC JUSTICE OF TRUTH COMMISSIONS AND HUMAN RIGHTS REPORTS IN GUATEMALA, SERBIA AND SIERRA LEONE

Supervisor
Assoc. Prof. Cem Deveci

Summary
This thesis examines the question of how societies deal with the legacy of gross human rights violations. More specifically, it examines the work of official human rights investigations called truth commissions which have been established in increasing numbers since the 1980s in post-conflict countries across the world as institutional responses to gross human rights violations. It involves a close study of reports written by three most prominent international human rights organizations (Amnesty International, Human Rights Watch and International Center for Transitional Justice) on the truth commissions in Guatemala, Serbia and Sierra Leone. A theory of epistemic justice is developed from a comparative analysis of human rights reports written to evaluate truth commissions. Epistemic justice is conceptualized as “doing justice to history” by producing impartial and consensual knowledge exhibiting the injustices of past violations. It is argued that the perspective of epistemic justice captures truth commissions’ special contribution to political transitions, a contribution distinct from “criminal justice” provided by the courts (doing justice to law) and “transitional justice” provided by political processes (doing justice to politics). Accordingly, it is claimed that the success or failure of truth commissions should be evaluated in light of whether they realize a reliable documentation of gross violations. An ethical perspective in which truth commissions are seen as ends in themselves is proposed, in contrast to a prudential understanding of truth commissions as means to certain ends, such as criminal prosecutions and political regeneration, with which they may be overburdened to the point of failure.
Author
Sarıkamış Kaya, Aslıgül

Title
EXPLAINING CHANGE IN EU DEVELOPMENT POLICY TOWARDS SUB-SAHARAN AFRICA IN THE 2000S: THE PERSPECTIVES OF SYSTEM, PROCESS AND POWER

Supervisor
Assoc. Prof. Dr. Sevilay Kahraman

Summary
The purpose of the thesis is to explain EU development policy change towards sub-Saharan African countries in the 2000s. It explores EU development policy change in three dimensions; change in the EU’s multilateral development policy, change in the EU’s bilateral donor role, and change in institutional architecture of EU development policy by asking the questions of why and how these changes have occurred. This thesis investigates the causes of EU development policy change by employing perspectives of system, process and power and argues that EU development policy change can be explained by taking into account the interaction of both intra-EU and extra-EU factors. On this basis, changes in the multilateral EU development policy such as the adoption of European Consensus, EU’s Code of Conduct on Division of Labour role are mainly explained by system perspective. Changes in EU’s bilateral donor role are investigated with reference to the Cotonou Partnership Agreement and its 2005 and 2010 reviews, and the Joint Africa-EU Strategy and explained by process perspective. Changes in institutional architecture of EU development policy are discussed with reference to the institutional innovations of Lisbon Treaty, especially the EEAS, and explained by power perspective.
Author
Savaşan, Zerrin

Title
COMPLIANCE MECHANISMS UNDER MULTILATERAL ENVIRONMENTAL AGREEMENTS A COMPARATIVE ANALYSIS OF MONTREAL AND KYOTO PROTOCOLS

Supervisor
Assoc. Prof. Dr. Şule Anlar Güneş

Summary
The main aim of this study is to make a detailed examination on one of the fundamental concerns of global environmental governance, compliance issue, within the context of the compliance mechanisms (CMs) created under the multilateral environmental agreements (MEAs). In this respect, in the study, it is basically scrutinized what the role of the CMs is in ensuring better compliance of the parties with their commitments under the MEAs. In the framework of this examination, a comparative analysis is made between compliance mechanisms under Montreal Protocol and under Kyoto Protocol on the basis of four main dimensions: gathering information, procedures/institutional structure, measures and functioning of the mechanisms in practice. Based on the findings, it is argued that, in case that the weaknesses of the compliance mechanisms are improved and the coordination between them is ensured, the current system of compliance mechanisms can be responsive for better compliance.
Summary

The aim of this study is to investigate uncertainty levels of industries and explore those financial ratios that have the highest information content in determining the set of industry characteristics and use the most informative ratios selected in developing industry specific financial distress models. First, we employ factor analysis to determine the set of ratios that are most informative in specified industries. Second, we use entropy method as a Multiple Attribute Decision Making Model, to measure the level of uncertainty for these industries providing the framework of information theory and further specify those ratios that best reflect the industry specific uncertainty levels. Finally, we conduct logistic analysis and derive industry specific financial distress models to examine the predictive ability of financial ratios selected for each industry. Data for this study are obtained from Datastream for the period 1990-2011. The companies in the sample cover S&P 1500 firms that operate in 9 different industries. We reclassify the sample of firms in 4 industry groups according to their similarity in terms of accounting applications and derive industry specific financial distress models for these industry groups. The results show that financial ratios illustrate industry characteristics and that informativeness of ratios varies among sectors. We further observe that industry specific models predict financial distress better than the benchmark model and most of the ratios selected for each industry significantly contribute to the prediction of financial distress.
Summary

Behavioral and experimental finance literature has grown by leaps and bounds in recent years. However, much work remains to be done in the field. In particular, studies could shed specific light on which factors affect the decisions of investors. There is also need for studies searching for behavioral biases of individual investors. There is also room for studies in the fastgrowing field of measuring demographical differences in taking investment decisions. In detecting behavioral biases and their effects on decision making process, experiments are very advantageous in that it is possible to obtain valuable findings about the biases of individuals in controlled laboratory settings. The purpose of this study is to search for the overconfidence bias of UK subjects, investigate the effect of overconfidence on the formation of stock market bubbles in experimental asset markets. Mainly two economic experiments are conducted to deal with the role of overconfidence in forming of stock-prices’ bubbles and the impact of overconfidence on economic behavior of individual traders. Results indicate that people are generally overconfident. Most of them see themselves above average and overestimate precision of their knowledge. Highly overconfident traders trade more frequently. Moreover, it seems that overconfidence is domain specific. In particular, traders are less confident in the domain where financial knowledge is required. Results also indicate overconfidence results in bubbles in markets. It is found that overconfidence is mainly driven by overconfidence in the domain of finance more than overconfidence in the domain of general knowledge.
**Title**

POST-REVOLUTIONARY IRAN’S FOREIGN POLICY TOWARD THE UNITED STATES: A HISTORICAL SOCIOLOGICAL ANALYSIS OF STATE TRANSFORMATION AND FOREIGN POLICY

**Summary**

This study aspires to analyze Iran’s post-revolutionary transformation and its foreign policy toward the United States in the aftermath of the Iranian Revolution. The dissertation adopts Historical Sociology (HS) as a conceptual framework and assesses its merits and likely contributions for analysis of state transformation and foreign policy. It proposes HS as a research tradition and methodology to transcend what it characterizes as the three major axes in foreign policy articulations built on the dichotomies between inside-outside, agency-structure and interest-identity. In order to develop a historical-sociological analysis of foreign policy, the dissertation underlines the need to render a historical sociological reflection of the state and the international. Such a reflection draws upon the theme of co-constitution of the international and domestic and substantiates the continuous transformation of state through formative challenges emanating both from its society and the international domain it is embedded in. The study conceptualizes foreign policy as the agency of the state through which it transforms its domestic and international environment. Bringing insights derived from HS, the rest of the study sheds light on the trajectory of state, state-society and state-international relations in post-revolutionary Iran through a historical, processual, multicausal and multispatial analysis. It discusses the formative role that the US has played in the transformation of modern Iran both before and after the revolution through institutions, ideology and political economy of the state; it looks into the changing patterns of relations with the revolution and scrutinizes Iran’s agency vis-à-vis the US during successive historical epochs of Revolution and War (1979-1989); Reconstruction and Reform (1989-1997 and 1997-2005) and Confrontation (since 2005 until the second half of 2012) in the context of Iran’s post-revolutionary transformation.
**Author**
Şenses, Ahu

**Title**
NATIONALISM AND TERRITORIALITY: THE CONCEPTION OF HOMELAND IN THE COMMUNITIES OF TURKISH ORIGIN IN BULGARIA AND THE NETHERLANDS

**Supervisor**
Assoc. Prof. Dr. Zana Çitak

**Summary**
Territoriality has been a long neglected issue in international relations and nationalism studies. This thesis aims to draw attention to the significance of territorial relations in defining modes of human political organization and identity formation and to help establish linkages between international studies and the disciplines of geography and anthropology that problematize territoriality. It questions how territoriality can be conceptualized within the framework of particularly migrant and minority groups with hyphenated ethno-cultural identities and multiple territorial/homeland ties. In order to address this question, this thesis devises a three-layered model of territoriality. This model differentiates between the cultural, instrumental and normative aspects of territorial identification which denote the local, national and transnational levels of analysis respectively. The thesis applies this model to the communities of Turkish origin in Bulgaria and the Netherlands and attempts to reveal their peculiarities and commonalities with regard to their members’ territorial experiences and homeland attachments, basing its analysis on a field research that involves open-ended and in-depth interviews with selected community members. It argues that, despite certain differences between their territorial practices and perceptions, the members of these two communities cannot yet be claimed to have transcended their usually parochial ethno-cultural loyalties or to be moving towards a state in which their embeddedness in their original societies and national territories are being undermined by the allegedly deterritorializing and emancipatory effects of transnationalism. Ethno-cultural and national ties as embodied in homeland identification are still relevant for understanding the political allegiances and practices of individuals and collectivities.
Author
Ulucan, Hakan

Title
ESSAYS ON UNEMPLOYMENT DYNAMICS

Supervisor
Prof. Dr. Erol Taymaz

Summary
The main objective of this dissertation is to investigate the sources of unemployment fluctuations. Our main purpose is to assess the validity of debated conclusions of Shimer (2012) from a new perspective and re-analyze/re-harmonize his research question using alternative methods in five steps. First, we conduct a preliminary empirical exercise by replicating Baker (1992) with new data and find that Shimer’s conclusion that “the movements in the exit rate from unemployment are the main determinant of unemployment fluctuations” is not that obvious. Second, we apply Shimer’s method to demographic subgroups to see if his conclusions change at the group-level or not. We find that there is considerable heterogeneity across sub-groups in terms of the explanatory powers of the job finding probability versus the exit probability. Thirdly, we extended Shimer’s model by incorporating a new labor market state, “self employment,” to see if his conclusions change. We find that his results are mostly unaltered. But, we document important facts regarding the cyclical properties of the transition to and from self-employment. Fourth, we ask if his results are due to ignored measurement errors. We document that measurement errors have some role, but correcting for them does not alter Shimer’s conclusions substantially. Finally, we take a closer look at the mechanics of Shimer’s statistical model. We observe that focusing on rates instead of numbers may be underemphasizing fluctuations in entry and overemphasizing those in exit from unemployment.
Author
Uygur Doğan, Ayşegül

Title
THE CONCEPTION OF LAICITE OF THE REPUBLICAN PEOPLE’S PARTY BETWEEN 2002 AND 2010

Supervisor
Prof. Dr. Ayşe Güneş Ayata

Summary
This thesis analyzes the conception of laicite of the Republican People’s Party between 2002 and 2010 with reference to Republican People’s Party’s approach to veiling, imams/İmam Hatip Liseleri, Quran Courses, Diyanet İşleri Başkanlığı and Alevi as well as the party programmes and regulations. To give the contours of its notion of laicite, the thesis dwells on the public and private conceptualization of the Republican People’s Party. The thesis criticizes the Republican People’s Party which reads laicite in terms of this dichotomy. The thesis argues that Republican People’s Party’s conception of laicite oscillates between etatism and democracy. To contextualize Republican People’s Party’s laicite in 2002-2010, the thesis presents the historical trajectory of laicite as well as the Islamic movement in Turkey. The study suggests Turkish laicite which was instilled to the Constitution by the Republican People’s Party is the synthesis of Western modernity and Turkish state tradition. To demonstrate the extent of Republican People’s Party’s etatism and notion of democracy in relation to the principle of laicite, the thesis, therefore, focuses on this unique nature of Turkish laicite which is based on control. The thesis posits that Republican People’s Party’s laicite approaches democracy in cases it opposes religious oppression whereas it swings to etatism when it prioritizes state over individual rights of pious people.
The purpose of the thesis is to demonstrate the validity of David Harvey’s argument that neoliberalism is a class project in relation to the transformation of pension systems in the countries of the South that have been forced by the International Financial Institutions since the 1980s. The proposed reform has tried to be justified by a discourse that has emphasized the need for sustainable pension systems in the face of population ageing while population ageing has indeed been one of the most important demographic problems of primarily the countries of the North. Even though the neoliberal pension reform has aimed to reduce the role of the state, the practice has affirmed Andrew Gamble’s argument that a strong state is needed to sustain the free market economy in pensions which is capable of making necessary pro-capital redistributions as also Harvey underlines and managing the social and political implications of the relevant transformations. Two important achievements of the neoliberal pension reforms from the perspective of capital have been the redefinition of the pension issue from an important political question to an age-based technical on the one hand, and the opening up of the pension “sector” to capital accumulation through its commodification. The thesis will focus on the pension transformation in Chile and Turkey in order to understand the political and economic context and contradictions of the process in line with the main arguments of the thesis.
Summary
The policy transfer is becoming a more widespread form of policy development and is even claimed to replace policy making especially in developing countries. In this thesis, a foreign trade related policy transfer from advanced countries (Japan and Italy) to a developing country (Turkey) is analysed. The main object of the thesis is to identify whether the policy transfer can be a widely accepted and a common form of policy making especially in the case of developing countries. To this end, the policy transfer model is studied with respect to key concepts with a potential to affect policy transfer outcomes in developing countries. Those key concepts are bureaucratic autonomy, selectivity, state intervention, rent seeking, government failure and market imperfection. In the first section, the stance of Turkey between developmental and neoliberal countries is analysed. The thesis gradually continued to study the theory around the policy transfer and the key concepts finally operationalizing them in the case study of transferring Foreign Trade and Sectoral Foreign Trade Company models. It has been found that policy transfer warrants different and complicated measures in the cases of transfer from advanced to developing countries, it is not a fast way of policy making and the underlying conditions are critical for the policy transfer success or failure. In relation to this, the importance of the degree of policy transfer, elite and cognitive mobilization, scope of the policy search, interpretation of the transferred policy and most importantly multi-level models of policy transfer are stated as important findings.