

THE IMPACT OF ECONOMIC PERFORMANCE  
ON VOTING BEHAVIOR IN TURKEY

KINAY BARKIN BENLİ

BOĞAZİÇİ UNIVERSITY

2019

THE IMPACT OF ECONOMIC PERFORMANCE  
ON VOTING BEHAVIOR IN TURKEY

Thesis submitted to the  
Institute for Graduate Sciences in Social Sciences  
in partial fulfillment of the requirements for the degree of

Master of Arts  
in  
International Trade Management

by  
Kınay Barkın Benli

Boğaziçi University

2019

## DECLARATION OF ORIGINALITY

I, Kınay Barkın Benli, certify that

- I am the sole author of this thesis and that I have fully acknowledged and documented in my thesis all sources of ideas and words, including digital resources, which have been produced or published by another person or institution;
- this thesis contains no material that has been submitted or accepted for a degree or diploma in any other educational institution;
- this is a true copy of the thesis approved by my advisor and thesis committee at Boğaziçi University, including final revisions required by them.



Signature.....

Date ..... 06.09.2019 .....

## ABSTRACT

### The Impact of Economic Performance on Voting Behavior in Turkey

Dynamics of voting behavior and political party preferences have long been an issue of debate. Throughout time, different views and theories about the voting behavior have been analyzed in various research. Today, voters increasingly become aware of their economic and political environment. Thus, factors that affecting the voting behavior has become an important factor for the both political parties and voters. With this background, this study examines economic performance and non-economic performance of incumbent parties and their relationship with the voters' voting behavior in Turkey.

The sample includes 659 participants who are active voters in Istanbul, Turkey. Data were gathered from face to face surveys. The impact of control variables such as age, gender, household income, education level and the independent variables such as current economic perception of voters, future economic expectations under the incumbent party rule, non-economic performance the incumbent party and voting factors have been examined in the context of responsibility theory of voting behavior.

Findings of the study proves that, in Turkey, voters consider economic factors such as current economic perception and future expectations on their political party preferences and reward or punish the incumbent according to their economic performance.

## ÖZET

### Türkiye’de Ekonomik Performansın Oy Verme Davranışına Etkisi

Oy verme davranışının dinamikleri ve siyasi parti tercihleri araştırmacılar için uzun zamandır tartışma konusu olmuştur. Zaman içerisinde, araştırmalarla oy verme davranışına ilişkin farklı görüşler ve teoriler ortaya konmuştur. Günümüzde seçmenlerin ekonomik ve politik çevrelerine olan farkındalığı daha da artmakta ve böylece oy kullanma davranışını etkileyen faktörler hem siyasi partiler hem de seçmenler için önemli bir faktör haline gelmektedir. Bu arka planla, bu çalışma iktidar partilerinin ekonomik performansının ve ekonomik olmayan performansının Türkiye’deki seçmenlerin oy kullanma davranışlarına olan etkilerini incelemektedir.

Örnekleme İstanbul, Türkiye’de aktif seçmen olan 659 katılımcıyı içermektedir. Veriler yüz yüze anketler ile toplanmıştır. Yaş, cinsiyet, hanehalkı geliri ve eğitim düzeyi, seçmenlerin mevcut ekonomik durum algısı, görevdeki iktidar partisi altında gelecekteki ekonomik beklentiler, ekonomik olmayan performans, sorumluluk teorisi bağlamında ele alınmış ve bu faktörlerin oy verme davranışına etkileri incelenmiştir.

Çalışmanın bulguları, Türkiye’de, seçmenlerin mevcut ekonomik algı ve gelecekteki beklentileri gibi ekonomik faktörleri siyasi parti tercihlerinde dikkate aldığını ve görevdeki iktidar partisinin ekonomik performansını seçimlerde oy verme ile ödüllendirdikleri veya cezalandırdığı kanıtlanmıştır.

## ACKNOWLEDGEMENTS

I would like to thank all the people who supported me through this challenging period.

First and foremost, this thesis would not have been possible if my thesis advisor, Assoc.

Prof. Osman Sabri Kıratlı, had not supported me. I would like to express my deepest gratitude to him for his trust, invaluable support, guidance, supervision, encouragement and endless patience. His feedback and experience enriched my research.

I would also like to thank my dissertation committee members, Assist. Prof. Oğuzhan Aygören and Assist. Prof. Selim Erdem Aytaç for their valuable opinions and suggestions.

I am also thankful to my beloved wife, Tuğba Bakar Benli, for her support and valuable suggestions during this period.

## TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION .....	1
CHAPTER 2: LITERATURE REVIEW .....	6
2.1 Macro studies .....	9
2.2 Micro studies .....	11
2.3 Economic voting in the world .....	12
2.4 Economic voting in Turkey .....	17
CHAPTER 3: THEORETICAL FRAMEWORK.....	19
3.1 Responsibility hypothesis.....	19
3.2 Hypothesis development .....	22
CHAPTER 4: CONTEXT OF THE STUDY .....	25
4.1 Political history of turkey between 1960 - 2000 .....	25
4.2 Economic environment of Turkey between 1960 - 2019 .....	36
4.3 Results and evaluation.....	67
CHAPTER 5: METHODOLOGY .....	72
5.1 Sample selection.....	72
5.2 Data collection.....	74
5.3 Variables and measures .....	75
5.4 Data analysis method.....	79
5.5 Research model .....	80

CHAPTER 6: FINDINGS OF THE STUDY .....	81
6.1 Descriptive findings .....	81
6.2 Cross – tables.....	91
6.3 Hypothesis testing .....	97
6.4 The analysis of the research model .....	107
CHAPTER 7: CONCLUSION AND IMPLICATIONS.....	108
7.1 Conclusion.....	108
7.2 Limitations and recommendations of the study .....	111
APPENDIX A: SURVEY QUESTIONNAIRE.....	114
APPENDIX B: NORMALITY TEST OF VARIABLES .....	112
REFERENCES.....	121



## LIST OF TABLES

Table 1. External Balance Figures in Turkey (1980 – 2000).....	45
Table 2. External Debt Figures in Turkey (1984 – 1995).....	47
Table 3. GDP Figures in Turkey (2000 – 2018) .....	52
Table 4. Employment Numbers by Key Sectors in Turkey (2005 – 2018).....	55
Table 5. Employment Rates by Key Sectors in Turkey (2005 – 2018) .....	56
Table 6. Employment / Unemployment Figures in Turkey (2005 – 2018).....	57
Table 7. Inflation Rate by Years in Turkey (2001 – 2018).....	59
Table 8. External Trade Dynamics in Turkey (2000 – 2018) .....	62
Table 9. Capital Inflow Figures in Turkey (2000 – 2018) .....	64
Table 10. Debt Stock Figures in Turkey (2000 – 2018) .....	66
Table 11. International Credit Rating Scores of Turkey by February 2019.....	69
Table 12. 2018 & 2015 General Election Results in Turkey .....	73
Table 13. 2018 General Election Results in Research Districts.....	73
Table 14. 2015 General Election Results in Research Districts.....	74
Table 15. Descriptive Findings of Sample.....	81
Table 16. Gender Distribution of Sample .....	82
Table 17. Age Distribution of Sample .....	83
Table 18. Education Distribution of Sample.....	83
Table 19. Occupational Group Distribution of Sample .....	84
Table 20. Household Income Distribution of Sample.....	85
Table 21. Political Party Preference of Sample .....	85
Table 22. Distribution of the Current Economic Perception Scale .....	87

Table 23. Distribution of the Future Economic Expectations Scale .....	88
Table 24. Distribution of the Non – Economic Performance Scale .....	89
Table 25. Political Party Preference Factors .....	90
Table 26. Sample’s Proximity to the Incumbent Party on the Next Election .....	91
Table 27. Mean Value of the Proximity to the Incumbent Party .....	91
Table 28. Voters’ Distribution on Current Economic Perception.....	92
Table 29. Voters’ Distribution on Government’s Economic Performance Question .....	93
Table 30. Voter’s Perception on Performance of the Minister of Economy.....	94
Table 31. Voter’s Perception on Economic Problems .....	95
Table 32. Voter’s Perception on Economic Institutions’ Independence.....	96
Table 33. Voter’s Perception on Economic Shocks.....	97
Table 34. Single Factor Analysis of Current Economic Situation Scale .....	98
Table 35. Single Factor Analysis of the Future Economic Expectations Scale .....	99
Table 36. Single Factor Analysis of Non – Economic Performance Scale.....	99
Table 37. Single Factor Analysis of Newly Obtained Factors.....	100
Table 38. Result of the Cronbach’s Alpha Test of the Obtained Variables .....	101
Table 39. Result of the Cronbach’s Alpha Test of the Current Economic Situation .....	101
Table 40. Cronbach’s Alpha Test for the Future Economic Expectations Scale .....	102
Table 41. Cronbach’s Alpha Test for the Non – Economic Performance Scale.....	102
Table 42. Results of the Hierarchical Regression .....	105
Table 43. Hypotheses and Results .....	107

## LIST OF FIGURES

Figure 1. Inflation rates in Turkey (1980 – 2000).....	40
Figure 2. GDP growth rates in Turkey (1980 – 2000) .....	43
Figure 3. Core price index in Turkey (2001 – 2018) .....	58
Figure 4. USD/TRY monthly graph (2011 – 2019) .....	69
Figure 5. Research model of the study .....	80

## CHAPTER 1

### INTRODUCTION

Today, the most important feature of the representative democracy (polyarchy) being implemented in Turkey. Throughout the regular elections, citizens are in the power of determine the political authority or if they are dissatisfied, impeachment (Dahl, 1971). Elections are the heart of democracy because of their ability to determine, appoint or dismiss political authority (Mayhew, Butler, Penniman & Ranney, 1982). When the elections are examined in this context, the behavior of the voters is as important as the behavior of the political parties (Dows, 1957).

In essence, research in the field has often sought the answer to what are the factors affecting voting decisions? The topics discussed are generally; do voters make rational decisions? Do voters make meaningful choices at the polls? Alternatively, is the voting done according to ideologies or rational phenomena such as economic factors?

Having a wide range of research, voter behavior studies began in the 1940s and gained momentum after the Second World War. In the course of time, research on voter behavior, which is related to fields such as psychology, sociology and economics, has become one of the broadest topics in politics (Lipset, 1973). Considering their progress over time, it is possible to categorize the research of voter behavior under three main categories. These are; sociological approach, socio-psychological approach, and economic approach, which is the main subject of this study (Akgün, 2000).

Sociological approach refers that the demographic data is sufficient to understand the segments of society for voter classification. This approach asserts that social division in society mainly determines voter behavior. Therefore, the votes cast by

individuals in the elections are the reflection of individuals' social and demographic identities on political preferences (Berelson, 1954). However, this approach, which argues that voting preference is an unchangeable pattern like identity, has been refuted in the future.

Socio-psychological approach, focuses on individuals rather than groups and masses, and argues that the political attitudes and ideological orientations gained by voters in the process of political socialization under the influence of their families and their environment at an early age are effective in the voting behavior of the individual at adulthood. In addition, "party identity" has entered the literature with this approach. According to party identity, from a young age, individuals begin to feel close to a party or political ideology with the influence of the close environment and parents. This commitment gradually strengthens and forms the individual's political ideology. Even though an individual feel close to other parties or ideologies due to economic collapse, war or any disorder sometimes, when the environment is reinstated old voting behavior is reign (Norris, 1998).

Economic approach refers that the individuals consider their own goals when voting. These objectives are defined as material interests and have economic foundations. Thus, the individual can easily change his or her choice in the next election if the party he or she votes for does not fulfill his purpose (Bennet, 1987). In this respect, individuals evaluate the party's past economic policies or future promises and vote accordingly. The answer that researchers often seek in the field of economic voting is how economic performance affects the ruling party. The most common answer to this question is that, while economic upturn is helping the ruling party in terms of approval ratings and election performance, economic decline is helping the opposition. Moreover,

according to many researchers, voters tend to evaluate the outcomes of these policies rather than what economic policy is pursued. In general, the common outcome is that the voters reward ruling party in a good economic environment and punish in a bad economic environment (Lewis-Beck, 1990).

In the economic context, even those small changes in economic policies can have major impacts on governments. However, researchers often ignore these effects of policy changes on the voting behavior and governance structure. In addition, changes in the economic policies lead to further changes in the individual perceptions on the economic performance. According the Durr (1993) during the economic prosperity both government stance and the voter sentiment slide to the left and in the economic recession both government stance and the voter sentiments slide to the right. In addition, according the other research, during the stable economic growth political left gains support whereas during the high inflation and high unemployment support shifts to the political right (Stevenson, 2001). The fact that economic performance affects voter preferences emerges especially in times of crisis.

Main macroeconomic indicators such as inflation, unemployment and growth, combined with ideological trends, shape voter behavior. These factors also have a significant impact on the government's attitude in the current tenure. If we consider governments as an organism, they will try to survive. In this case, political and economic policies will be intertwined and affect voter behavior (Telatar, 2004).

Historically, first research in the area have conducted within the United States of America and developed European countries in 1940s and 1950s to make sense of voter behavior (Taddicken, 1944; Downs, 1957). Afterwards, research has deepened and voter motivations have been tried to be identified and the reasons behind preferences have

been investigated. Main question was whether the voters were rationale? What is the effect of the economy in decision-making? In addition, could voters make inferences about the future by evaluating the policies applied by the political parties in the past and could vote according to these results (Lin, 1999)? Thus, another factor emerges in here, which is called the cost of information gathering for the voter. According to specific research, if voters could not get the information about a political party's previous economic policies, they tend to vote for another political party, so this creates disadvantage for the non-ruling parties (Fair, 1978). Moreover, both the limited opportunities to obtain information about the policies implemented by the current government and the inability to obtain information about alternative parties in many countries lead voters to act with strict ideological orientations while determining their political party preferences. However, empirical evidence has clearly shown that ideological choices do not always come to the forefront in the importance of elections. On many occasions, economic conditions in the market determine voter behavior, in other words, voters who evaluate macroeconomic indicators in the economy vote on the basis of the issue that is important to them (Erdoğan, 2004).

Apart from the economic approach this study also aims to reveal transformation of the Turkish politics. Since 2002 with the founding of Justice and Development Party both incumbent and opposition voters' behavior have been changed. In 2002, while the votes of the ruling party and the main opposition party were 53,67% now this rates exceeds the 65%. It seems that voters have entered a kind of polarization process by gathering their votes in a smaller number of parties (Yılmaz, 2012).

In the light of all this information, this research seeks to answer the following questions; Do Turkish voters take economic factors into account when voting? And do

Turkish voters take non-economic factors such as domestic and foreign political factors into account when voting? And which factors overweighs the other when voting for the Turkish voters. In the face of face-to-face survey interviews, data were collected and analyzed with statistical analysis methods. Thus, it was tried to discover the voting habits of Turkish voters and whether economic factors or non-economic factors predominate when voting. When the literature examined, most studies measure a single factor. However in this study economic and non-economic performance are measured at the same time within the framework of responsibility hypothesis in an economic recession environment. In this way, in this study, it was aimed to discover whether Turkish voters were acting rationally or acting emotionally in elections

The outline of this study is as follows: Chapter 2 presents a literature review of the various research and findings to understand and identify the economic voting behavior within the developed countries and democracies. Chapter 3 will present the theoretical framework and hypotheses of the study. In Chapter 4, context of the study will be described. Chapter 5 focuses on methodology, including sample selection, data collection, variables and measures of the study, and data analysis methods. In Chapter 6, the findings of the study will be summarized and discussed. Finally, Chapter 7 will provide concluding remarks on the impact of economic performance on voting behavior in Turkey. Limitations of the study and avenues for future research will also be outlined.



## CHAPTER 2

### LITERATURE REVIEW

When the previous research are examined, it is evident that there are many different approaches to economic voting behavior. However, there is a common understanding in the field and according to that, a relationship between the economies and voting behavior could be established. According to these common findings in the existing literature, while the good economic performance supports the incumbent political party, the bad economy creates the opposite attitude and supports the opposition parties.

In the area where economics and political science are intertwined, most of the research is based on what is called Responsibility Hypothesis. According to this hypothesis, individuals hold government accountable for any good or bad economic event (Nannestad and Paldam, 1994, p. 215).

The main and common findings of the research examining the effect of the economy on voting behavior are as follows; Vote and popularity functions are basically similar, but the fit of popularity functions is better. Research shows that the fluctuations and changes in the economy, explain an average of one third of the change in votes (Paldam, 1981). Findings state that three indicators are more prominent than other macroeconomic indicators; growth rates, unemployment and inflation rates. It was observed that voters were more reactive to these macroeconomic indicators compared to others like, budget deficit, foreign exchange rates, debt stock etc. (Lewis-Beck, 1981). Voters tend to indicate the near future when expressing the economic environment, so voters are myopic (Bornier, Norpoth, Lewis-Beck & Lafay, 2016). According to retrospective/prospective controversy approach, voters are more concerned and reactive

with the past events compared to future or expected events (Norpoth, 1996, p. 447). Social-oriented economic voting has greater impact than ego-oriented economic voting. In addition, according to grievance asymmetry theory, voters are more responsive to negative economic changes rather than the positive economic changes (Nannestad and Paldam, 1997, p. 83). Also, another finding suggest that there is not enough information about the competence of voters on macroeconomic data and economic conjuncture. It is also not known how voters acquire economic information.

Before elaborating these findings, some concepts need to be clarified. These are; vote and popularity functions, time perception, social-oriented and ego-oriented economic voting and voter's myopia. If the subjective evaluations of the voters for the whole economy are related to their voting preferences, it is seen as social-oriented economic voting, if voters' personal economic situation is related to their voting preferences it is seen as ego-oriented economic voting (Ansolabehere, Meredith & Snowberg, 2008). Back in time, it had been tried to determine whether voters determine the behavior of voting by looking forward or backward when evaluating the performance of the economy (Lewis-Beck & Stegmaier, 2009). As for the voter myopia, it is a concept that the voters often remember the recent past, but they do not remember the distant past when evaluating the economy.

Literature on economic voting has been formed and advanced around three main studies. Kramer's Short-Term Fluctuations in US Voting Behavior, Mueller's Presidential Popularity from Truman to Johnson and Goodhart's Political Economy. Vote function (V-Function) firstly introduced in the (Kramer, 1971). Popularity (P-Function) introduced by the Mueller (1970) and Goodhart and Bhansali (1970). All three

researchers stated that the foundation of their work is based on the Downs (1957)'s research as known as the responsibility hypothesis.

As mentioned before, responsibility hypothesis refers to voters hold governments responsible for developments in the economy. According to this hypothesis, good / bad economy will increase / decrease the popularity of governments. This will bring about an increase / decrease of votes in favor of the government.

Nannsetad and Paldam (1994) examined the development of economic voting literature until the end of the 1980s by dividing it into three main waves. In the first wave (late 1960s-early 70s) it was stated that highly significant results were obtained regarding the presence of VP function; in the second wave (late 1970s-early 80s) it was found that VP function was not stable by time and country; In the third wave (end of 1980s), it was concluded that the studies on the economic dimension of the VP function were higher than the studies on the political dimension (Nannestad & Paldam, 1994, p. 218). Almost all the studies conducted within the scope of the first two waves were macro-scale studies, while the studies in the third wave were of micro quality, in other words, related to the economic voting behavior of individual voters.

The results of the first empirical studies on economic voting show that voters are highly sensitive to economic changes in the economy. Lewis-Beck and Stegmaier (2013) support this finding of Nannestad and Paldam (1994), which is still valid in established and transitional democracies. The country where economic voting the most studied was the United States. The fact that the fundamentals and the first applications of the relevant theory are in this country and the existence of United States data can be shown as the reason for the large scale of studies on this country (Nannestad & Paldam, 1994). France, UK and Denmark are the examples of other countries that are heavily studied

(Lewis-Beck & Stegmaier, 2000). These studies could be divided into macro and micro studies in general framework.

## 2.1 Macro studies

In macro studies, the sensitivity of voters to the macroeconomic variables such as growth, inflation and unemployment have been tried to be measured. The reason that these variables are frequently used is that voters have more up-to-date information about the changes in these variables through the media channels and voters know what these variables mean as an economic concept. In macro studies where the responsibility hypothesis is tested, there may be different indices showing the levels of government satisfaction as surveys. In these models, where inflation, unemployment and growth variables are used as explanatory variables, the results can be as follows: A positive (negative) increase in growth rate (decrease) has a positive (negative) effect on the votes cast in favor of the government. Some research later revealed that in some political environments such as under the war threat, or ideological conflicts, economic voting does not take into account by voters. This situation which is named as the non-economic performance in this study will be examined in this study.

According to Mueller (1970), there is an asymmetry in the responsibility hypothesis. This asymmetry refers that the voters' support rate of government when the economy is in good condition is not the same rate as when the economy is in a bad condition. Therefore, when the economy is in a bad situation, voters punish the government for that. Muller (1970) named this phenomenon as the kick the rascals out

asymmetry. In addition, Nannestad and Paldam (1994) studied similar frame and named this phenomenon as the grievance asymmetry.

On the other hand, the validity of the responsibility hypothesis is hampered when it is a minority government or, coalition government or a tutelary regime. The existence of such governments means unstable and unpredictable government. A stable government is defined as a government with a parliamentary majority and capable of governing the country normally during the entire election period (Nannestad & Paldam, 1994). It becomes a problem whether voters will still hold the government responsible for negative economic changes during periods of non-stationary government. Two important determinations have been made on this subject (Nannestad & Paldam, 1994): The structure of responsibility hypothesis becomes ineffective; when the sustainable democracy could not be established. In addition, in this kind of governance situation, voter behavior tends to be ideological and non-logical.

Rattinger (1981) also explored another finding that responsibility hypothesis is invalid in certain situation. Study revealed that: In the case of the parties with left ideological views in government, the increase in unemployment rate did not decrease the support for ruling parties. Similarly, if the right-wing ideological parties in the governance, an increase in the inflation rate did not lead to decrease in the voters' support. Rattinger (1981) named this phenomenon as the client hypothesis. According to this hypothesis, when voters complain about an economic factor, they gather around the party that cares the most about it. According to partisan theory, leftwing parties are more oriented towards lowering the unemployment rate and the rightwing parties are turning towards lowering the inflation rate (Hibbs, 1977). Moreover, Rattinger (1981) states that

the social democrats could remain in the government with unemployment; however, it cannot remain with inflation.

With the evaluation of voter ideas, macro studies that test the responsibility hypothesis have become more complex over time. The more complex polls on voter ideas, the more complex the macro studies are. Moreover, this complex structure of research has led to more effective results in areas where the responsibility hypothesis is hampered down. On the other hand, aggregate methods proved that the research with the classical data sets became invalid in time due to changes in the communication styles and increased awareness of the voters (Lewis-Beck & Stegmaier, 2009). So, researchers tend to use micro studies, which put forth the individual based research.

## 2.2 Micro studies

In this section, social and ego-oriented voters, backward and forward voters are the topics to be discussed. In general, micro studies are based on two basic concepts: voters' goal and time motivation. The first studies on target and time hypotheses belong to Kinder and Kiewiet (1979), Eulau and Fiorina (1981), who were the pioneers of social oriented economic voting. Horizontal section data sets were used in these studies on the United States. The election survey of Eulau and Fiorina (1981) and Pierce and Kiewiet (1984) revealed a trend toward microeconomic voting in the United States rather than the macroeconomic voting (Lewis-Beck & Stegmaier, 2009). Also, Pierce and Kiewiet (1984) showed that ego-oriented economic voting in US is weaker than social-oriented economic voting.

According to Nannestad and Paldam (1997), ego-oriented voting behavior was more dominant than social-oriented voting behavior. However, voting orientation could change from country to country. While the United States voters are social-oriented, Danish voters are ego-oriented according to studies, this situation uncovers that the micro studies are more individual related, and results may differ from nation to nation. In addition, in terms of target and time orientation, studies focused on individuals' periods of the evaluation of the government success on economic policies and future possibility to benefits for them.

### 2.3 Economic voting in the world

After the first examples of studies in the US and Europe, economic voting became an attractive area for researchers, and many studies were conducted in this area. Since the field of study is intertwined with political sciences, economics, econometrics and human behavior; a large literature has been cumulated over time. Also, governments and associations such as the European Union have contributed to the literature by conducting independent voter behavior surveys and research. Eurobarometer is an important product of European Union. This practice, which has been carried out since 1973, includes public opinion surveys conducted at regular intervals within the member states of the European Union. Wide range of surveys cover the public opinion about the European Union Parliament Elections, member states' national elections and other specific issues.

When the economic voting literature is examined, different types of research stand out, empirical methods, aggregate methods and the methods that examined the election results are the most emphasized research. Also, it stands out that most of the

research conducted in the US and the European countries; the reason for this is the established democratic system in these countries.

Carlsen (2000) found out that the political parties clustered around the ideologies and those ideologies shapes the political parties' economic ways and policies. In this study, which is based on the responsibility hypothesis, could work differently for the parties with different ideologies. However, these differences may cause a conflict between the voters' behaviors. For instance, according to client hypothesis a voter may support the government which cares most about the voter's primarily focus, in this case if the variable or economic indicator on the focus of voter deteriorate, voter will prefer the party that the cares most about this variable. On the contrary, regarding the grievance hypothesis, voters will strongly punish the ruling party if the focused economic indicator deteriorate. Research conducted in the Australia, Canada, England and US with the usage of popularity data, supports the client hypothesis.

According to Anderson (2000), there is another situation where the basic principles of economic voting do not work. The responsibility hypothesis and its principles implemented real life when the political system divided into two, such as, leftwing/rightwing or democrats/republicans. However, when the political system is governed by coalition, the principles of the responsibility hypothesis does not work properly. This situation is caused by, in the environment of coalition governance, the political climate could shift rapidly and too much variables becomes visible, like ideologies. In this case, responsibility concept becomes illusive. The main result of this research conducted with voter data in 13 western countries is the clearness of the political environment needed to be understanding of economic voting behavior.



The French parliamentary system is divided between the two powers. One of the powers is the President and the other one is Parliament. With this feature, France provides a suitable environment for both macro and micro studies for economic voting behavior. According to a research that examines the voting behavior under the divided governance mechanism, it has been revealed that the voting for the economic performance also divided into two. In such case, impact of the economic performance is split into half between the President and the Parliament (Lewis-Beck, 1990). Another important result of the study was the in a two round election system of France, voters do not change their opinion about the economic performance, between rounds.

Fidrmuc (2000) tried to explain and understand the voters' behaviors under the dramatic macroeconomic shifts. To achieve this, he examines the new democracies such as Hungary, Poland, Slovakia and Czech Republic. The reason for the selection of these countries is the adoption of a new form of governance after the Soviet Union and it is thought that differences in behavior can be observed more easily. Main goal of the Fidrmuc's study was the evaluate the support for the reformist governments in the perspective of their reform movements. The most Important finding was the impacts of the economic developments and changes in the new democracies directly affects the support of the political ruler.

Jerome and Jerome (2000) has reached significant results on their study. Study examined the 1998 municipal and regional elections in France, examined the results into a national election perspective, and tried to find out if there were differences in the views of voters. Main results were the, economic behavior of the voters in regional elections reflects the economic condition of the country more than the general elections.

On the other hand, Alvarez and Nagler (2000) found that the economy is a stronger decision factor for the voters in the bad economic conditions rather than the good economic conditions. They also found out that in the fluctuated economic environment, economy is as powerful as the political issues or events for the voting factor. However, this condition works differently for the different parties in the governance system. For instance, in some cases, it can support the ruling party; in other cases, it can move to the opposition.

Sanders (1999) tried to explain the effect of leader's charisma on the voting behavior in United Kingdom. He described charisma as a voting function and sampled the leaders like Margaret Thatcher, John Major and Tony Blair. Research examined the leader change from Margaret Thatcher to John Major and tried to relate this change with the sharp drop of the economic conditions thence the voters' perception of economy. Sanders study revealed that if the unique events in the history link with the economy it could change the voting behavior.

Kramer (1971) suggested that the economic crisis affects primarily the incumbent party rather than the opposition. Also, Nezi (2012) supports that suggestion in his research; in an environment where the economy is in good condition, it is very difficult for the incumbent party, which reaches a certain rate of public support, to increase the rate of votes. Also, for the opposition side, in a good economic environment, economy almost has no effect on the opposition support. However, in economic disorder, this balance is broken, and incumbent suffers the most while opposition benefits (Nezi, 2012).

In 2008 Global Banking Crisis triggered in the US, researchers investigate the relationship between the economic crisis and voting behavior. Palmer and Whitten

(2011) examined the party choice of UK voters in the economic crisis environment. Results of the study revealed that the voters who are more reactive the economic conditions and indicators such as inflation, employment and growth rate are the low skilled or low-income work occupants and middle-class citizens. Secondly, according to another study conducted in Canada suggest that if the incumbent party could manage the voters' perception about the economy well in the economic disorient environment it could prevent from the loss of voters' support (Clarke, Scotto & Kornberg, 2011). On the other hand, a study suggests that the, despite the economic crisis or shocks voters may still support the incumbent party. This hypothesis become valid when the voter believe that the economic disturbance caused by the external factors, such as trade wars (Anderson & Hecht, 2012).

In a recent study, Nezi (2012) examined the economic voting behavior under the economic crisis and conducted a research in the Greece. In his study, Nezi examined the 2004 and 2009 Greek national elections. At that time, many parameters in the Greek economy severely deteriorated and influenced daily life due to the economic crisis that nation suffered. During the economic crisis prime minister' s party New Democracy (ND) suffered a heavy loss on the 2010 general elections by the opposition party PASOK. Results proved that the in the voters tend to punish the incumbent party when the economy in bad condition. In addition, the results coincide with the grievance theory.

## 2.4 Economic voting in Turkey

Considering the economic literature rating for Turkey, there are many studies conducted in the field. Research has generally been reviewed and explored the validity of the basic economic voting theories in Turkey. In terms of economic voting theory, with many elections experienced with a high voter turnout, Turkish democracy is a suitable environment for research.

Akarca and Tansel (2003) examined the impacts of the economic performance on voting behavior in the 1995 general election. Researchers tried to find out the factors that affect the votes of parties from each city. In general, in the study researchers tried to find out relationship between the growth rate and voting behavior. In this context, they compare the voters' political party preference regarding growth rates. Results revealed that the Turkish voters are sensitive about the economic changes. Also, voters do not vote considering the past. In addition, it was found that, in the bad economic condition opposition parties gain more support from the voters. Same researchers conducted same research in the 2007 with the extended context. Results consolidate the previous study's results and validate the previous findings.

As per research by Başlevent, Kirmanoğlu and Şenatalar (2004) which conducted in 26 cities with 1807 voters tried to define voter profile in Turkey. This research conducted in a wide demographic data form at the micro level. It has been tried to reveal the voter profile in Turkey and tried to reveal factors that influencing the party choice in Turkey.

Akarca and Tansel (2006) is taken into consideration all general and local municipal elections held in Turkey from 1950 to 2004 and tried to find out impact of the economic performance in the voting behavior and party choices. In 2004 from previous

research, they reached similar conclusions with the work they have done in this study, the voters in Turkey is sensitive to economic change.

Çarkoğlu (2008) focused on two fundamental concepts that affect voters' preference for voting by using survey data before and after the July 2007 general elections: Ideology and economy. In this study, various issues such as comparison of voting preferences of young and old population and the effect of education level on voting behavior were discussed. Economic variables have an impact on the voting behavior of voters and voters are more socially oriented and make decisions based on the past.

Çarkoğlu (2012) compared and examined the economic and non-economic factors of voting for 2002, 2007 and 2011 general elections. Results demonstrates that the in 2002 general elections rather than the economic performance, ideology and left-right political ideology were the main political party preference factors. Also, from 2002 to 2011 while the economy was an important voting factor it appears that the ideology was more important voting factor in Turkey.

Başlevent and Kırmanoğlu (2016) discussed the factors that shape party preferences in Turkey by estimating an individual vote intention function. In the model of study, voters' economic evaluations about the past or the near future were addressed. Results showed that the voters who affected by the 2001 crisis were found to be very unlikely to vote for the incumbent parties of the time. Thus, results were in line with the grievance asymmetry theory.

To sum up, studies both conducted in overseas and Turkey shows that, in many cases voters are sensitive to economic changes. Voters may reward or punish the political parties regarding to their economic plans and strategies for the future.

## CHAPTER 3

### THEORETICAL FRAMEWORK

Although many studies have been conducted to examine and understand the voting behavior, economy has crucial importance among the other science branches such as sociology, psychology, and politics. In the end, one of the main motives of voting is to provide and increase economic prosperity.

In the economic voting concept, many researchers and studies gathered around a reward – punishment hypothesis. This process started with the studies of Key (1964, 1966) and transformed into responsibility hypothesis, which based on the voters intention to holding the government responsible for the developments and regressions in the economy and voting according to these facts (Nannestad & Paldam, 1994).

Responsibility hypothesis that considers the different concepts such as retrospective and prospective controversy approach and grievance asymmetry will establish the theoretical framework of this study. This chapter will conclude with hypothesis development.

#### 3.1 Responsibility hypothesis

The responsibility hypothesis suggest that the voters considers the economic outcomes of incumbent party's policies rather than the economic policies of governments itself. Aside that the ethnical or ideological positions of incumbent party, economic policies and its outcomes prone to more impartial evaluation by voters (Price, 1997).

According to responsibility hypothesis, there is no evidence about which economic conditions are considered by voters as for the government's economic performance. However, in rationality perspective it can be said that the voters may hold the government responsible for only in their activity area. For instance, it could not be expected that a rational voter hold government responsible for the international economic developments or global shocks or fluctuations. Although responses or precautions to the global fluctuations or economic shocks could be evaluation factor for the incumbent party. A conventional economic voting behavior opinion suggest that the voters' primarily regard the inflation, unemployment and income growth when evaluating the incumbent party's economic performance (Speir & Keech, 1996). Another conventional view argues that the voters are more sensitive to the social development and welfare (Paldam, 2000). Finally, a third view considers that the voters are oriented to present (myopic), voters could not evaluate the whole period of incumbent party, mostly voters recall the recent developments in economy (Speir & Keech, 1996).

According to Alesina and Rosenthal (1995) voters can be divided into two subgroups; rational and naïve voters. In this approach, it is expected that the rational voters gather the right information about the government's economic policies and its outcomes from various channels. Thus, rational voters can separate facts from myths. On the other hand, naïve voters are open to manipulate and could not processes the outcomes of economic policies.

Responsibility hypothesis regards that the voters consider economic situation when voting. When economy on the rise voters tend to support incumbent party, on the contrary, when the economy is in decline voters tend to punish incumbent party.

However, this situation creates a contradiction, if a voter is defined as rational, intention to vote is not about punishing it is about the future evaluations (Lunati, Alesina & Rosenthal, 1996).

Recent studies transform responsibility hypothesis into competence hypothesis. According to this hypothesis if a government has the capability of achieving high economic welfare conditions, voters become more likely to vote for that political party (Price, 1997). However, the incumbent parties may lose some electoral appeal in coalition government due to power distribution. Studies suggest that if the incumbent party in the solo-ruling economic effectiveness tends to be higher thanks to gathering of power in one hand (Powell & Whitten, 1993).

There are two main concerns of the testing of responsibility hypothesis; grievance asymmetry and cost of ruling. Source of the problems is in the economic voting literature there are many non-definable and non-symmetric dependents. Those concepts explained in the sections before. Main problems are; in grievance asymmetry, voters could react to negative economic developments more punitive than the rewarding positive economic outcome. Voters show greater importance to losses rather than the gains (Levy, 1997). On the other hand, cost of ruling is; basically, cost of the being incumbent. The theory suggests that during the long time of ruling, majority of support could decline through to electoral defeat even the economic outcome was positive. These subjective and emotion-based expressions make empirical measurement difficult. To overcome these difficulties, researchers add secondary measurement tools to their studies, such as in surveys beside the economic questions they often use political and other concept of questions.



### 3.2 Hypothesis development

Before starting the analysis, in the light of economic voting literature it would be appropriate to carry out to summarize. In general, voters consider recent economic situation as one of the main political party-choosing factors. In a good economic environment voter tend to reward incumbent party with their support while intention is the punishing in a bad economic condition. Also, it was suggested by the researchers, there is a relationship between the economic perceptions and the non-economic activities of incumbent party. For instance, a good or bad diplomatic relation or issues like war may affect the economy directly or indirectly, thus it may perceive as an economic event. In addition, it was mentioned before that the voters are myopic, so evaluation of the economic situation bounded by the recent history of governance.

Initially, to understand relationship of the economic performance of incumbent party and voting behavior in the context of responsibility hypothesis some variables are considered in this study. Current economic perception, future economic expectations under the incumbent party, non-economic performance and voting factors are primary measure variables also, to evaluate final decision last voted political party and proximity to incumbent on the next election regarded. This variable overlaps with the other studies in the literature. In order to check the results with the literature, control variables as demographic data and official macroeconomic data are also considered in the study.

To specify, perception of current economic situation represents the voters' perspective to current economic environment, with the combination of future economic expectations under the incumbent party, aim was to examine voters' information about the overall economy, macroeconomic data and how that information motivates them in their voting behavior. Advantage was the while participants shared their views about the

economy, with economic data provided by the authorities, study may check the voter's rationality.

### 3.2.1 Perception of the current economic situation

In this study, perception of the current economic situation represents the voters' view of economy in general. Chance of comparing the results with the official economic statements, this perception concept is suitable for the hypothesis testing. According to Keech (1995), voters generally oriented to present when it comes to voting, an ordinary voter make voting decision as well as voting for the future welfare, based on the current situation of the economy. This situation also coincides with the voter myopia phenomenon. Although, a ruling party has performed well or badly in economic policy during its mandate, voters are evaluating recent performance. Another important point of the Responsibility Hypothesis to be tested is the grievance asymmetry, which is in a good economic situation, the severity of voters' support to the ruling party is less than the severity of punishment in a bad economic situation Therefore, the following hypothesis are developed:

H1a: Perception of the current economic situation has punishing effects on incumbent party's support in Turkey

H1b: Perception of the current economic situation has rewarding effects on incumbent party's support in Turkey

### 3.2.2 Future economic expectations under the incumbent party

Common belief and many studies suggest that the voters are often myopic and present-oriented. However, in some situation voters may regard the changes in the economic conditions through the past. For instance, Turkey has had very unstable economy through time because of the economic crises, coups, discontinuous governments. Thus, communities who have experienced destabilized conditions for a long time may regard the future economic expectations. With these assumptions, one of the main motivators for the voting behavior is the future economic expectations. As mentioned before for the Turkey's situation, voters may regard the past events in the economic environment and establish future expectations accordingly. In the economic voting literature voters vote to preserve and increase their welfare in the future. Basically, if voters could not see a protection or development of economic welfare in the future, they switch the political party preference. Altogether, these considerations suggest the following hypotheses:

H2a: Future economic expectations under the incumbent party has a rewarding effect on the incumbent party's support in Turkey

H2b: Future economic expectations under the incumbent party has a punishing effect on the incumbent party's support in Turkey

## CHAPTER 4

### CONTEXT OF THE STUDY

In this chapter, Turkey's history of democracy and governance is examined for a period from 1960s to today. There was a democratic tradition that mingled with both internal and external events in Turkey between the years indicated. The underlying factors that shape the voter perception and behavior in Turkey are examined in the ways of both political and economic history of Turkey.

#### 4.1 Political history of turkey between 1960 - 2000

During the 36 years, between October 1965 and December 2001 in Turkey, a total of 28 governments came to power and these governments remain in the power an average of 16 months. Only seven of the government changes were done with the elections. Superficially, even this information is an only an indication of politic instability by itself. To understand political structure of Turkey, foundations and major events need to be examined.

Turkey was founded by the military officers who witnessed the collapse of the Ottoman Empire, turned into civilian officers but not acted like civilian officers (Çalışkan, 2017). From the establishment of new republic those former military officers formed the republic and state institutions dominated by the military authority.

After the World War II, Democratic Party (DP) was established by the former CHP parliamentarians, Celal Bayar, Adnan Menderes, Fuat Köprülü and Refik Koraltan. After the two consecutive election victory against the CHP, political environment in

Turkey has begun to change. In the World War II environment, land taxes, conscriptions of wealth imposed by the government and the pressures due to national protection law resulted the Democratic Party victory in the elections (Albayrak, 2004). However, in time military resisted the political power transfer to the civilians in Democratic Party and history of the military interventions to politics in Turkey have begun.

Turkey has experienced seven military interventions to governments since of the beginning of the multiparty democracy in 1946. Four of these military interventions (1960, 1971, 1980 and 1997) were successful and three of them (1962, 1963 and 2016) failed. (Esen & Gumuscu, 2017). After the successful coup d'états military stepped back from the politics and allowed the reelections under the shadow of military regime. From this perspective it can be said that Turkey governed by tutelary regime. In military tutelary regimes, elected administration dominated and controlled by the military authority and shows the both sides of democracy and authoritarianism (Stepan, 1988).

In this context, Turkey's democracy and politics shapes around the rising Centre – Right movements and military interventions and major internal and foreign political events. In this study, Turkey's political framework will be tried to be explained with two sections; rise of the Centre – Right movements and military interventions and major political events.

#### 4.1.1 Centre – right movements and military interventions

Turkey's Centre – Right can be defined as the movements that are able to gather Islamist and nationalist values together in a way of far from the extremism. In Turkey Centre – Right movements started with the Democratic Party in 1946. After the World War II

overwhelmed by the protectionist and repressive environment brought by the war environment, the voters went on a different political choice and shifted the political balance for the first time since establish of republic. However, tutelary military regime of Turkey resisted the political power transfer to civilians from the military officers. Turkey's first non-CHP prime minister Adnan Menderes tried to remove military from politics. However, this action resulted with the authoritarianism (Lenze, 2011). After the significant decline in the popularity and public support of the Democratic Party, military regime took over the authority with 1960 coup d'état. After the coup military regime closed down the Democratic Party, it convicted many members of the party and hanged former Prime Minister Adnan Menderes (Kalaycıoğlu & Sarıbay, 1986).

Military's first and strict intervention to governance in 1960 transformed its tutelary side into official guardianship with the help of regulations in constitution. With this constitutional change, military regime legalized its tutelary actions and they guaranteed to justify movements. Military regime used this guardianship factor, which was a constitutional right during the "cunta" governments in 1960-1961, 1971-1973 and 1980-1983 (Çalışkan, 2017).

1980s were the years when the National Security Council which served as a parallel government administrated by the military authorities showed the heavy influence on governance dynamics. The Motherland Party (ANAP), ruling party at that time, established a balance between the civil and military authorities. In addition, ANAP has managed to unite groups from different segments within. Uniting the nationalists, conservatives, liberals and social democrats within. Undergoing economic transformation by the 24 January decisions, Centre – right community increased their economic power and relatively increased the political strength (Tuncel, 2012).

ANAP established under the 1982 constitution which was adopted after the 1980 coup. Being direct subject to 1982 constitution, ANAP limited in many aspects such as banning the forming of woman and youth branches and banning of improving relationships with the civil society organizations. In addition, “cunta” constitution made it difficult to become a member of political parties (Coşar & Özman, 2004). With these political restrictions, tutelary regime aimed to preventing extremists from every segment to entering politics. National Security Council also began to use other political practices; due to polarized structure of seventies, National Security Council banned all 80s political leaders for ten years from politics. National Security Council also required to licensing given by themselves to participate elections. Finally brought 10% threshold in the elections for the parties to take part in the parliament.

During their term in power, the ANAP always tried to maintain the balance between the government and the National Security Council. After the lifting of political prohibitions of 70s political actors, reestablishment of relationships disturbed the military regime time to time and ANAP always tried to convince military authorities via spokespersons (Coşar & Özman, 2004).

During the early 1990s, the power of the ANAP began to diminish and at the same time, a new party was born out of this power unbalance in the Centre-right. Under the leadership of Tansu Çiller True Path Party (DYP) appeared on the political scene as a serious rival. Main difference between the two Centre-right parties was the while voters of the DYP from rural areas, voters of the ANAP from urban areas.

In the 1995 general elections, the Refah (Welfare) Party was the first party with 21.4% of the votes. Even though first party in election it was not able to establish the government alone, so the coalition formed with ANAP, DYP and DSP. Rise of Erbakan

and his movement Welfare Party in early 90s destabilized the balance between militarist tutelary regime and the civil authority. As a leader from the political Islam movement, Erbakan targeted all tutelage centers in Turkey. Once again in Turkey's history, the military intervened the government in 1997. The government resigned following this intervention, the Welfare Party closed and Erbakan's power in the politics began to diminish. It is also worth noting that, this intervention was the last successful intervention of the militarist tutelary power (Çalışkan, 2014). And so on in 2001, Turkey experienced the biggest economic crisis in its history and a new curtain spaced in the Turkey's history of politics; as the Justice and Development Party (AKP) was founded in August 2001 after the closure of the Welfare Party, by its dissident and new generation politicians who took advantage of the Erbakan's power loss.

In the early elections held on 3 November 2002, under the shadow of economic crisis and military tutelage, AKP became the winner party and started active politics in parliament as majority. In its election manifesto, AKP defined itself as democratic, conservative, reformist and modern. The party also promoted the synthesizing tendency of diversities of Turkey and its political spectrum. By all means, it was unexpected from a party, which rooted in Islamism, as it referred conservative and democratic backgrounds together as the sources of power (Coşar & Özman, 2004).

In the Turkish political spectrum, the AKP has followed a very delicate line to gather different voter bases under the one roof. While the AKP expresses devotion to democracy and individual rights and freedom also refers the traditional Centre – right Islamism mentality as an important value of society (Akparti, 2002). With the pluralistic democracy approach, the AKP aims to involve all different groups in politics. In addition, this political encouragement includes the judicial organizations such as market



makers, representatives of civil societies, organizations, and minorities. Considering these, AKP adopted the post 80's Centre-right parties' approach to democracy, especially Özal's ANAP's democracy approach (İnsel, 2003).

Decentralization move of the AKP caught the tutelary regime's attention. Instead of directly comforting the tutelary regime, as the AKP did not have that power at that time, they tried to build alliances to against the tutelary regime of the military. Also, with the European Union standardization and harmonization process, AKP tried to avoid tutelary regime's pressures and presented itself as the democratic and modernist (Kuru, 2012). In essence, democratization concept of the AKP aimed the removing tutelary regime's influence and dominion. Recovery with the structural reforms and support of the IMF also European Union membership processes increased the AKP's popularity and resulted with the support of masses including undecided Islamism, nationalists even the celebrities and artist. By this way, stronger AKP in the political way began to narrow the domains of the tutelary regime after every election they won with the increased public support.

#### 4.1.2 Major events

Since the beginning of its parliamentary life, the AKP pursued a policy of narrowing down the tutelary regime's movement area. For this purpose, the AKP progressed through a number of ways. Those were: the isolation of the tutelary regime from the neoliberal economy dynamics, change of the role and purpose of the army in political life, staff in the army and other key institutions (Çalışkan, 2017). One of the most important ways of dealing with the tutelary regime was the staff in army and the other

key institutions in order to create a split in governance dynamics. This was also the time, when the Gülen Movement (currently Fetullah Terrorist Organization) began to take place in the governance.

To control the political arena, the AKP allied with the Gülen Movement and appointed the Gülen followers to state institutions and key government positions. At that time in the fragmented society of Turkey, the Gülen Movement was the most powerful Islamic organization in Turkey. The organization hosted the well-educated, qualified officers in its structure. As a result of the alliance relationship, these bureaucrats were assigned to various important positions in police, judiciary, health and education (Hendrick, 2013). In time, the Gülen followers in the police, judiciary and intelligence agents managed to weaken the militarist tutelary regime. However, this alliance lasted until the corruption cases against the government in 2013. This conflict between two old allies resulted with the 15 July Coup d'état.

Except those, Turkey experienced many traumatized and important events in recent history. For instance; Gezi Protests, Syrian Civil War and effects on Turkey, downing of the Russian aircraft, 2016 terror activities, Euphrates Shield and Olive-Branch operations.

In May 2013, Taksim, Istanbul hosted a large-scaled civil protest that hasn't been seen in Turkey in many years. The starting point of the actions was the removal of some trees for transportation purposes. It was announced that the park would be opened for construction after the transportation of trees. The protests, which started with a peaceful sitting protest, intensified after the harsh police intervention. Thus, it has aroused a great reaction from the public and turned into a mass movement. When the participants and their origins are examined, participants were middle class citizens, waged workers,

students and other minorities. Another importance of the protests was the; Gezi protest was spontaneous, and it has been a boiling point for the people who are against to the AKP regime. According to officials, Gezi Protests exceeded 3.5 million participants (Tonak & Akçay, 2018).

Arab Spring, which sprang up in Tunisia in 2011 and spread rapidly to other Arab countries, started to create unrest in Syria in March of the same year. The civil unrest and uprising that started with the Syrian's demands for freedom in March 2011. The regime's suppression of demonstrations by violence and the fact that many countries were involved in the problem due to the geopolitical importance of Syria and the heterogeneous structure of the Syrian society turned this uprising and unrest into a violent civil war (Orhan, 2014). In particular, the increase of the activities of radical groups, the involvement of other countries in the civil war under the leadership of Russia and the United States, triggering and increasing the sectarian wars by ISIS expanded the scope of the civil war and spread to other countries. Because of the extensive land border between Syria, Turkey exposed the mass migration waves. With the uncontrolled transitions created by migrations, security weaknesses were experienced and the foundations of the cells that carried out terrorist events in 2016 and 2017 were laid. As of 2019, the number of Syrian refugees in Turkey has been reported as 3.613.644 (TRMoI, 2019). This exodus due to civil war affected Turkey and its people directly in many aspects. For instance, these problems were changes in the demographic structure, integration problems of the Syrian refugees, insufficient economic resources for refugees, relationship problems with the European Union countries and perceptions of the Turkish people to Syrian refugees as danger or any other negative thoughts (Tunç, 2015).

On November 24, 2015, the relations between Turkey and Russia were moved to a different area. Downing of the Russian aircraft violating the Turkey's airspace by the Turkish Air Forces, created a serious tension between the two countries. At the same day, Minister of Foreign Affairs of Russia, Sergei Lavrov warned Russian citizens not to go to Turkey. After this warning, many tourism agencies canceled bookings and reservations. In parallel, Russian Chief of General Staff announced that they cut all military ties with Turkey and declared air defenses in Syria will be reinforced. In addition, Russia introduced a set of bans on certain products imported from Turkey in the following day. The trade volume and the details between the two countries yield interesting results: Turkey's largest parts of the imports from Russia, and energy products account for most of those imports. When the situation analyzed in terms of exports, Turkey is exporting agricultural products, textiles and automotive parts to Russia and those sectors effected by the tension. This tension between two countries made the biggest blow to the Turkish tourism sector. In 2016 summer, tourism season, Turkey recorded the lowest tourist numbers of the last 16 years. Accordingly, the number of visitors decreased by 25% compared to the previous year, while tourism income decreased by 30%. With the decrease in tourism income, the share of tourism in the GDP and the closing rate of the Foreign Trade Deficit decreased. In addition, the contribution to employment returned to the rates in 2000 and a significant employment problem erupted in the tourism sector (Manap, 2018).

Euphrates Shield and Olive Branch military operations in Syria were other important events for the Turkish politics. This process began with the Syrian Civil War, and it created enormous problems for Turkey in terms of both domestic and external security. For the internal security, Syrian Civil War prepared the ground for the 2016

terror activities. Turkey, in order to prevent uncontrolled migration, transition and nesting of the ISIL / DAESH terrorist organization and prevent of the further progress of YPG / YPJ terror organization on the southern border launched a cross border military operation on August 24, 2016 targeted the ISIL / DAESH terror organization resided in the Al-Bab city Syria. After 8 months, Al-Bab was freed from the terrorist organization Daesh and advance of the YPG has been hampered, so the operation Euphrates Shield achieved the preventing the establishment of a “terror corridor” on Turkey’s southern border (Jager, 2016). On 20 January 2018, the second cross-border operation of the period, Olive Branch Operation started. Objectives of the operation included the elimination of the YPG elements if not dislodge, creation of the safe zone for the locals in the region and liberation of the Afrin city. After 58 days, Turkish Armed Forces established control in Afrin and the operation was completed successfully. These two operations were successfully completed and boosted the morale of the army after the July 15 coup attempt and it secured the southern border of Turkey, created a safe zone for civilians and hampered down the progression of terror organization through the southern border (Gürcan, 2019).

2016 has been a very violent year for the Turkish nation with July 15 coup attempts and numerous acts of terrorism. According to officials, in the attacks in different parts of the country, 460 people were killed, 363 of them civilians, and more than 2,000 people were injured. 32 attacks conducted by the terror organizations in 2016 in Turkey. Terrorist attacks targeted mostly public buildings and civilians, as well as targeting tourists in Taksim and Sultanahmet, also resonated abroad. These terrorist events, which deeply affected the country image and perception on the globe, hit the biggest blow after the loss of life and property in the tourism sector of the country.

Coupled with the coup attempt, the tourism sector experienced the worst year in 20 years (Manap, 2018). In addition, Turkish Minister of Internal Affairs, Süleyman Soylu stated that, in 2016 apart from the terrorist acts happened, 300 terrorist acts were prevented before they took place (Gürcanlı, 2017).

Apart from these events, the most important event of the period was the 15 July coup attempt. The clashes between the Gülen Movement and the Justice and Development Party (AKP), which started with allegations of corruption in 2013, became physical with the July 15 coup attempt and took its place in Turkish history. Former Ally, Gülen Movement has become a non-peaceful, religious political organization, which has operating mainly in the fields of education, bureaucracy, and economics from the piety focused educational organization (Yavuz & Koç 2004). Until the coup, the organization of the Gülen Movement in the army remained secret, later it was revealed that there was a powerful presence of Gülen Movement in the army, which was presumed to be most anti - Gülenist organization in the Turkey (Yavuz & Koç, 2016).

To sum up for the Turkish political history, it can be said that the since 2010 Turkey is no longer a tutelary regime. Current ruler party, the AKP successfully demilitarized the governance. However, cost of these actions was felt at both domestic and foreign policy areas. Events like Syrian Civil War directly affected Turkish domestic and foreign policies and created changes in the public opinions. In addition, with many coups and government changes experienced ongoing refugee problem and anti-western opinions and destabilized Middle East so it can be said that it seems difficult to expect a calm political framework in the near future. Overall, the country experienced many difficult events such as, tutelary regime and coup attempts, cross-border military operations, systematic terror attacks, civil unrests, political instability

and political uncertainty, embargos and refugee problem. Despite these important events, Turkey has managed to protect its internal balance

#### 4.2 Economic environment of Turkey between 1960 - 2019

When considering the economic voting behavior in Turkey, wide examination of the economic environment is needed. In that case, beginning of the neoliberal era, which has started in the early 1980s, may be taken as ground zero. In that era, the main problem of the Turkish Economy was high inflation backed with the unsuccessful economic programs.

After the 1980s, globalization movements have begun to speed up. Countries transformed their economic policies and economies started to be directed by outward industrialization and liberalization policies. Structural factors of the early 1970s developed and advanced capitalist countries have showed that the current applied policies cause profitability problems on the production and industry sectors. After 1979, during the early 1980s leaders such as Reagan of United States, Thatcher of United Kingdom and Özal of Turkey, implemented neoliberal economic policies to deal with the problems of production sectors. These neoliberal policies were commonly liberalizing the capital flow and tightening the public spending (Tonak & Akçay, 2018).

After the 1980s, a growing number of national economies started to run with outward industrialization and liberalization policies. In Turkey, this process began with the so-called 24 January measures. Turgut Özal, who was the adviser of Prime Minister Suleyman Demirel at that time, designed this neoliberal economic program. Core of the program was; with the outward industrialization and opening, markets could operate

more efficiently themselves and markets could be more efficient rather than the government-controlled economy. What was expected from the outward opening process, which started with the January 24 decisions, was to enable the country to move rapidly to further stages in terms of development. With that kind of industrialization strategy, the export revenues of the country would increase and the revenues obtained through this increase would enable the industrialization of the country and thus enable country to reach further economic development levels (Öztürk, 2018).

Turkish governments after the 1980s also have adopted the similar policies and used similar economic and political instruments. Basically, economy became liberalized, and the markets opened to the global markets. These financial expansions and openness aimed to achieved with making Turkish Lira a convertible currency, signing the IMF's stability programs, giving the export incentives and privatization of the state-owned enterprises. The expected results of these implementations by Turkish government were achieving a stable and rapid economic growth, reducing inflation rate, reducing unemployment rate, reaching a high level of national income, solving problems related to education and urbanization and reaching the level of development reached by developed countries as soon as possible (Öztürk, 2018).

In this research, besides the advantages or disadvantages of the economic policies, the outcomes of these policies especially the macroeconomic data are examined, and economic environment is defined in terms of welfare level. To achieve this goal, the economic environment is separated into two time periods: the first is 1980 – 2000 and the second is the 2001 – 2019.



#### 4.2.1 Turkish economy before the 1980s

Performing the liberal foreign trade and industrialization strategy, Turkey put import substitution into practice, which means quota applications, bans and high tariff barriers to imported products emerged as a result of the foreign exchange bottleneck in 1953. At the same time, Turkey continued inflationary and overvalued exchange rate policies until the 1958 currency devaluation (Boratav & Yeldan, 2007). After 1958, currency devaluation planned economic period put into service and in this period, import substitution policies began. In the first stage, non-durable consumer goods such as food and textiles have been substituted with domestically produced products. However, during the industrialization period, based on import substitution covering the period of 1963-1980, the production of intermediate and investment goods could not be started (Özbey, 2006). Until 1974, the economic development plans failed due to internal reasons. These reasons were mostly distrust to the domestic and foreign investors and authoritarian governments. However, after 1974, the economic problems in Turkey were mostly caused by external problems (Yenal, 1999).

Oil price shocks in 1973-1974 and high inflation in developed countries caused deterioration in foreign trade balances and increased current account deficit.

Furthermore, the overvaluation of the Turkish Lira could not be prevented by the implemented exchange rate policies. In order to maintain domestic market balances, imports were limited, and capital and foreign exchange controls were increased.

Although a relatively closed economic policy to the global markets policy has been implemented, it has not been fully protected from shocks, crises or recessions in the external conjuncture. Considering these reasons with the increased oil prices in the 1970s resulted the global debt boom and global debt crises. As a result, 1970s political

and economic implementations failed and crashed. Even though there were no dramatic increases in oil prices at that time, policy changes would be required in the medium term as import substitution economic policies were not sustainable. With the 1974 oil price boom, it was understood that national developmentalist strategies were not sustainable in the long run (Keyder, 1993).

Prior to the 1980s, financial markets and certain goods and products markets in Turkey were under close state control. Especially, state-owned banks were cartelizing and dominating the financial sector. One of the aim of neoliberal policies was to increase the real interest rates, which were negative due to the controlled nominal interest rates being under inflation rates (Ercan, 2000). Due to delay of liberalization in the economy integration to European Union, customs union was delayed. Because of the foreign exchange bottlenecks, intermediate goods and industrial production disrupted.

To sum up pre-1980 period of the Turkish economy, we can say that it was struggling with the high inflation, unable to meet its financial funding, vulnerable to domestic and international price shocks and fluctuations. At the same time, the 1980s were the years that protectionist policies became obsolete all over the world.

#### 4.2.2 Turkish economy between 1980 – 2000

Before the 1980s, Turkish economy experienced relatively high inflation rates with the relatively low interest rates. Due to this reason, real effective interest rates were in the negative area. Figure 1 shows the inflation rates in Turkey between 1980 – 2000, from the figure it may clearly see that governments could not stabilize the inflation rates.

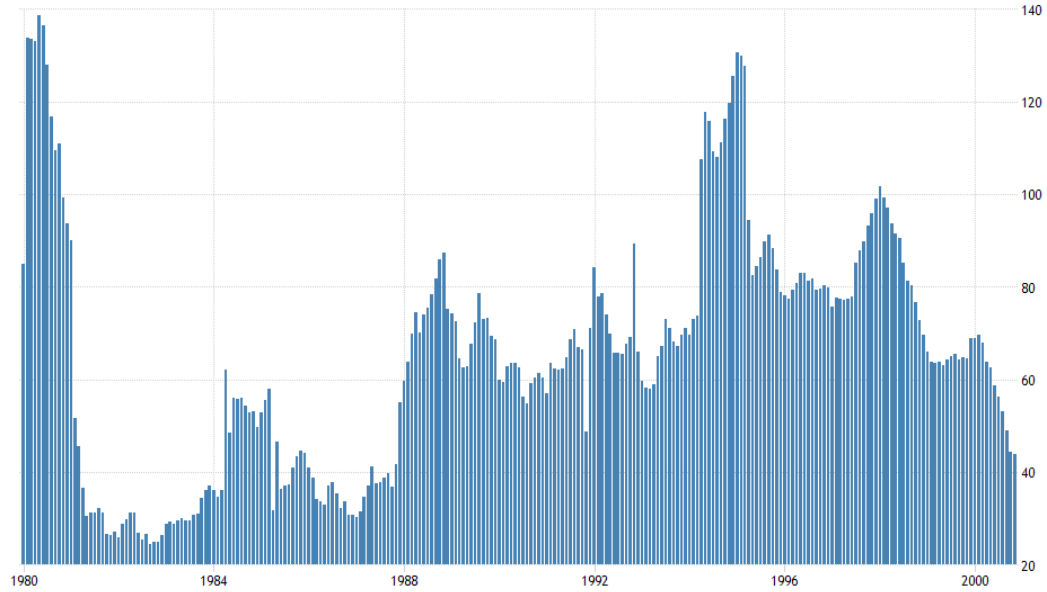


Figure 1. Inflation rates in Turkey (1980 – 2000)

After almost 30 years of economic policies to reducing and controlling the inflation rates, first radical change on the economic path started with the neoliberalization of the economy with 24 January decisions. Main goals of the decisions were to put the inflation rates down and ensure the sustainable healthy economic growth with reduction of the balance of trade deficit. After implementing the 24 January decisions, a military regime was installed on September 12, 1980 by the military coup led by Gen. Kenan Evren. However, despite the tutelary regime's takeover the January 24 program achieved its goals sooner than expected in the aspects of lowering the inflation rates, GDP targets and transformation of the financial system.

Global economy perspective suggests that the export oriented economic models need to be comparative and cost efficient to be successful. Military regime that held power after the September coup in 1980 suspended trade union agreements. Therefore, by this way a ground for implementing the January 24 decisions had been prepared.

Under the military regime new constitution and other legal arrangements supported the January 24 decisions by means of that reducing wages and indirect costs, export incentives, keeping foreign trade under control (Tonak & Akçay, 2018).

Short-term goals of the January 24 decisions were to control and reduce the inflation with the eliminating trade deficit. However, the main purpose of the measures was a complete change of the existing economic model, which was based on the import substitution industrialization to export oriented economy.

The most important difference of the January 24 measures was almost all previous economic development plans aimed the short-term targets. However, January 24 measures also aimed the long-term targets, such as the stand-by agreement signed with the International Monetary Fund in 1980. The measures determined under the stand-by agreement are as follows:

- Tightening the money supply and transition to free interest model
- Highly devaluation of the Turkish Lira
- Reducing public expenditures and budget deficit
- Minimizing subsidies and reducing market price controls
- Granting the authorization of prices raises to public economic enterprises to close their budget deficits
- Transition to flexible exchange rate and daily exchange rate applications
- Encouraging foreign capital inflows
- Encouraging the export-based industrialization

Goals and measures mentioned above were provided positive feedbacks after the 1981. In addition additional financial implementation and new institutions came into

life, Capital Market Law (1981), daily foreign exchange rate by Central Bank (1981), Istanbul Stock Exchange (1986) established (Öztürk, 2018).

Immediately after the 24 January decisions, Turkish Lira was devalued. Restrictions on foreign capital investments and participation amounts were removed and the areas of investment that foreign capital could participate in were expanded (Avcı, 1988). Import regulations were simplified, quota applications and lists were removed, tariffs were reduced (CBRT, 2002).

#### 4.2.2.1 Fundamental macro – economic indicators

To addressing this concept and further examination of the economic environment in that area, basic macro – economic indicators should be investigated. Those indicators are Gross Domestic Product (GDP), external balance, and external debt stock.

#### 4.2.2.2 Gross domestic product (GDP)

Economic transformation to the export-based economic model from import-based model in the early 1980s was successful by the means of gross domestic product (GDP).

Between the first stages of the 24 January decisions, (1981 – 1988) annual GDP growth rate was approximate 5.8% annually. As it can be seen in the Figure 2, growth rate increased regularly until 1988. Without any sign of the recession or hyperinflation, it could be said that the economic program was successful. Although GDP growth rate increased, it started to show an instability, for instance the economy, which showed negative growth in 1980 and showed a very high growth rate of 9% in 1987. At the first glance, this situation may be perceived as positive. However, imbalance in the growth

rates was such as 9.48% in 1987 and 2.32% in 1988 or 9.26% in 1990 and 0.72% in 1991 showed the signs of unstable growth.

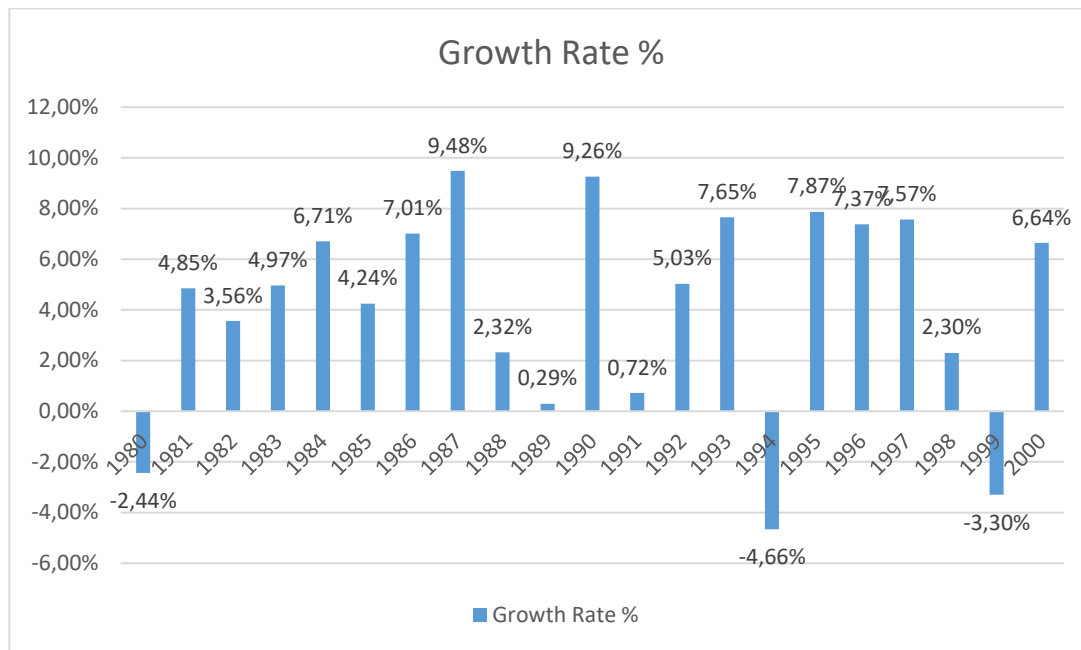


Figure 2. GDP growth rates in Turkey (1980 – 2000)

After 1988, export-based economic growth model entered second phase. However, growth performance was weaker than the previous years. After 1988, Turkey experienced two minor and two major recessions until 2000. The annual GDP growth rate average dropped to 3.7% from 5.8% between 1988 and 2000 (Tonak & Akçay, 2018).

After 1989, the growth performance of Turkey was disrupted by unsuccessful economic policies and political instability. To control the inflation authorities slowed the depreciation rate of the Turkish Lira. Although the main reason of this action was controlling the inflation, fundamentally it was done for the borrow money from domestic and foreign markets. Even after the 1994 banking crisis, the policy makers continued to slow depreciated national currency policy. According to other studies, to fighting

inflation with the slowly devaluation of the national currency has a weak credibility due to sluggishness inflation inertia (Calvo & Végh, 1999).

Although economic growth was positive throughout the 1980-2000 period, there were four recessions. What triggered the 1991 and 1994 recessions was the real exchange rate increase before the real exchange rate shocks. Once the major macroeconomic indicators like durable good consumption and private investment values fell out of their trends and after the real exchange rates, there were significant deteriorations in the macroeconomic indicators. 1999 recession was caused by the different reasons from the other recessions. Main reason was the failure of authorities to take appropriate action against the consequences of the Russian crisis and the devastating earthquake occurred in 1999. After the Russian crisis, monetary authorities increased the interest rates to preserve Turkish Lira. Even this temporary solution did preserve the economic balances, aftermath was devastating resulted recession.

To sum up, high growth rates declared after the January 24 decisions were relatively higher than the other periods. However, these unhealthy growth rates are mostly based on the imports and consumptions. Due to these facts, this kind of growths caused the foreign trade and current account deficits (Güral, 2005).

#### 4.2.2.3 External balance

After the 1980s, the Turkish governments adopted the outward, export based economic policies. With this era, external balance was one of the core pillars of the sustainable economic growth and concern source in Turkey. In these years, instead of import substitution industrialization strategy, export-oriented industrial strategy was adopted

and as a requirement of this new economic policy, the economy's competitiveness was tried to be increased. In this direction, the national currency was frequently devalued and export incentives were given. Therefore, some sectors differentiated from others and gained competitive advantage (Kazgan, 1991).

Turkey has come a very long way in the field of foreign trade since 1980. Especially economic transformation to the export led economy and improvements of the export performance of country were the best outcomes of these economic policies. Table 1 indicates that, in the same period, the ratio of exports to imports increased regularly. While the ratio of exports to imports was 36% in 1980, this ratio increased to 61% in 1995. With the support of export incentives and policy changes, the number of exporters, which was between 3 - 4 thousand in 1980, reached 20 thousand in 2003 (Kayalar, 2005).

Table 1. External Balance Figures in Turkey (1980 – 2000)

Years	Exports %	Imports %	External Trade Balance	Exports to Imports Ratio
1980	28.7	56	-4,999	36.8
1985	11.6	5.5	-3,385	70.2
1990	11.5	41.2	-9,343	58.1
1995	19.5	53.5	-14,072	60.6
2000	4.5	34	-26,728	51

Source: Turkish Statistics Institute

Another fundamental change in the export area in this period is the transformation in the structure of exports. Beginning of the 1980s agriculture and mining products accounted for most of the exports and rest was the industrial products. In 1995, about 90% of the exported goods were industrial products. With that change, it can be



said that Turkey's economy ceased to be a merely agricultural economy. However, when we look at the sub dimensions of the export products, more than half of the exported products are non-durable consumer goods like textile products. Although the January 24 decisions divert Turkey into an export-oriented industrialization path export products clustered into certain groups like textile due to low value-added products risk of boom in the imports of other consumer goods has emerged (Yülek, 1998).

After the decisions taken in the area of capital markets and capital movements in 1989, Turkey established a ground for the liberalization of independent financial movements. Thus, in a short period Turkish Lira gain value against the foreign currencies with speculative financial movements. Due to speculative value gain, prices of the export products increased and prices of the export products were decreased and external balance got disrupted once again (Yentürk, 2001).

When all these outputs are examined, after the implementations of export led policies like previous strategy import substitute failed. Without the substantial investments, low value-added products did not solve the import dependency and external deficit problems. Although there were positive outcomes with regard to the GDP growth and export – import balance, the main economic objectives of industrialization and sustainable healthy growth could not be achieved (Çarıkçı, 1983).

#### 4.2.2.4 External debt stock

Debt Stock is a measure of the sum of the capital and the accrued interest until that day of a country, corporation or a person's debt has not been repaid yet (Eğilmez, 2001).

After the 24 January decisions, it can be said that the Turkey's export gains increased substantially. On the contrary, to export gains due to external funding of investments external debts increased critically. Moreover, external funding of the economic transformation to the export incentive industrialization caused the foreign exchange losses and increased the external dependency of economy. From that perspective while the export numbers increased foreign debt figures that should fall increased also.

Table 2 shows that increase rate of the total external debt stock was nearly 100%. Main reason of such increase rate lack of internal resources was the industry and policy makers' mistakes. In a reasonable economic plan, industrialization plan should be maintained with the lower amounts of external debt. As a result, it will be very difficult to develop for an economy that closes the foreign trade deficit by borrowing, makes investments by borrowing instead of equity and has a volatile national currency (Öztürk, 2018). On the other hand, another aspect of external debt stock data was the maturity of the debt was gradually shortened, while the share of short-term debts in total debt was 15.3% in 1984, this ratio increased to 21% in 1995.

Table 2. External Debt Figures in Turkey (1984 – 1995)

Years	Total External Debt (Billions of \$)	Medium and Long Term (%)	Short Term (%)
1984	20.65	17.47	3.180
1990	49.03	39.53	1.798
1995	73.27	57.57	15.58

Source: Turkish Statistics Institute

At 1990s after the peaks on the exports and GDP numbers, the Turkish economy began to slow down and became volatile due to both domestic and external reasons.

Domestic reasons were debt problems and budget deficits emerged due to the low added value of export products and unplanned economic growth. Aside that high amount of commodity price fluctuations in the international markets, economic crises in other countries, which had risk of contamination, affected the Turkey's economy both directly and indirectly (Öztürk, 2018).

Finally, with the 24 January decisions Turkey succeeded the opening up the economy global markets. However loose policy controls, uncontrolled and featureless growth created instability doubts on the sustainable growth.

#### 4.2.3 Turkish Economy between 2000 – 2019

The Turkish economy, which had experienced two economic crises in the early 2000s, signaled that the economic reforms started with the January 24 decisions should change. Firstly, in November 2000, regulation changes in the banking sector led to market panic about closing open positions of private banking sector. With that sudden regulation changes and private banking sector's protective reflexes Turkish economy experienced a liquidity crisis in the November 2000. (Turan, 2011). The banks, which had liquidity shortage in that time, funded their open positions with the treasury bonds at a loss. Thus, these actions led trading losses to banks increased the real interest rates, after that deepened the crisis with its contamination to the real sector (Turan, 2011). During the first two weeks of crisis, \$5.5 billion central bank reserve melted. Overnight borrowing rates in Interbank Money Market increased to 210% overnight, borrowing the rates in Interbank Money Market increased to 210% (Uygur, 2001).

After the first shock of crisis in December as a result of the insufficient intervention by CBRT, second wave of shock happened, and the crisis deepened. In early December 2000, overnight borrowing rates increased to 1700% and Istanbul Stock Market dropped 26% (Turan, 2005). After this liquidity crisis, the Turkish government started to negotiate with International Monetary Fund.

In order to prevent the crisis from deepening, several measures had been taken by the monetary authorities. Therefore, a tougher economic crisis emerged in 2001. In the first auction of 2001, the Treasury's borrowing auctions were realized at 67%, well above the yearly inflation rate. The borrowing rates were expected to be high after the 2000 crisis, however the rate that was around 67% and then the inflation data came in above the expectations caused panic in the markets (Turan, 2005).

When the February 2001 economic crisis is examined, we can say that many macro-economic data and facts signaled the crisis. In this context, the banking system which had insufficient foreign exchange surplus and standing still by the artificial capital inflows based on the high interest rates- high foreign exchange rate helix were on the center of crisis (Sungur, 2016).

List the main causes of the crisis were:

- High foreign exchange demand and household dollarization.
- Especially effects of the 2000 financial crisis in the real sector and stagnation.
- Contraction caused by very high primary surplus.
- Excessive increase in external debt stock.
- High balance of payments deficit
- Political uncertainty

On the other hand, despite lots of negative macro-economic data and fragility trigger of the economic crisis was the incident took place in the National Security Council (NSC) meeting held on 19 February 2001. At that meeting, the tension between the President and the Prime Minister and throwing the constitution booklet perceived as state crisis and caused panic among the financial markets. As a result of the speculative foreign exchange attacks, there was an intense demand for foreign exchange during the crises, on February 19, 2001, a demand of \$7.6 billion was occurred and the CBRT was able to cover only \$1.2 billion of this demand (Karacan, 2014). Simultaneously oversold of the Turkish assets by the foreign investors led to an increase of the overnight borrowing rates to the 1,000% and inability of the CBRT's to demonstrate the required flexibility deepened the crisis resulted with the \$5.3 billion loss in CBRT's net reserves in one week, in the Interbank Money Market, overnight repo rates increased to 7,500% and treasury borrowing interest rates increased to 140%. The crisis happened in the November 2000 was about the abnormal interest rates on the markets thus 2001 economic crisis can be named as the interest and exchange rate crisis and shook the banking sector deeply. Later it was announced that total loss of banking sector was about the \$25 billion (Turan, 2011).

After the crisis, the domestic debt dynamics of the public sectors deteriorated, the banking sector suffered a heavy blow, international credit rating agencies downgraded credit ratings and the access to funding became difficult. The effect of these results on the economy was growth rate that came to almost 0% or negative growth. To repair the damage done by the crisis between the Turkish Government and International Monetary Fund with the support of the World Bank a structural reform plan prepared and implemented rapidly. (Kol & Karaçor, 2012).

#### 4.2.3.1 Gross domestic product (GDP)

When the gross domestic product (GDP) of Turkey is examined after 2000 and 2001 economic crises economy got into a stable way. The annual growth rates increased steadily until 2009. It can also be seen that after 2009, while GDP growth were positive while GDP per capita annual growth rates were negative. This mismatch proves that economic growth that between 2000 and 2018 was unhealthy in some respects. Table 3 indicates the details of GDP between 2000 – 2018. One of the main problems of Turkish economy, subsection of the GDP such as GDP per capita, GDP growth rate are not stable and not compatible with each other. In a healthy economy when GDP growth rates are positive it is expected that GDP per capita also positive. However, in Turkish economy it was recorded that while the GDP growth rate was positive, GDP per capita growth rate were negative. In summary, gross domestic products numbers show that the Turkey is not a stable country by this criterion, also it can be noticed that the Turkey is vulnerable to overseas economic shocks and fluctuations. In general Turkey bears the all the features of a developing country.

On the other hand, unstable and vulnerable gross domestic product numbers mean that the Turkey's growth are not suitable for the general economic development. As examined in the research some low value added sectors are more weighted in the economic environment of Turkey and this situation is effecting the general growth and strength of the economy.

Table 3. GDP Figures in Turkey (2000 – 2018)

	GDP (\$)	GDP Growth %	GDP Per Capita (\$)	GDP P.C. Annual Growth
2000	265,384	6.6%	4,219	5%
2001	196,736	-6%	3,053	-28%
2002	230,494	6.4%	3,589	17.6%
2003	304,901	5.6%	4,463	29.4%
2004	390,386	9.6%	5,593	28.2%
2005	481,496	9.0%	7,278	22.3%
2006	526,429	7.1%	7,899	8.5%
2007	648,753	5%	9,563	21.1%
2008	742,094	0.8%	10,692	11.8%
2009	616,703	-5%	8,882	-17%
2010	731,608	8.5%	10,476	17.9%
2011	773,979	11.1%	11,141	6.4%
2012	786,282	4.8%	11,553	3.7%
2013	823,044	8.5%	12,395	7.3%
2014	799,369	5.2%	12,022	-3%
2015	719,62	6.1%	10,915	-9%
2016	863,722	3.2%	10,817	-1%
2017	851,549	7.4%	10,537	-3%
2018	766,428	2.6%	9,346	-11%

Source: Turkish Statistics Institute

When the contribution of sectors to national income is examined, it is revealed that the while the shares of agricultural and industrial sectors were 10% and 28% in 2000, these shares decreased to 7% and 24% in 2015. On the other hand, shares of the

service sector increased to 57.7% from 55.6%. These facts prove that there was an unhealthy economic growth, which was based on the service sector instead of targeted industrial growth (Sungur, 2016). Also, after the 2011 economy has grown unbalanced in rates aspect.

Additionally, between 2000 and 2018, the economic growth of Turkey was unstable and fluctuated. For instance, after the 2001 crisis, Turkish economy grew with the rates up to 9% however, after the 2005 growth rates slowed and in 2009 economy recorded negative growth.

For the GDP per capita aspect, it is clear that there was a stable increase for the GDP per capita until 2013. After the 2013, GDP per capita fell to \$9,346 from \$12,395. According to World Bank's classifications, while Turkey took part in the low- and medium-income group (\$1,036 – \$4,085) as from 2013, it rose an upper level, which was upper- and middle-income group (\$4,086 - \$12,615) (World Bank, 2015).

#### 4.2.3.2 Employment and unemployment

In this section the employment and unemployment numbers between 2005 and 2018 were presented. In February 2014, with the introduction of new regulations to ensure full compliance with European Union standards, the unemployment calculations made by Turkish Statistics Institute has changed. Therefore, as a result of the change made in 2014, data before the 2005 disappeared.

When Tables 4 and 5 are examined, it is evident that the total employment rose to approximately 29 million in 2018 from 19.6 million in 2005. In addition, details of the employment statistics showed that the while the numbers of agriculture of almost stand



still, numbers of the industry, construction and services rose. Additionally, for a clear sight of employment data, shares examined. Table 5 shows that the from 2005 to 2018, shares of the agriculture fell from 25.5% to 18.4%, shares of the industry fell from 21.6% to 19.7%, shares of the construction rose to 6.9% from 5.6%, shares of the services sector rose to 54.9% from 47.3%. Those results show that the employment rose by the numbers however, quality of this increase was poor, which coincides with the growth rates that resulted instability. Since 1980, the rates of the industrialization in Turkey fell far behind the growth of the service and construction sectors. Considering the outcomes of the non-industry services those outcomes represents low value added, temporary solutions for the economy. Regarding the January 24 decisions and economic policies came after the January 24 decisions it is expected that the industry would be the leading sector by employment numbers. However, it is revealed that the service sector is the leading factor and the shares of the industry and agriculture are almost the same. Also, from 2005 to 2018 employment rates of the industry gradually declined while the employment rates of construction and service gradually increased.

Table 4. Employment Numbers by Key Sectors in Turkey (2005 – 2018)

Years	Thousand Person				
	Total	Agriculture	Industry	Construction	Services
2005	19,633	5,014	4,241	1,097	9,281
2006	19,933	4,653	4,362	1,192	9,726
2007	20,209	4,546	4,403	1,231	10,029
2008	20,604	4,621	4,537	1,238	10,208
2009	20,615	4,752	4,179	1,305	10,380
2010	21,858	5,084	4,615	1,434	10,725
2011	23,266	5,412	4,842	1,680	11,332
2012	23,937	5,301	4,903	1,717	12,016
2013	24,601	5,204	5,101	1,768	12,528
2014	25,933	5,470	5,316	1,912	13,235
2015	26,621	5,483	5,332	1,914	13,891
2016	27,205	5,305	5,296	1,987	14,617
2017	28,189	5,464	5,383	2,095	15,246
2018	28,738	5,297	5,674	1,992	15,774

Source: Turkish Statistics Institute

Table 5. Employment Rates by Key Sectors in Turkey (2005 – 2018)

Years	Percentage (%)				
	Total	Agriculture	Industry	Construction	Services
2005	100	25.5	21.6	5.6	47.3
2006	100	23.3	21.9	6.0	48.8
2007	100	22.5	21.8	6.1	49.6
2008	100	22.4	22.0	6.0	49.5
2009	100	23.1	20.3	6.3	50.4
2010	100	23.3	21.1	6.6	49.1
2011	100	23.3	20.8	7.2	48.7
2012	100	22.1	20.5	7.2	50.2
2013	100	21.2	20.7	7.2	50.9
2014	100	21.1	20.5	7.4	51.0
2015	100	20.6	20.0	7.2	52.2
2016	100	19.5	19.5	7.3	53.7
2017	100	19.4	19.1	7.4	54.1
2018	100	18.4	19.7	6.9	54.9

Source: Turkish Statistics Institute

Table 6 demonstrates the employment and unemployment figures. According to data some categories draw attention. For instance, when employment numbers and rates rose, the unemployment rose. Considering the recent data, there were no remarkable progress in terms of unemployment. Even though the unemployment rate decreased from the crisis levels, it was still above 10%.

Table 6. Employment / Unemployment Figures in Turkey (2005 – 2018)

Years	Percentage (%)			
	Labor Force	Unemployment	Non-Agricultural	Employment
	Participation		Unemployment	
	Rate (%)		Rate (%)	
2005	44.9	9.5	12.0	40.6
2006	44.5	9.0	11.1	40.5
2007	44.3	9.2	11.2	40.3
2008	44.9	10.0	12.3	40.4
2009	45.7	13.1	16.0	39.8
2010	46.5	11.1	13.7	41.3
2011	47.4	9.1	11.3	43.1
2012	47.6	8.4	10.3	43.6
2013	48.3	9.0	10.9	43.9
2014	50.5	9.9	12.0	45.5
2015	51.3	10.3	12.4	46.0
2016	52.0	10.9	13.0	46.3
2017	52.8	10.9	13.0	47.1
2018	53.2	11.0	12.9	47.4

Source: Turkish Statistics Institute

#### 4.2.3.3 Inflation

For decades, Turkish economy suffered heavily from the uncontrolled inflation.

Especially after the 1980s due to economic crisis and instability, monetary authorities could not control the inflation. Thus, from year to year, inflation exceeded to more than

100%. Almost all economic development programs in Turkey aimed to reduce and control inflation rates, however many have failed yet.

Figure 3 shows the Turkey's inflation rates from the 2001. Since 2002, with the leadership of Turkish Central Bank, Turkey began to use yearly inflation target as the monetary policy instrument. During that period, Central Bank of Turkey was able to maintain control on the inflation rates tolerable thanks to low oil prices (Sungur, 2016). Table 7 indicates the, inflations started to rise again to above average in recent years.

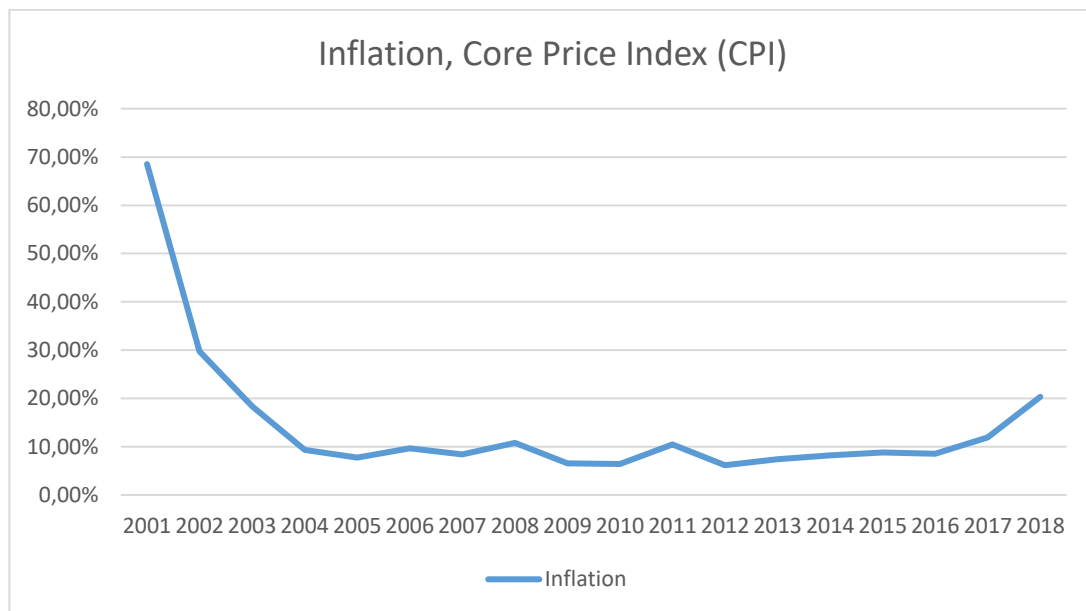


Figure 3. Core price index in Turkey (2001 – 2018)

Table 7. Inflation Rate by Years in Turkey (2001 – 2018)

	Inflation Rate
	YTD (%)
2001	68.53
2002	29.75
2003	18.36
2004	9.32
2005	7.72
2006	9.65
2007	8.39
2008	10.60
2009	6.53
2010	6.40
2011	10.45
2012	6.16
2013	7.40
2014	8.17
2015	8.81
2016	8.53
2017	11.92
2018	20.30

Source: Central Bank of Turkey

The inflation rate, which has peaked after the 2000 and 2001 economic crisis, has been controlled partly after the economic development programs which has been supported by the International Monetary Fund and World Bank. However, in recent years especially after 2017, the inflation has entered an uptrend. The deteriorations in

security and political environment stand out as the causes of this upward trend. For instance, 2015 and 2016 terror actions affected the tourism sector which one of the main sources of Turkey's foreign exchange gains, 2016 coup d'état affected both Turkey's politic and economic environment. Lastly, yet importantly, the relations with the US affected the Turkish economy negatively and inflation entered an uptrend due to economic deterioration. Despite the foreign exchange rate increase experienced between the 2010 and 2014, the decline in the oil prices contributed to the inflations rate's stability in that period. With decline in the oil prices, Turkey was able to fund its energy need inexpensively.

#### 4.2.3.4 External trade

Between 2000 and 2018, the export numbers increased by approximately six times. Even showed some volatility, the export volume increased to \$157 billion from \$27,774 billion. Generally, export increased regularly between these years and declined only in times of economic crisis like 2009. Also, in recent years due to general destabilization of Turkey export increase rates slowed down, even declined two years in a row for 2015 and 2016. In parallel to export figures, import volume has also risen to \$242 billion from \$54 billion between 2000 and 2018. A conclusion that can be drawn from the table is that during economic crises, both exports and imports always in decline trend; however, the decline in imports is higher than exports.

Table 8 shows the external trade dynamics in Turkey. Although export numbers by value increased over time, import numbers by value also increased. Thus, increase rates of both exports and imports were very close to each other and situation of imports

superiority over the exports created a foreign trade deficit. From 2000 to 2011, foreign trade deficit increased regularly and peaked in 2011 with \$105 billion. After 2011, foreign trade deficit has entered the downtrend. When regarding the January 24 decisions and other economic implications it was expected that the superiority of exports over the imports. Even the superiority could not reach the gap between the imports and exports increased. Despite the unhealthy economic progress after 2011 economy by means of export and imports signaled recovery signs. Growth rates of the imports declined even passed through the negative zone while the growth rates of exports recovered and increased. With this slight recovery, the trade deficit, which was \$105 billion in 2011, decreased to \$50 billion in 2018. If the Turkish economy could control the trade deficit by means of declining the shares of imports in the overall trade, situation can turn in favor of the Turkish economy and boost the exports. However, it can be clearly seen that with the shares of industry in overall GDP this situation would be hard in the near future.

To sum up, it is very difficult for a country with a trade deficit to have stable growth. Trade deficit basically means the economy dependency of funding. For more basic explanation an economic system with more outflow of money than the inflow of money is hard to sustain.



Table 8. External Trade Dynamics in Turkey (2000 – 2018)

	EXPORTS		IMPORTS		BALANCE OF FOREIGN TRADE	VOLUME OF FOREIGN TRADE	PROPOTION OF IMPORTS COVERED BY EXPORTS
Years	Value	Change (%)	Value	Change (%)	Value	Value	Change (%)
2000	27,774	4.5	54,502	34.0	-26,727	82,277	51
2001	31,334	12.8	41,399	-24.0	-10,064	72,733	75.7
2002	36,059	15.1	51,553	24.5	-15,494	87,612	69.9
2003	47,252	31	69,339	34.5	-22,086	116,592	68.1
2004	63,167	33.7	97,539	40.7	-34,372	160,706	64.8
2005	73,476	16.3	116,774	19.7	-43,297	190,250	62.9
2006	85,534	16.4	139,576	19.5	-54,041	225,110	61.3
2007	107,271	25.4	170,062	21.8	-62,790	277,334	63.1
2008	132,027	23.1	201,963	18.8	-69,936	333,990	65.4
2009	102,142	-22.6	140,928	-30.2	-38,785	243,071	72.5
2010	113,883	11.5	185,544	31.7	-71,661	299,427	61.4
2011	134,906	18.5	240,841	29.8	-105,934	375,748	56
2012	152,461	13	236,545	-1.8	-84,083	389,006	64.5
2013	151,802	-0.4	251,661	6.4	-99,858	403,463	60.3
2014	157,61	3.8	242,177	-3.8	-84,566	399,787	65.1
2015	143,838	-8.7	207,234	-14.4	-63,395	351,073	69.4
2016	142,529	-0.9	198,618	-4.2	-56,088	341,147	71.8
2017	156,992	10.1	233,799	17.7	-76,806	390,792	67.1
2018	167,923	7	233,046	-4.6	-55,123	390,970	75.3

Source: Turkish Statistics Institute

Table 9 shows the capital inflow figures in Turkey between 2000 and 2018.

When foreign inflow channels are examined, a more positive image could be seen. After 2000, all these categories recorded increase. Considering that the total amount of foreign direct investment between the years 1950-2000 were 20 billion dollars, the amount recorded in 2006 was an important milestone for Turkey' s perception of investment (Karagöl & Bingöl, 2013). After 2006, the inflow of investments increased steadily. On the portfolio side, volatility could be seen because of the fluctuations of capital markets. It is also revealed that the during the years of economic crisis portfolio investments effected directly. Only negative rates of the portfolio investments recorded during the 2001 and 2008 global economic crisis. Also, until 2016 tourism income increased compared to the previous year. However, as mentioned before, terror attacks, July 15 coup attempt and other unfortunate events took place in 2016 directly affected the tourism sector and that year tourism income decreased almost the 30% compared the previous year. In addition, in 2016 foreign direct investment flow and portfolio investment flow also fallen harshly. Foreign direct investment flow fallen almost 30% and portfolio investment flow fallen almost 50%.

Table 9. Capital Inflow Figures in Turkey (2000 – 2018)

Years	Tourism Income	Foreign Direct	Portfolio
		Investment	Investment
		Flow (FDI)	Flow
2000	7.6	0.98	1.6
2001	10.5	3.35	-3.7
2002	12.4	1.08	1.5
2003	13.9	1.7	3.9
2004	17.1	2.79	9.4
2005	20.3	10.03	14.7
2006	18.6	20.19	11.4
2007	20.9	22.05	2.8
2008	25.4	19.85	-3.8
2009	25.1	8.59	2.9
2010	24.9	9.1	19.6
2011	28.1	16.18	19.5
2012	29	13.28	38.4
2013	32.3	12.46	21.4
2014	34.3	12.55	20.7
2015	31.4	17.71	15.4
2016	22.1	12.94	6.3
2017	26.2	10.86	24.3
2018	29.5	13.2	34.9

Source: Turkish Statistics Institute

#### 4.2.3.5 Debt stock

Table 10 represents the Turkey's Public Debt status between 2000 and 2018. It is important to note that assets consist of three different categories, which are CBRT's net assets, public assets, unemployment insurance fund. In 2000, public's gross domestic debt stock was \$54.5 and external debt stock was \$30.3 billion; totals of \$85.5 billion. When the table examined in terms of debt after the 2000 and 2001 crisis there were a significant increase of the public's debt stock. Despite the decline of external debt between 2002 and 2008, the domestic debt never declined between 2000 and 2018 and on the contrary reached to \$664.5 from 54.5. After 2009 net debt stock declined gradually until 2017 with the deterioration of economic balances and political insatiability net debt stock started to increase. Significant increases in assets as well as increase in public net debt stock were seen in that period. The assets, which were 14.1 billion dollars in 2000, reached 662 billion dollars by 2018.

Debt stock data, when taken together with the other macroeconomic data shows very unhealthy and fragile economic framework. Briefly Turkish economy dependent to asset flows, debtor and has a weak industrial sector. So, it may be said that the economic goals that come into life with the January 24 decisions did not achieved by the authorities.

Table 10. Debt Stock Figures in Turkey (2000 – 2018)

Years	Public Gross Debt Stock			Assets	Public Net Total	
	Domestic	External	Total		Debt Stock	
					Total	/ GDP
2000	54.5	30.3	84.8	14.1	70.8	41.5
2001	125.6	63.4	189.1	30.1	159.0	64.8
2002	155.2	101.6	256.8	41.6	215.3	59.9
2003	202.1	95.4	297.5	46.7	250.8	53.6
2004	235.1	97.9	333.0	58.4	274.5	47.6
2005	259.8	91.4	351.2	81.0	270.1	40.1
2006	268.3	97.3	365.6	107.7	257.9	32.7
2007	273.3	81.8	355.0	107.1	247.9	28.2
2008	295.8	111.5	407.3	140.2	267.1	26.8
2009	347.4	117.4	464.8	155.8	309.0	30.9
2010	369.2	127.6	496.8	179.3	317.5	27.4
2011	387.6	158.5	546.0	256.4	289.6	20.8
2012	408.4	154.4	562.7	322.3	240.5	15.3
2013	430.3	192.6	622.9	425.6	197.2	10.9
2014	443.4	206.6	649.9	463.1	186.8	9.1
2015	474.2	247.8	722.1	561.1	161.0	6.9
2016	514.7	305.1	819.8	600.6	219.2	8.4
2017	596.5	358.0	954.6	692.3	262.2	8.4
2018	664.8	505.1	1,169.9	662.9	506.9	13.7

Source: Turkish Statistics Institute

#### 4.3 Results and evaluation

When viewed from a wide perspective to Turkey's economy from 2000, in economic context Turkey has made great improvements. However, it seems to monetary authorities be inadequate to solve problems fundamentally. And general economic environment economic environment has suffered a recession recently.

To sum up, between 2000 and 2018, there were three economic crises, which shook the economic, balances. GDP growth rate were unstable even so in recent years of evaluation GDP per capita numbers have begun to decline. When the structure of growth is examined, it is revealed that the growth often related with the foreign demand and imports due that reasons fluctuations in foreign demands effects directly to economic growth. The domestic savings, yet another important source of growth at were very low levels and gradually declining. While the ratio of private savings to GDP at current prices was 25.5% in 2001, this ratio decreased to 19.6% in 2003, to 15.07% in 2008 and to 13.06% in 2012 (Özlale and Karakurt, 2012). The low level of domestic savings also necessitates the financing of investments by outsourcing, which leads to a current account deficit. In this context to not enter middle-income trap Turkey has to turn industrial sectors to the high value added, competitive, various in production. In addition, one of the most important things to do is increasing the domestic savings (Karahan, 2012).

Another important issue is the unemployment. When tables are examined unhealthy employment, distribution is revealed. Shares of the services and construction sectors are high compared to other sectors. Also in the last 18 years, despite the growth in the economy, unemployment rates and numbers increased, which means that

economic growth is unhealthy and non-employment friendly growth (Taban, 2011).

Nowadays while employment is increasing, unemployment continues to rise.

Another sign of unhealthy growth is seen in the foreign trade deficit; in 2011, foreign trade deficit exceeded the \$100 billion. Considering history of Turkey's economy, foreign trade deficit since 1947 seems to be the problem. Even all structural reform programs aimed to solve this problem but failed. There is a fundamental structural problem in the inability to prevent the foreign trade deficit due to exports are based on imported inputs. Turkey's imported inputs made based on about 60% of exports in 2013 reveals the problem (Taban, 2011).

Another important development was observed in inflation. After many years suffered from two-digit inflation Turkey finally achieved to lowering inflation to single digit. In fact, the inflation rate of 6.2% in 2012 has been the lowest since 1968 (Karagöl & Bingöl, 2013). However, in recent years inflation started the rise again it is still below the before 2000 levels.

Table 11 represents the Turkey's credit rating scores for foreign investment. According to credit rating agencies, Turkish economic prospect draws a positive image compared to before 2000s. However, unhealthy growth and dependence on external resources, employment problems, vulnerable national currency, problems on the investor confidence, dependency of CBRT, geopolitical risks pose great danger to the Turkish economy. With regarding these last evaluations of the credit rating agencies on Turkey reflects these doubts and risks.

Table 11. International Credit Rating Scores of Turkey by February 2019

Institution	Rating	Outlook	Comment	Date
Moody' s	B1	Negative	No Investment / JUNK	Jun 14 2019
S&P	B+	Negative	No Investment / JUNK	Aug 17 2018
Fitch	BB	Negative	No Investment / JUNK	Jul 13 2018

Source: Turkish Investment Office

Figure 4 demonstrates the Turkish Lira's value against the US Dollar. Turkish national currency TRY losing its value regularly since 2008 economic crisis. This situation is another indicator that Turkey still could not controlled the its own deteriorated capital market dynamics.

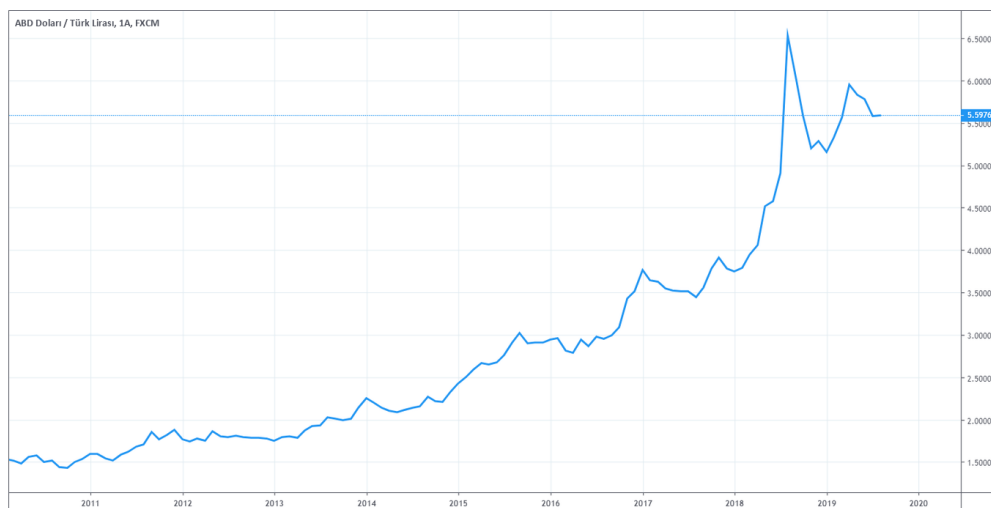


Figure 4. USD/TRY monthly graph (2011 – 2019)



According to Moody's, Turkey is in recession by the second half of 2018 and in currency crisis due to ongoing erosion of institutional strength, turbulent politics and non-transparent macroeconomic policies. During the 2018, turbulent environment to defend national currency and stabilize capital markets Turkey has lost significant amount of foreign reserves and caused dollarization among the household. In addition, inflation and external vulnerabilities likely to remain high due to weakening of central economic management (Moody's, 2019)

Apart from the statistical analysis, in Turkey's history, some political and economic events support hypotheses of this study in an aggregate level. When considering the economic history of Turkey, there have been five different types of economic crisis. Those crises were; balance of payments crisis in between 1978 – 1980 caused by the global petroleum price shocks, 1991, economic crisis triggered by the Gulf War, 1994 financial crisis and 2001 and 2008 economic crises caused by the global banking sector crisis.

After 1978 – 1980, the economic crisis with the coupling of political instability, the Turkish Armed Forces' letter to President Fahri Korutürk on January 1, 1980, due to economic problems and widespread violence, was the first signal of the September 12 military coup. In addition, during the same period, the government adopted many measures for the post-crisis economic recovery through the January 24 decisions. However, post – crisis stress and political clashes between the tutelary regime and government led to September 12, 1980 Coup led to government and institution changes. On the other hand, there were significant changes on the distribution of votes by means of right- or left-wing parties. For instance, before the economic crisis results of the 1977 general elections were; 41.4% for CHP and 36.9% for AP. After the military coup in

1980, first general election conducted in 1983 and results were surprising in the way of power transfer from left wing to right wing parties. In 1983 general election, CHP fell under the election threshold and could not enter parliament. Centre – right ANAP won the 45.1% of overall votes. Similar situation also could be seen in the other general elections which coincident to the economic crises. While in 1991 general election vote distribution were 27% for DYP, 24% for ANAP, 20.8% for SHP and 16.9% for RP, in 1995 general election vote distribution were 21.4% RP, 19.7% ANAP, 19.2% DYP and 14.6 % DSP. However, the most significant change can be seen in between the 1999 and 2002 general elections. As a result of the 2001 economic crisis, the current government went to early elections in 2002. While the left-wing party, DSP held the majority of votes in 1999 general elections, in 2002 general elections, Centre – right AKP took the majority of votes with 34.4%. As also can be seen from this case, Turkey experienced government changes every time during the economic crisis, even in some cases, power is transferred from the left wing and right wing or right wing to left wing. These non-experimental inferences support the hypotheses, but do not make a significant statistical inference.

To sum up, with the given reasons and the results of the economic policies implemented from decades Turkey's economy is now on a thin rope. Fueled by the turbulent politics and global capital market movements, Turkey tries to survive with its weak structural economic model.

## CHAPTER 5

### METHODOLOGY

This chapter focuses on the methodology of study. Sample selection and data collection methods are described, and variables of the study are introduced and operationalized. Finally, data analysis method is introduced.

#### 5.1 Sample selection

The research was conducted in Istanbul in February (2019) in certain districts of Istanbul chosen for the sample gathering, those districts were Beyoğlu, Üsküdar and Tuzla due to their resemblance of overall election results. With this, way sample population narrowed. For instance, in 2015 general elections, overall results were the 49,5% for AKP, 25.3% for CHP, 11.9% for MHP and 10.8% for HDP on the other hand for the Beyoğlu district those results were 50.9% for AKP, 25.4% for CHP, 14.4% for HDP and 6.9% for MHP. As seen from the Beyoğlu example, while the vote rates for the AKP and CHP in Beyoğlu reflected the overall rates, vote rates of the MHP and HDP can change from district to districts.

Sample selection carried out according to demographic distribution of those districts. Age and gender, considered as the sample selection factor so, general election's demographic distribution statistics were targeted to reflect the sample population. Thus, a stratified sampling conducted within the population. In this direction, 659 voters were interviewed by face-to-face method.

The table 12, 13 and 14 represent the 2015 and 2018 general election results and the resemblance of general results and results of the three districts of İstanbul, which are Üsküdar, Beyoğlu and Tuzla.

Table 12. 2018 & 2015 General Election Results in Turkey

	2018 General Election	2015 General Election
AKP	42.6%	49.5%
CHP	22.6%	25.3%
HDP	11.7%	10.8%
MHP	11.1%	11.9%
IYI	10.0%	*

Source: Turkish Supreme Election Council

Table 13. 2018 General Election Results in Research Districts

	2018 General Election			
	Beyoğlu	Tuzla	Üsküdar	Average
AKP	45.1%	42.5%	42.2%	43.3%
CHP	22.2%	25.4%	29.5%	25.7%
HDP	16.7%	10.9%	8.7%	12.1%
MHP	7.6%	10.2%	7.1%	8.3%
IYI	6.2%	9.0%	9.9%	8.4%

Source: Turkish Supreme Election Council

Table 14. 2015 General Election Results in Research Districts

2015 General Election				
	Beyoğlu	Tuzla	Üsküdar	Average
AKP	50.9%	51.3%	47.9%	50.0%
CHP	25.4%	27.2%	33.7%	28.8%
HDP	14.4%	9.0%	6.5%	10.0%
MHP	6.9%	10.4%	9.5%	8.9%

Source: Turkish Supreme Election Council

## 5.2 Data collection

Research was carried out by face-to-face surveys in the popular squares, busy streets, shopping malls and various central areas in certain districts of Istanbul on Saturdays and Sundays between 13:00 and 16:00 pm. As in shown in the Appendix A the survey questionnaire includes questions which evaluates age, household income, education level, gender, perception of current economic situation, future economic expectations under the incumbent party, non-economic performance of the incumbent party, other factors effects the voting, last voted political party and proximity to the incumbent party on the next election. Also, reason for the choosing a specific day and time was to avoid the rush of the working days and to reach white collars and students in a relaxed state of mind. Overall survey lasted approximately five minutes long.

### 5.3 Variables and measures

Gender, age, education level, occupational group and household income and the last chosen political party are the control variables of this study while the perception of the current economic situation, future economic expectations under the incumbent party rule and non – economic performance of the incumbent party, other voting factors are the independent variables of this study. Finally, proximity to the incumbent party on the next election is the dependent variable of this study. All independent variables, their concepts and sub questions were obtained from a pilot survey study, which held in online via Google surveys. Aim of this pilot survey was, with open-ended questions to gather most important factors and facts for the Turkish citizens when considering to voting.

#### 5.3.1 Dependent and independent variables

The dependent variable of this study is proximity to the incumbent party on the next election. There are four sets of independent variables in this study. They are the perception of the current economic situation, future economic expectations under the incumbent party rule and non – economic performance of the incumbent party and the reason for choosing a political party.

Need to specify before starting all the core variables listed and explained below achieved as a result of a pilot study and literature review. In terms of economic perceptions and voting preferences, the most frequently expressed answers were compiled and arranged in accordance with the literature review and formed the measuring questions.

Proximity to the incumbent party on the next election: this dependent variable aims to explore participants support to the incumbent party on the next elections. In the analysis section, when other variables examined results would shape according to this data Question produced with 5-point Likert scale (1 = Absolutely Support, 5 = Absolutely do not Support)

Perception of current economic situation: this independent variable evaluated with six different questions. Those questions are, in general Turkey's economy is in good condition, government's economic policies are successful, Minister of Economy is successful, economic problems are caused by external causes, economic institutions are independent, Turkey is under attack economically. These concepts, which try to measure the current economic perceptions of voters gathered and identified from the results of the pilot study, also have been filtered through the economic voting literature. Main goal is the evaluate voters' perception of current situation. Throughout this process, political party preference may be shaped. Concepts are produced with 5-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree). Another advantage of this scale, it provides the opportunity to compare perception with reality. Since the results will be compared with the official economic data, voters' knowledge of the economic situation can also be examined.

Future economic expectations under the incumbent party rule: after receiving the answers of perception of current economic situation, voters were subjected to future economic expectations under the incumbent party rule. This independent variable significant for the compare the expectations with the current economic perception. Sub-concepts of the variable are; Turkey's economy under the AKP would be in a better position, GDP per capita increases under the AKP rule, inflation rates fall under the

AKP rule, unemployment decreases under the AKP rule, industrialization increases under AKP rule. Concepts are produced with 5-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree). In the expected situation, voters are not expected to vote if they cannot see an economic future with the incumbent party or vote to if, they see an economic future with the incumbent party. With this scale, this phenomenon would be examined.

Non – economic performance of the incumbent party: As stated in the literature review, voting behavior is affected by many different variables. In this context, Turkey is a country, which is busy with internal and external political arena issues, and many different variables can influence the voting behavior like some important events. These events, which were discovered as a result of the pilot research, were thought to be supportive or preventive of economic voting behavior, and the relationship between economic voting behavior was examined to determine the direction of the relationship, if there any. Sub-concepts are; there is an effective fight against the FETÖ, there is an effective fight against terrorism in Turkey, an effective diplomacy policy is being implemented by the government, refugee policy is successful, Turkey is a powerful country in the aspect of geopolitical and global view. Concepts produced with 5-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree)

Reason for choosing political party: The purpose of using this independent variable with the divide it into subgroups; under the current cyclical situation of turkey except of the economic factors of voting to understand and evaluate other voting factors. This independent variable is evaluated with six different sub-concepts. Those sub-concepts are I vote to protect my current social status, i vote because of could not finding an alternative, I vote for because of similarity of religious belief or sect, ethnicity



voting is also effective in choosing, the ideological identity of the party is influential in voting preference. Concepts are produced with 5-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree),

### 5.3.2 Control variables

Age: In the classification of the age control variable, x and y generations, to have seen the 1960 and 1980 coup, have experienced the 1973 oil crisis, and 1980, 1994, 2001 economic crises are taken into consideration. Coding was done from 1 to 6, respectively from small to large

Gender: to measure gender sensitivity to the events and economic phenomenon, gender control variable was taken into consideration and coded as 1 for female, 2 for male.

Education Level: This control variable was used to measure the educational status and economic voting preferences of individuals. Classification was organized according to the levels of Turkish education system used by TURKSTAT. Illiterate, primary school graduate, secondary school graduate, high school graduate, university graduate, master or doctorate graduate were coded as 1, 2, 3, 4, 5, 6 respectively.

Occupational Group: The control variable of occupational group was formed to determine the group to which the individuals belonged in a large cluster within the sample. It is known for Turkey to have a strong public sector so civil servants, private sector workers and working class are added to make analysis that is more effective. In addition, businessperson and merchant class with more capital access have been added to enable effective analysis between other independent variables and the belonged

business group. Unemployed, student, civil servant, private sector employee, businessperson – merchant and retired were coded as 1, 2, 3, 4, 5, 6, 7 respectively.

Household Income: Household income control variable, which is classified under four different categories, is one of the most critical variables of the research. The first category is limited to the minimum wage of first 6 months of 2019. The second category is placed between the 2019 current minimum wage and poverty line. Third category placed between the poverty line and ten thousand Turkish Lira and fourth category is representing the ten thousand Turkish Lira and above. Coding done as 1, 2, 3, 4 respectively.

Last chosen political party: With this control variable, goal is learning the latest political party choice of voters. Scale is the multiple-choice single answer. Options are AKP, CHP, MHP, HDP, İYİ, other and not voted. Coding done as 1, 2, 3, 4, 5, 6, 7 respectively.

#### 5.4 Data analysis method

SPSS 25 was used to make statistical analyses of the data collected from the surveys. As is shown in Appendix B most of the variables were not normally distributed ( $p < 0.05$ ) so, it is suitable to use hierarchical regression test. However, due to large sample size parametric tests will be used in the study. To explore the reliability of the research model Cronbach's Alpha reliability test conducted on different variables. To understand the relationship between demographic data and economic voting behavior cross - tables were examined. To test the hypotheses and reveal the relationship between variables hierarchical regression test conducted.

### 5.5 Research model

Research model of this study presented in the Figure 5 below. According to research model primarily independent variables tested throughout the hypotheses respectively. Afterwards all independent variables and dependent variable of the study checked with the control variables. Finally, dependent variable tested with the last independent variable named as the other voting factors.

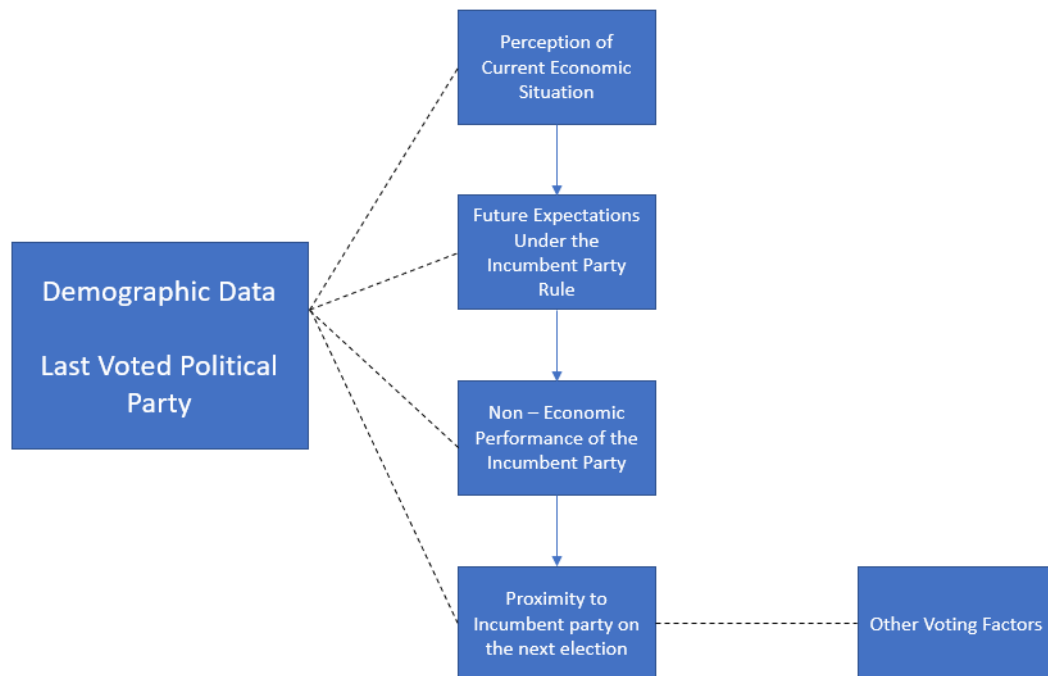


Figure 5. Research model of the study

## CHAPTER 6

### FINDINGS OF THE STUDY

This chapter will begin with the detailed presentation of descriptive findings of the sample with an emphasis on their relationship with the economic perceptions and voting preference. Then, it will continue with the hierarchical regression and conclude with the hypothesis testing.

#### 6.1 Descriptive findings

Table 15 represents the descriptive characteristics of voters in the sample. Since qualitative expressions are translated into quantitative states, numbers are matched with their qualitative equivalents. As can be seen from the table an average voter in this study is more likely a man with a little difference. Between the ages of 26 – 35, more likely to a high school or university graduate, civil servant or working in the private sector and has a household income between the 2,021 TL – 6,918 TL.

Table 15. Descriptive Findings of Sample

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Gender	659	1	2	1.52	0.500
Age	659	1	6	2.8179	1.4121
Education Level	659	1	6	4.6464	0.9943
Occupational Status	659	1	7	3.6692	1.7054
Household Income	659	1	4	2.6151	0.9371

Gender: Table 16 which represented below shows the distribution of gender in the sample. According to sample distribution, the research was carried out with 318 women corresponding to 48.3% of the sample and 341 males corresponding to 51.7% of the sample. When the Turkish Statistics Institute's 2018 demographic data is examined, gender distribution was for the 2018 50.1% for men, 49.1% for women. However, this study was conducted with the voters who are older than 18, so proportional difference from general population could be tolerated.

Table 16. Gender Distribution of Sample

	Gender	Frequency	Percent	Cumulative Percent
Valid	Woman	318	48.3	48.2
	Man	341	51.7	100
	Total	659	100	

Age: Table 17 shows the distribution of voters in the sample in terms of age groups. Within the framework of the research, six different groups were identified, and participants were clustered in these groups. When the data were examined, it was seen that 70.7% of the participants were between 18 and 46 years of age and the most participants were between 26 and 35 years of age. According to Turkish Statistics Institute's 2018 report, Turkey's population was measured as the average age of 30.8. Results of this study do not give an exact or close average age also do not lead to a situation that requires a proportion of 30.8.

Table 17. Age Distribution of Sample

	Age	Frequency	Percent	Cumulative Percent
Valid	18 - 25	130	19.7	19.7
	26 – 35	173	26.3	46.0
	36 – 45	163	24.7	70.7
	46 – 55	117	17.8	88.5
	56 – 65	32	4.9	93.3
	66 and older	44	6.9	100
	Total	659	100	

Education level: Table 18 displays the educational status of the participants.

Results show that most of the participants are university graduate with the rate of 52.2% following with high school graduates with the rate of 23.3% and thirdly master or doctorate graduate with the rate of 14.6%.

Table 18. Education Distribution of Sample

	Education level	Frequency	Percent	Cumulative Percent
Valid	Illiterate	6	0.9	0.9
	Primary school graduate	26	3.9	4.9
	Secondary school graduate	40	6.1	10.9
	High school graduate	147	22.3	33.2
	University graduate	344	52.2	85.4
	Master or doctorate graduate	96	14.6	100
	Total	659	100	

Occupational group: Table 19 presents the distribution of participants' occupational group, according to data gathered from participants; unemployment rate is 13.7 %, which is precisely, overlap with the Turkish Statistics Institute's official rates. According to results, private sector has the largest share and civil servants second largest in the distribution. Majority of the applicants are civil servants and private sector employees with the rates of 19.1% and 32.2% respectively.

Table 19. Occupational Group Distribution of Sample

	Occupational Group	Frequency	Percent	Cumulative Percent
Valid	Unemployed	90	13.7	13.7
	Student	74	11.2	24.9
	Civil Servant	126	19.1	44.0
	Private sector employee	212	32.2	76.2
	Worker	33	5.0	81.2
	Businessperson – Merchant	79	12.0	93.2
	Retired	45	6.8	100
	Total	659	100	

Household income: Table 20 represents the average monthly income of the household. Results show that the 8.2% of the participants gains below the minimum wage. Also, 54% of the participants have an income which below the poverty line set for a family of four as a household. Participants who has a monthly income above the poverty line has the share of 46%.

Table 20. Household Income Distribution of Sample

	Household Income	Frequency	Percent	Cumulative Percent
Valid	0 – 2,020 TL	54	8.2	8.2
	2,021 – 6,918 TL	302	45.8	54.0
	6919 – 10,000 TL	146	22.2	76.2
	10,000 TL and above	157	23.8	100.0

Last voted political party: Table 21 demonstrates the distribution of participants last voted political parties. Results are very surprising due to similarity of March 2019 municipal elections and 2018 General Elections. While the votes of the AKP and CHP are close to the official election results, the votes of the other opposition parties show some difference due to sample size and accessibility of voters.

Table 21. Political Party Preference of Sample

	Political Party	Frequency	Percent	Cumulative Percent
Valid	AKP	284	43.1	43.1
	CHP	244	37.0	80.1
	MHP	43	6.5	86.6
	HDP	19	2.9	89.5
	İYİ	50	7.6	97.1
	Other	8	1.2	98.3
	Not Voted	11	1.7	100
	Total	659	100	



Perception of current economic situation: Table 22 represents the sample's distribution on perception of current economic situation. As mentioned before, the perception of current economic situation has been examined with the six different comment in a 5 Likert scale. When the overall results are examined, it could be easily seen that the voters in general thinks that the economy is not in a good condition. For instance, first comment, "Turkey's economy in general, is in good condition" has a mean score of 1.9454 which coincides with the disagree. Also, another comment that the "Government's economic policies are successful" has the score of 1.8877 which is coincides with the disagree. Finally, comment about the economy minister has the worst score as the meaning with 1.7147 the closest score to totally disagree. Significance among these results are the, regardless of party choice, almost all participants do not qualify the current economic situation as good. Even by this scale it is expected that the voters behavior is tend to punish incumbent party according to responsibility hypothesis.

Table 22. Distribution of the Current Economic Perception Scale

	N	Minimum	Maximum	Mean	Std. Deviation
Turkey's economy in general, is in good condition	659	1	5	1.9454	1.25963
Government's economic policies are successful	659	1	5	1.8877	1.27621
Minister of Economy is successful	659	1	5	1.7147	1.16846
Economic problems are caused by external issues	659	1	5	2.4643	1.42913
Economic institutions are independent	659	1	5	2.0349	1.28600
Turkey is under attack, economically	659	1	5	2.8407	1.55949

Future economic expectations under the incumbent party rule: Table 23 shows the participants expectations in the future under the current incumbent party's rule.

Results are very surprising. Regardless of supported political party preference, almost no participants think the economy will develop as long as the AKP rule continues. Also, especially unemployment has the highest rejection score. Considering the increase in unemployment, it turns out that the participants are sensitive about this issue.

Table 23. Distribution of the Future Economic Expectations Scale

	N	Minimum	Maximum	Mean	Std. Deviation
Turkey's economy under the AKP would be in a better position	659	1	5	2.3854	1.50385
GDP per capita increases under the AKP rule	659	1	5	2.4901	1.50313
Inflation rates fall under the AKP rule	659	1	5	2.1305	1.38970
Unemployment decreases under the AKP rule	659	1	5	1.8407	1.22925
industrialization increases under AKP rule	659	1	5	2.4568	1.50759

Non – economic performance of the Incumbent party: Table 24 displays the participants’ opinion about the non – economic performance of the incumbent party. These comments, which seem to have no direct relation with the economy, affect Turkish citizens in micro-economic terms and affect the country’ s economy indirectly. For example, terrorist events have an impact on tourism, or refugee policy has undeniable economic impact on qualified or unqualified Turkish workers. On the other hand, these comments may reveal the underlying factors of rewarding or punishing the incumbent party. For example, comment about the refugee policy has the highest rejection score in the study. Apart from political and economic views, all participants agree that refugee policy failed.

Table 24. Distribution of the Non – Economic Performance Scale

	N	Minimum	Maximum	Mean	Std. Deviation
There is an effective fight against the FETÖ	659	1	5	2.4264	1.46654
There is an effective fight against terrorism in Turkey	659	1	5	3.1335	1.47535
An effective diplomacy policy is being implemented by the government	659	1	5	2.4294	1.41822
Refugee policy is successful	659	1	5	1.6449	1.15574
Turkey is a powerful country in the aspect of geopolitical and global view	659	1	5	3.2079	1.48166

Reason for choosing a political party: Table 25 demonstrates the overall scores for the participants' reasons to choose. However, there is no significant divergence on comments. On the following parts of this chapter, these comments will be examined throughout the political party cross tables.

Table 25. Political Party Preference Factors

	N	Minimum	Maximum	Mean	Std. Deviation
I vote to protect my current socio-economic status	659	1	5	2.7178	1.60428
I vote because of could not finding an alternative	659	1	5	2.7982	1.62716
I vote for because of similarity of religious belief or sect	659	1	5	2.5781	1.69960
Ethnicity voting is also effective in choosing	659	1	5	2.5994	1.68050
The ideological identity of the party is influential in voting preference	659	1	5	3.5706	1.53454

Proximity to the incumbent party on the next elections: Table 26 and 27 shows the frequency and descriptive statistics of proximity to the incumbent party and support for the next election. The significance of the results obtained here is that it is comparable to the votes given to parties in the last election. For instance while the number of research participants who voted for the AKP in the last elections was 284 with the rate of 43.1%, in this question the number of participants who said they would support the government in the next election has decreased to 220 this number corresponds to 33.4. Also mean value for this scale is 2.5432 with the standard deviation of 1.77603.

Table 26. Sample's Proximity to the Incumbent Party on the Next Election

		Frequency	Percent	Cumulative Percent
Valid	I absolutely do not support	338	51.3	51.3
	I do not support	44	6.7	58.0
	Undecided	57	8.6	66.6
	I support	21	3.2	69.8
	Absolutely Support	199	30.2	100.0
	Total	659	100.0	

Table 27. Mean Value of the Proximity to the Incumbent Party

	N	Minimum	Maximum	Mean	Std. Deviation
Would you support to incumbent party on the next elections	659	1	5	2.5432	1.77603
Valid N (listwise)	659				

## 6.2 Cross – tables

In this section of the study, some independent and dependent variables will be interpreted within the framework of responsibility hypothesis. These variables will be selected and interpreted from those directly related to the concept of responsibility hypothesis. Such as current economic situation comments, political party preference.

Table 28 displays the last voted political party and sub-dimensions of the voters' economic situation assessments. From the obtained results, it may clearly see that opposition party voters mostly disagree with the economy is in good condition. In

addition, even a significant number of incumbent party voters disagree with the economy is in good condition. Under these circumstances, a rational voter should punish the ruling party by not voting according to responsibility hypothesis. There is also another finding that majority of the voters who are agrees with that the economy is in good condition are incumbent party voters. To sum up, 75% of the participants in this study believes that the economy is in a bad condition.

Table 28. Voters' Distribution on Current Economic Perception

		Turkey's economy in general, is in good condition					Total
		Strongly Disagree	Disagree	Unsure	Agree	Strongly Agree	
In the last election you voted for (General Election or Local Election), which political party did you vote for?	AKP	97	56	37	50	44	284
	CHP	181	53	9	0	1	244
	MHP	16	11	11	5	0	43
	HDP	12	3	4	0	0	19
	İYİ	36	12	2	0	0	50
	Other	3	3	2	0	0	8
	Not Voted	5	3	2	1	0	11
Total		350	141	67	56	45	659

Table 29 presents the distribution of the voters' political party preference on "government's economic policies are successful" comment. Results showed that 75% of the participants disagree that the government's economic policies are successful, same as the previous table the participants who agree with the comments are mostly the

supporters of the incumbent party. Both in the rationality perspective and responsible hypothesis suggest that with these results, incumbent party should lose support of voters and opposition should gain support.

Table 29. Voters' Distribution on Government's Economic Performance Question

		Government's economic policies are successful					Total
		Strongly Disagree	Disagree	Unsure	Agree	Strongly Agree	
In the last election you voted for (General Election or Local Election), which political party did you vote for?	AKP	98	51	48	43	44	284
	CHP	207	30	6	0	1	244
	MHP	19	12	5	5	2	43
	HDP	12	4	2	1	0	19
	İYİ	40	6	4	0	0	50
	Other	3	4	1	0	0	8
	Not Voted	5	3	2	0	1	11
Total		384	110	68	49	48	659

In the table 30 presented below, the performance of the current Minister of Economy was questioned indirectly. The findings show that the country's chief economic actor is seen as unsuccessful and in the rational framework, it is expected that the government will be responsible failure and loose support of its supporters. More than 80% of the supporters agree that the current Minister of Economy is unsuccessful. Even more than half of the incumbent party supporters thinks that the Minister of Economy is unsuccessful.



Table 30. Voter's Perception on Performance of the Minister of Economy

		Minister of Economy is successful					Total
		Strongly Disagree	Disagree	Unsure	Agree	Strongly Agree	
In the last election you voted for (General Election or Local Election), which political party did you vote for?	AKP	119	51	51	26	37	284
	CHP	211	25	5	1	2	244
	MHP	27	11	5	0	0	43
	HDP	17	2	0	0	0	19
	İYİ	42	6	2	0	0	50
	Other	3	4	1	0	0	8
	Not Voted	6	4	0	1	0	11
Total		425	103	64	28	39	659

Table 31 demonstrates the voters' ideas about the comment of "Economic problems are caused by external issues". Similar results seen in the previous tables are also seen in this table. Majority of the participants disagree with this comment. Supporters of this comment are mostly from the incumbent party supporters.

Table 31. Voter's Perception on Economic Problems

		Economic problems are caused by external issues					Total
		Strongly Disagree	Disagree	Unsure	Agree	Strongly Agree	
In the last election you voted for (General Election or Local Election), which political party did you vote for?	AKP	77	29	49	54	75	284
	CHP	116	70	42	10	6	244
	MHP	11	7	9	11	5	43
	HDP	6	6	4	3	0	19
	İYİ	28	12	8	2	0	50
	Other	0	1	4	1	2	8
	Not Voted	5	1	3	2	0	11
Total		243	126	119	83	88	659

Table 32 shows the distribution of participants' opinion about the economic institutions' independency. In an ideal country economy, important institutions of the economy, such as the central bank, are expected to be independent of the government. If the independence of institutions is not achieved as a perception, good performance may return to the government as a reward, however, more importantly, poor performance will be returned as punishment absolutely, according to grievance asymmetry. According to the results, majority of participants believe that the economic institutions are not independent.

Table 32. Voter's Perception on Economic Institutions' Independence

		Economic institutions are independent					Total
		Strongly Disagree	Disagree	Unsure	Agree	Strongly Agree	
In the last election, you voted for (General Election or Local Election), which political party did you vote for?	AKP	76	48	78	42	40	284
	CHP	181	35	18	3	7	244
	MHP	19	7	12	4	1	43
	HDP	14	4	1	0	0	19
	İYİ	38	10	0	2	0	50
	Other	2	3	2	1	0	8
	Not Voted	7	3	1	0	0	11
Total		337	110	112	52	48	659

The Table 33 shows that the comment of “Turkey is under attack economically” and responses to this comment. On the contrary, other cross tables under the concept of perception of current economic situation this table shows a balanced distribution over the political party supporters. While the 44.7% of participants disagree with the comment, 36.7% of the participants agrees with and rest of the 122 participants are unsure about the comment. If a subjective assessment to made, economic tensions with other countries were seen as attacks by a particular group of participants.

Table 33. Voter's Perception on Economic Shocks

		Turkey is under attack economically					Total
		Strongly Disagree	Disagree	Unsure	Agree	Strongly Agree	
In the last election, you voted for (General Election or Local Election), which political party did you vote for?	AKP	59	21	36	54	114	284
	CHP	101	53	55	20	15	244
	MHP	6	4	11	4	18	43
	HDP	7	2	6	3	1	19
	İYİ	27	8	11	1	3	50
	Other	2	0	1	3	2	8
	Not Voted	4	1	2	3	1	11
Total		206	89	122	88	154	659

### 6.3 Hypothesis testing

Before starting the hypothesis testing, all factors and scales should be evaluated in terms of validity, variance and reliability. To achieve this, factors of the study are evaluated independently. Afterwards, factors are evaluated all together through the factor analysis. Finally, the obtained valid factors are tested throughout the Cronbach Alpha validity test and hierarchical regression test for the hypothesis testing.

This research has four main scales with multiple questions. Those factors are perception of current economic situation, future economic expectations under the incumbent party rule, non – economic performance of the incumbent party and reasons to choose a political party. All factors consist of sub dimensions as questions/comments. Among these variables, perception of current economic situation was evaluated with six

questions, future economic expectations under the incumbent party rule questions, non – economic performance of the incumbent party variable with five questions, and voting preferences were evaluated with six questions. For each variable factor, firstly, factor analyzes was performed and it was aimed that each scale reached at least 50% explanation rate. In addition, the factor load of each group was aimed to be at least 0.5 and the scales were determined to be unidimensional. Table 34, 35, 36 and 37 demonstrate the test results for each group separately.

Firstly, perception of the current economic situation variable and its sub questions tested with factor analysis. According to results, this factor alone exceeds the 50% limit with a 70% explanation rate

Table 34. Single Factor Analysis of Current Economic Situation Scale

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.218	70.295	70.295	4.218	70.295	70.295
2	0.617	10.283	80.579			
3	0.428	7.138	87.717			
4	0.301	5.021	92.737			
5	0.295	4.917	97.654			
6	0.141	2.346	100.000			

Secondly, future economic expectations under the incumbent rule variable and its sub questions tested with factor analysis. Results showed that the explanation rate of 76% alone exceeds the limit of %50.

Table 35. Single Factor Analysis of the Future Economic Expectations Scale

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.839	76.786	76.786	3.839	76.786	76.786
2	0.390	7.798	84.584			
3	0.317	6.333	90.917			
4	0.238	4.768	95.685			
5	0.216	4.315	100.000			
Extraction Method: Principal Component Analysis.						

Thirdly, non – economic performance of the incumbent party variable and its sub questions tested with factor analysis. According to results, this factor alone exceeds the 50% limit with a 60% explanation rate.

Table 36. Single Factor Analysis of Non – Economic Performance Scale

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.046	60.930	60.930	3.046	60.930	60.930
2	0.723	14.467	75.396			
3	0.559	11.186	86.582			
4	0.387	7.737	94.319			
5	0.284	5.681	100.000			
Extraction Method: Principal Component Analysis.						

After proving that these factors are sufficient to explain by themselves alone, the all variables tested together in the factor analysis, results also proved that, there are four meaningful factors with the 65% explanation rate. After the factors have been determined and description rates have been verified analysis continued with the Cronbach' s Alpha reliability test to testing reliability of obtained factors and sub dimensions of each factor. The variables considered to be related to the dependent variable, which is the measure of supporting the ruling party in the next elections, were included in the analysis as five groups respectively. The explanatory power of each group on the dependent variable was tested in addition to the variables previously analyzed. Finally, hierarchical regression was conducted for the hypothesis testing.

Table 37. Single Factor Analysis of Newly Obtained Factors

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.468	82.278	82.278	2.468	82.278	82.278
2	0.337	11.220	93.498			
3	0.195	6.502	100.000			
Extraction Method: Principal Component Analysis.						

Table 38 demonstrates the results of Cronbach' s Alpha reliability test results of the obtained variables. According to results with the testing of 3 obtained variable, the study has a high reliability score of 0,890.

Table 38. Result of the Cronbach's Alpha Test of the Obtained Variables

		N	%
Cases	Valid	659	100.0
	Excluded	0	0,0
	Total	659	100.0

Cronbach's Alpha	N of Items
0.890	3

Table 39 shows the results of the Cronbach's Alpha reliability test of the perception of current economic situation factor's sub questions. Results show that the in itself factor has a rate of reliability score of 0.912.

Table 39. Result of the Cronbach's Alpha Test of the Current Economic Situation

		N	%
Cases	Valid	659	100.0
	Excluded	0	0,0
	Total	659	100.0

Cronbach's Alpha	N of Items
0.912	6



Table 40 shows the results of the Cronbach's Alpha reliability test of the future economic expectations under the incumbent rule factor's sub questions. Results show that the in itself factor has a rate of reliability score of 0.925.

Table 40. Cronbach's Alpha Test for the Future Economic Expectations Scale

		N	%
Cases	Valid	659	100,0
	Excluded <sup>a</sup>	0	0,0
	Total	659	100,0

Cronbach's Alpha	N of Items
0.925	5

Table 41 shows the results of the Cronbach's Alpha reliability test of the non – economic performance of the incumbent party factor's sub questions. Results shows that the in itself factor has a rate of reliability score of 0.835

Table 41. Cronbach's Alpha Test for the Non – Economic Performance Scale

		N	%
Cases	Valid	659	100.0
	Excluded	0	0,0
	Total	659	100.0

Cronbach's Alpha	N of Items
0.835	5

Table 42 demonstrates the results of the hierarchical regression analysis. In the first column of the table, the demographic questionnaire, which is the first model of hierarchical regression analysis, was tested. The model could explain 4.1% of the total variance in a meaningful way ( $\Delta R^2 = 0.041$ ). On the other hand when the standardized regression coefficients, which reflect the relative effects of each independent variable on the dependent variable examined; when the others are held constant, are as follows; gender and education level have significant effects on the proximity to incumbent party on the next elections, while other variables shows no significant effect. According to these results, men are in favor of not supporting the ruling party in the next elections ( $\beta_i = 0.159$ ;  $p < 0.001$ ) and as education level increases, proximity to the ruling party increases ( $\beta_i = 0.110$ ;  $p < 0.001$ ).

In the second stage of the analysis, the perception of the current economic situation factor was added to the model. Second model could explain the 25.6% of the total variances in a meaningful way ( $\Delta R^2 = 0.256$ ). According to second model, perception of the current economic situation has a significant effect on explaining the variance. The perception of the current economic situation ( $\beta_i = -0.261$ ;  $p < 0.001$ ), has marginally negative effect on supporting the ruling party in the next elections. So, ruling party is blamed for economic deterioration and public support declines. Likewise, if this perception shifts contrary, the support of the ruling party in the next elections will be increased.

In the third stage of the analysis the future economic expectations under the incumbent party questions was added to the model. Third model could explain the 29%, 5 of the total variances in a meaningful way ( $\Delta R^2 = 0.295$ ). According to this model,

future economic expectations under the incumbent rule ( $\beta_i = -0.063$ ;  $p < 0.001$ ) has a significant effect on explaining the variance. Results shows that, voters who think that the economy will not be in a better condition in the future are moving away from supporting the incumbent party on the next election. On the contrary, if a voter thinks that the economy would be in a better condition in the future under the incumbent party rule then he or she tends to support the incumbent party.

In the fourth stage of analysis, the non – economic performance scale was added to the model. Fourth model could explain the 33.8% of the total variances in a meaningful way ( $\Delta R^2 = 0.338$ ). This model demonstrates that the foreign and domestic political effectiveness ( $\beta_i = -0.099$ ;  $p < 0.001$ ) has a significant effect on explaining the variance. Results showed that the voters who think that there is no effective domestic and foreign political policy are moving away from supporting the ruling party on the next elections. On the contrary voters who think that there is an effective domestic and foreign political policy are moving closer to the supporting the ruling party on the next elections.

In addition, there is a fifth model in the hierarchical regression that did not included to hypothesis testing. In this model, it has been tried to explore the other parameters such as, status quo, ethnicity voting, religions voting, and ideology voting have a significance in the sample or not. Results showed that the voters highly consider finding alternative parties ( $\beta_i = -0.093$ ;  $p < 0,001$ ), religious similarities ( $\beta_i = 0.224$ ;  $p < 0,001$ ) and ethnicity of the political party ( $\beta_i = 0.089$ ;  $p < 0.001$ ) in their voting decision. According to results voter who think finding an alternative party is possible they tend to vote different parties. In another, voters who care about religious similarity and ethnicity tend to support the incumbent party in the next elections.

Table 42. Results of the Hierarchical Regression

Independent Variables	Bi	ti	Bi	Ti	Bi	Ti	Bi	Ti	$\beta_i$	ti
Gender	<b>0.159</b>	<b>3.968</b>	<b>0.112</b>	<b>3.114</b>	<b>-0.124</b>	<b>3.17</b>	<b>0.125</b>	<b>3.183</b>	-0.049	-1.438
Age	-0.001	-0.22	-0.18	-0.41	-0.019	-0.439	-0.016	-0.359	0.012	0.316
Education Level	<b>0.11</b>	<b>2.516</b>	0.059	-0.41	0.06	1.399	0.053	1.227	0.068	1.851
Occupational Group	0.27	0.635	0.033	0.79	0.031	0.738	0.023	0.541	0.037	1.046
Household Income	0.26	0.638	0.001	0.028	0.002	0.061	0.003	0.064	-0.04	-1.190
Perception of the Current Economic Situation			<b>-0.261</b>	<b>-6.783</b>	<b>-0.211</b>	<b>-3.379</b>	<b>-0.158</b>	<b>-2.295</b>	0.038	0.649
Future Economic Expectations Under the Incumbent Rule					<b>-0.063</b>	<b>-1.028</b>	<b>-0.039</b>	<b>-0.627</b>	<b>-0.182</b>	<b>3.392</b>
Non – Economic Performance of the Incumbent Party							<b>-0.099</b>	<b>.1.753</b>	<b>-0.293</b>	<b>6.064</b>
Status –Quo									-0.033	-0.946
Alternative Party									<b>-0.093</b>	<b>-2.726</b>
Religious Similarity									<b>0.224</b>	<b>4.839</b>
Ethnicity									<b>0.089</b>	<b>1.975</b>
Ideology									-0.033	0.401
	$\Delta R^2 = 0.041$		$\Delta R^2 = 0.256$		$\Delta R^2 = 0.295$		$\Delta R^2 = 0.338$		$\Delta R^2 = 0.384$	

Results of the hierarchical regression suggest that the perception of the current economic situation, future expectations under the incumbent party rule and non – economic performance of the incumbent party have an inversely proportional effect on the support for the incumbent party on the next elections. It has been found that voters who think that the economy is in a bad condition punish the incumbent party in the next

elections, whereas voters who think that the economy is in a good condition reward the incumbent party with their support on the next elections. Also, when examining the severity of this reward or punishment action, it can be suggested that factor load of perception of the current economic situation on voting behavior is more than the other factors ( $\beta_i = -0.261$ ;  $p < 0.001$ ). Therefore, hypothesizes 1a and 1b are supported.

Secondly, regarding the future expectations under the incumbent party rule variable reveals that the voters considering their future welfare when voting. This variable has significant inversely effect on the supporting the incumbent party on the next elections. In addition, these results coincide with the responsibility hypothesis of economic voting behavior. In this case when voters could not see a development in the personal economic welfare in the future under the incumbent party rule then they are moving away from the supporting the incumbent party. On the contrary, when the economic expectations are positive about the future under incumbent party rule then voters tend to support incumbent party on the next elections. Therefore, hypotheses 2a and 2b are also supported.

Thirdly, in the fourth model, relationship between the economic voting behavior and non – economic performance of the incumbent party aimed to explore. According to the results, a significant relationship was detected between those variables. For the voters, non – economic performance increases the support for the incumbent party on the next elections. On the other hand, if voters believe that the incumbent party is politically ineffective then support for the incumbent party on the next election declines.

#### 6.4 The analysis of the research model

Hypothesis testing reveals that the control variables of gender, education level, and the independent variables, perception of the current economic situation, future expectations under the incumbent party rule and non – economic performance of the incumbent party have significant relationships with the dependent variable of proximity to the incumbent party on the next elections. All the hypothesis concerning the voting preference of voters and responsibility hypothesis are. In the Table 43, which presented below, summary of the hypothesis testing is presented.

Table 43. Hypotheses and Results

Hypothesis	Result
H1a: Perception of the current economic situation has punishing effects on incumbent party's support in Turkey	Supported
H1b: Perception of the current economic situation has rewarding effects on incumbent party's support in Turkey	Supported
H2a: Future economic expectations under the incumbent party has a rewarding effect on the incumbent party's support in Turkey	Supported
H2b: Future economic expectations under the incumbent party has a punishing effect on the incumbent party's support in Turkey	Supported

## CHAPTER 7

### CONCLUSION AND IMPLICATIONS

This study investigated the political party preference of the voters with the context of economic perceptions and its relationship with the non – economic performance of the incumbent party. The ultimate objective was to investigate the relationships between the economic or non - economic performance of incumbent party and voting behavior in Turkey. With respect to certain dependent and independent variables (i.e. age, gender, education level, household income, current economic perception, future economic expectations, non – economic performance) a detailed analysis was made, and relationships were identified. Responsibility hypothesis established the theoretical framework of this study.

#### 7.1 Conclusion

In order to explore and define the economic voting behavior dynamics in Turkey, statistical tests were carried out on a customized sample. With the extensive literature review, a model based on responsibility hypothesis established. In addition, the responsibility hypothesis non – economic performance of the incumbent party scale was added to the research model. Results proved that in a political environment of high partisanship, politically polarized voter segmentations, as a democratic practice newly changed into presidential system (Aytaç, Çarkoğlu, & Yıldırım, 2017), voters are aware of the economic changes and reactive about those changes. Because as expected results

were in parallel with the recent economic disorder of Turkey. Obtained results also coincide with the grievance asymmetry, voter's myopia.

Another important finding of the study is the majority of the voters are in fact aware about the downtrend in the Turkish economy. As presented before in the various tables, inflation rate, unemployment rate, foreign exchange rates, policy interest rates are increasing in a harmful way to the general economic environment. On the other hand, exports and gross domestic product figures are in decline. Table 28 supports this situation with the questions about economic effectiveness of the government as "Turkey's economy in general is in good condition", "Government's economic policies are Successful" and "Minister of Economy is successful", these questions have median values of 1.9454, 1.8877 and 1.7147 respectively. These median values are reflecting the negative perceptions as totally disagree and disagree. The detection of such high awareness confirms the health of the results of the research in terms of subjective, if not statistical, evaluation.

In the light of the findings, voters in Turkey, who think that the economy is in bad condition blames the incumbent party and punish the incumbent party on the next election with not supporting it. In this case, if the economy is generally in good condition, voters would be expected to reward the incumbent party with their support. This result both proves the related hypotheses and responsibility hypothesis of economic voting behavior. In line with the responsibility hypothesis, voters hold government responsible for the economic performance in Turkey.

As expected, voters in Turkey consider their future economic expectations when evaluating their political party preferences on elections. Our study reveals that if voters cannot see an economic prosperity in the future under the current incumbent party rule,



they tend to support another party. This result was expected because in the literature current perception of the economic situation linked with the voters' future expectations about the economy. Therefore, if the economy is in downtrend at the moment, voters usually think that the economy would be in a bad condition in the future as well.

In addition, another aim of the study was achieved via statistical analyses. With the set of questions from the recent political events in the foreign and domestic political environment non – economic performance of the incumbent party scale created. It was tried to discover to the electoral responses of major events that could have a direct or indirect impact on the economy. Results showed that the voters are reactive to government's non – economic performance of the incumbent party and voters who see the government as ineffective tend to not support on the upcoming elections. However, when the voters' rationality examined it was revealed that the Turkish voters are rational during the economic downturn and not vote according to the non – economic performance of the incumbent party.

Overall, all hypothesis about the responsibility hypothesis proved for the Turkish voters. Also, sub-dimensions of the Responsibility hypothesis such as, voters' myopia, grievance asymmetry and time orientation concepts determined in the study. As expected, Turkish voters hold responsible government for the economic downturns and when voting, voters also consider the future expectations as expected for the responsibility hypothesis. Finally, non – economic performance of the incumbent party, which eventually related to the economy, voters demonstrates the features of the responsibility hypothesis and hold government for the any negative situation. In the light of these findings, it was expected that if the economy could not start to recover, loss of support for the incumbent party would increase.

## 7.2 Limitations and recommendations of the study

This study, like any other study, has some limitations. Firstly this study was conducted in Turkey. Hereby, its generalization is limited. Secondly, this study is conducted in certain districts of Istanbul and therefore, even its generalization among the Turkey is limited. Though the sample size in the study is adequate, the sampling design does not allow us to make generalization on the perceptions and political party preferences of the ethnic minorities and supporters of minor political parties.

In addition, during the survey it was experienced that some individuals refused to participate the study due to political sides of the survey. When asked why, they stated that they feared the government, survey was very political and that may the government recorded the answers.

To overcome difficulties which experienced in this study, I recommend that a larger and sample size in the much adequate for testing the economic voting behavior. Also, if the questionnaire could be more depoliticized, voters may be more encouraged to participate the study.

On the other hand, despite these limitations, study has achieved its goal and proved hypotheses in the light of responsibility hypothesis. As mentioned before overall results for Turkey coincides with the worldwide literature and despite the turbulent political and economic past, and the tribulations in the recent political and economic issues; it has been proved that the Turkish voters attach great importance the economy.

APPENDIX A

NORMALITY TEST OF VARIABLES

Tests of Normality			
	Shapiro-Wilk		
	Statistic	Df	Sig.
Please specify your gender?	0,636	659	0,000
May I learn your age?	0,905	659	0,000
What is your educational status? What type of educational program did you graduate last?	0,828	659	0,000
Which occupational group are you in?	0,927	659	0,000
What is the average monthly income of your household?	0,839	659	0,000
Turkey's economy in general, is in good condition	0,746	659	0,000
Government's economic policies are successful	0,713	659	0,000
Minister of Economy is successful	0,657	659	0,000
Economic problems are caused by external issues	0,843	659	0,000
Economic institutions are independent	0,774	659	0,000
Turkey is under attack economically	0,845	659	0,000
Turkey's economy under the AKP would be in a better position	0,802	659	0,000
GDP per capita increases under the AKP rule	0,823	659	0,000
Inflation rates fall under the AKP rule	0,771	659	0,000
Unemployment decreases under the AKP rule	0,707	659	0,000
industrialization increases under AKP rule	0,815	659	0,000
There is an effective fight against the FETÖ	0,823	659	0,000

There is an effective fight against terrorism in Turkey	0,869	659	0,000
An effective diplomacy policy is being implemented by the government	0,840	659	0,000
Refugee policy is successful	0,614	659	0,000
Turkey is a powerful country in the aspect of geopolitical and global view	0,865	659	0,000
I vote to protect my current socio-economic status	0,820	659	0,000
I vote because of could not finding an alternative	0,818	659	0,000
I vote for because of similarity of religious belief or sect	0,760	659	0,000
Ethnicity voting is also effective in choosing	0,772	659	0,000
Economic promises are effective in my voting preference	0,803	659	0,000
The ideological identity of the party is influential in voting preference	0,797	659	0,000
In the last election, you voted for (General Election or Local Election), which political party did you vote for?	0,727	659	0,000
Which political party do you consider voting in the next election you will vote for	0,716	659	0,000
a. Lilliefors Significance Correction			

APPENDIX B

SURVEY QUESTIONNAIRE

Bu çalışma, Boğaziçi Üniversitesi, Sosyal Bilimler Enstitüsü, Uluslararası Ticaret Yönetimi Yüksek Lisans programı tez çalışması kapsamında, seçmen davranışlarını anlamlandırma üzerine yapılmaktadır. Araştırma kapsamındaki isim veya iletişim bilgisi istenmeyecek, cevaplarınız tamamen gizli kalacak ve sadece akademik ve istatistiksel amaçlarla kullanılacaktır. Anketin tamamlanma süresi ortalama 5 dakikadır.

Demografik Soru Formu

S1. Lütfen cinsiyetinizi belirtiniz?

Kadın	Erkek
1	2

S2. Yaşınızı öğrenebilir miyim?

18 – 25	1
26 – 35	2
36 – 45	3
46 – 55	4
56 – 65	5
66 yaş ve üstü	6

S3. Eğitim durumunuz nedir? En son mezun olduğunuz öğretim türü nedir?

Okur yazar değil	1
İlkokul mezunu	2
Ortaokul mezunu	3
Lise mezunu	4
Üniversite mezunu	5
Yüksek lisans veya doktora mezunu	6

S4. Hangi meslek grubunda yer almaktasınız?

Çalışmıyor – İşsiz – İş arayışı bulunmamakta	1
Öğrenci	2
Devlet memuru	3
Özel sektör çalışanı	4
İşçi	5
Tüccar – İşinsanı	6
Emekli	7

S6. Hane halkının aylık ortalama geliri hangi dilim içerisinde yer almaktadır?

0 – 2,020 TL	1
2,021 – 6,918 TL	2
6,919 – 10,000 TL	3
10,000 TL ve üstü	4

Ekonomik Beklenti Soruları

S7. Aşağıdaki soruları Türkiye' nin mevcut ekonomik durumunu göz önünde bulundurarak cevaplayınız.

	Kesinlikle Katılmıyorum	Katılmıyorum	Kararsızım	Katılıyorum	Kesinlikle Katılıyorum
Türkiye ekonomisi genel anlamda iyi durumdadır					
Hükümetin ekonomi politikaları başarılıdır					
Ekonomi bakanı görevinde başarılıdır					
Ekonomideki sorunlar dış kaynaklıdır					
Ekonomiden sorumlu kurumlar bağımsızdır					
Türkiye' ye ekonomik olarak saldırı yapılmaktadır.					

S8. Aşağıdaki soruları AKP iktidarı altındaki gelecek beklentilerinize göre cevaplayınız

	Kesinlikle Katılmıyorum	Katılmıyorum	Kararsızım	Katılıyorum	Kesinlikle Katılıyorum
AKP iktidarında ekonomi gelecekte daha iyi durumda olacaktır					
AKP iktidarında kişi başına düşen milli gelir gelecekte daha yüksek olacaktır					
AKP iktidarında enflasyon oranı gelecekte daha düşük olacaktır					
Akp iktidarında işsizlik gelecekte daha da düşecektir					
AKP iktidarında sanayileşme ve üretim gelecekte daha iyi durumda olacaktır					



## İç – Dış Politika Değerlendirme Soruları

S9. Aşağıdaki soruları Türkiye’ nin iç ve dış politikadaki etkinliğini göz önünde bulundurarak cevaplayınız

	Kesinlikle Katılmıyorum	Katılmıyorum	Kararsızım	Katılıyorum	Kesinlikle Katılıyorum
FETÖ ile etkili bir mücadele yürütülmektedir					
Yurtiçinde Terör ile etkili bir mücadele yürütülmektedir					
Hükümet tarafından etkili bir diplomasi politikası yürütülmektedir					
Mülteci politikası başarılıdır					
Türkiye jeopolitik ve global anlamda güçlü bir ülkedir					

## Siyasi Parti Tercih Nedenleri

S10. Siyasi parti oy tercihinizi etkileyen faktörleri aşağıdaki olgulara göre değerlendiriniz

	Kesinlikle Katılmıyorum	Katılmıyorum	Kararsızım	Katılıyorum	Kesinlikle Katılıyorum
Mevcut sosyo-ekonomik statümü korumak için oyumu veriyorum					
Alternatif bulamadığım için oyumu veriyorum					
Dini inanç/ mezhep uyuştugu için oyumu veriyorum					
Etnik köken oy tercihimde etkilidir					
Partinin ideolojik kimliği oy tercihimde etkilidir					

## Siyasi Parti Tercihleri

S11. Oy kullandığınız son seçimde, (Genel Seçim veya Yerel Seçim) oyunuzu hangi siyasi partiye verdiniz?

Adalet ve Kalkınma Partisi (AKP)	1
Cumhuriyet Halk Partisi (CHP)	2
Milliyetçi Hareket Partisi (MHP)	3
Halkların Demokratik Partisi (HDP)	4
İyi Parti (İYİ)	5
Diğer	6
Oy kullanmadım	Anketi sonlandırınız

S12. Oy kullanacağınız bir sonraki seçimde mevcut iktidar partisini desteklemeyi düşünüyor musunuz?

	Kesinlikle Katılıyorum	Katılıyorum	Kararsızım	Katılmıyorum	Kesinlikle Katılmıyorum
Bir dahaki seçimde oyumu AKP'ye vereceğim					

## REFERENCES

- Akarca, A. T., & Tansel, A. (2006). Economic performance and political outcomes: an analysis of the Turkish parliamentary and local election results between 1950 and 2004. *Public Choice*, 129(1-2), 77-105. doi:10.1007/s11127-005-9013-9
- Akgün, B. (2000). Türkiye'de seçmen davranışı: partizan tutumlar ideoloji ve ekonomik faktörlerin oy vermeye etkisi. *Selçuk Üniversitesi Sosyal Bilimler Meslek Yüksek Okulu Dergisi*(4), 65-74. Retrieved from <http://dergipark.ulakbim.gov.tr/selcuksbmyd/issue/view/5000008579>
- Akparti. (2002). 2002 election manifesto. *Justice and Development Party, 2002 Election Manifesto*. Ankara, Turkey: Justice and Development Party. Retrieved from [https://kurzman.unc.edu/files/2011/06/AKP\\_2002.pdf](https://kurzman.unc.edu/files/2011/06/AKP_2002.pdf)
- Albayrak, M. (2004). *Türk siyasi tarihinde demokrat parti (1946-1960)*. Ankara: Phoenix Yayınevi.
- Alvarez, R. M., & Nagler, J. (2000). A new approach for modelling strategic voting in multiparty elections. *British Journal of Political Science*, 30(1), 57-75. doi:10.1017/S000712340000003X
- Anderson, C. J. (2000). Economic voting and political context: a comparative perspective. *Electoral Studies*, 19(2-3), 151-170. doi:10.1016/S0261-3794(99)00045-1
- Anderson, C. J., & Hecht, J. D. (2012). Voting when the economy goes bad, everyone is in charge, and no one is to blame: the case of the 2009 German election. *Electoral Studies*, 31(1), 5-19. doi:10.1016/j.electstud.2011.06.003
- Ansolabehere, S., Meredith, M., & Snowberg, E. (2008). Sociotropic voting and the media. *Improving Public Opinion Surveys: Interdisciplinary Innovation and the American National Election Survey.*, 175-189.
- Avcı, N. (1988). *Bütçe ve para politikalarının makroekonomik etkileri*. Bütçe ve Mali Kontrol Genel Müdürlüğü. Ankara: Maliyet ve Bütçe Bakanlığı.
- Aytaç, S. E., Çarkoğlu, A., & Yıldırım, K. (2017). Taking sides: determinants of support for a presidential system in Turkey. *South European Society and Politics*, 22(1), 1-20. doi:10.1080/13608746.2017.1280879
- Başlevent, C., & Kirmanoğlu, H. (2016). Economic voting in Turkey: perceptions, expectations, and the party choice. *Research and Policy on Turkey*, 1(1), 88-101.

- Başlevent, C., Kirmanoğlu, H., & Şenatalar, B. (2009). Party preferences and economic voting in Turkey (now that the crisis is over). *Party Politics*, 15(3), 377-391. doi:10.1177/1354068808097896
- BBCTürkiye. (2015, 12 4). *Türkiye-Rusya uçak krizi: 10 günde neler yaşandı?* Retrieved from BBC Türkiye: [https://www.bbc.com/turkce/haberler/2015/12/151204\\_rusya\\_krizin\\_10\\_gunu](https://www.bbc.com/turkce/haberler/2015/12/151204_rusya_krizin_10_gunu)
- Bennet, L. (1987). Rational choice: the emerging paradigm in election studies. (S. Long, Ed.) *Research in Micropolitics*, 23(01), 1-30.
- Berelson, B. (1954). *Voting: a study of opinion formation in a presidential campaign*. Chicago: University of Chicago Press.
- Boratav, K., & Yeldan, E. (2007). Turkey, 1980-2000: financial liberalization, macroeconomic (In)stability, and patterns of distribution. In *External Liberalization in Asia, Post-Socialist Europe, and Brazil*. Ankara: Bilkent University Press. doi:10.1093/acprof:oso/9780195189322.003.0014
- Bornier, J. M., Norpoth, H., Lewis-Beck, M. S., & Lafay, J. D. (2016). Economics and politics: the calculus of support. *Journal Des Économistes et Des Études Humaines*, 2(4), 45-69. doi:10.1515/jeeh-1991-0410
- Calvo, G. A., & Végh, C. A. (1999). Inflation stabilization and bop crises in developing countries. *Handbook of Macroeconomics.*, 62-95. doi:10.1016/S1574-0048(99)10037-5
- Carlsen, F. (2000). Unemployment, inflation and government popularity - are there partisan effects? *Electoral Studies*, 19, 141-150. doi:10.1016/S0261-3794(99)00044-X
- CBRT. (2002). *Küreselleşmenin ekonomiye etkileri*. Ankara: Central Bank of the Republic of Turkey.
- Clarke, H. D., Scotto, T. J., & Kornberg, A. (2011). Valence politics and economic crisis: electoral choice in Canada. *Electoral Studies*, 30(3), 438-449. doi:10.1016/j.electstud.2010.11.006
- Coşar, S., & Özman, A. (2004). Centre-right politics in Turkey after the november 2002 general election: Neo-liberalism with a Muslim face. *Contemporary Politics*, 10(1), 57-74. doi:10.1080/13569770410001701233
- Çalışkan, K. (2014). *Towards the third CHP: An anatomy of the main opposition in Turkey*. İstanbul: Al Jazeera Studies. Retrieved from <http://studies.aljazeera.net/en/reports/2014/04/20144108135189187.htm>

- Çalışkan, K. (2017). Explaining the end of military tutelary regime and the July 15 coup attempt in Turkey. *Journal of Cultural Economy*, 97-111. doi:10.1080/17530350.2016.1260628
- Çarıkçı, E. (1983). *Yarı gelişmiş ülkelerde ve Türkiye' de sanayileşme politikaları*. Ankara: Turhan Kitapevi.
- Çarkoğlu, A. (2008). Ideology or economic pragmatism?: profiling Turkish voters in 2007. *Turkish Studies*, 9(2), 317-344. doi:10.1080/14683840802012074
- Çarkoğlu, A. (2012). Economic evaluations vs. ideology: diagnosing the sources of electoral change in Turkey 2002-2011. *Electoral Studies*, 31(3), 513-521.
- Dahl, R. (1971). *Polyarchy*. New Haven: Yale University Press.
- Dows, A. (1957). An economic theory of political action in a democracy, the political economy. *Journal of Political Economy*, 65(2), 135-150.
- Durr, R. H. (1993). What moves policy sentiment? *American Political Science Review*, 87(1), 158-170. doi:10.2307/2938963
- Eğilmez, M. (2001, 08 30). *Türkiye' nin dış borç stoğunu bilmiyoruz*. Retrieved from Radikal: <http://www.radikal.com.tr/yazarlar/mahfi-egilmez/turkiyenin-borc-stokunu-bilmiyoruz-756096/>
- Ercan, H. (2000). *Açık ekonomi, istikrar tedbirleri ve sıcak para: Türkiye*. Ankara: MPM Yayınları.
- Erdoğan, S. (2004). *Siyaset-ekonomi ilişkileri*. İstanbul: Değişim Yayınevi.
- Esen, B., & Gumuscu, S. (2017). Turkey, how the coup failed. *Journal of Democracy*, 28(1), 59-73. doi:10.1353/jod.2017.0006
- Eulau, H., & Fiorina, M. P. (1981). Retrospective voting in American national elections. *Political Science Quarterly*, 96(4), 671. doi:10.2307/2149903
- Fair, R. C. (1978). The effect of economic events on votes for president. *The Review of Economics and Statistics*, 60(2), 159. doi:doi.org/10.2307/1924969
- Field, A. (2003). *Discovering statistics using IBM SPSS statistics* (Vol. 58). London: Sage Publications.
- Finer, S. E. (1958). Politics, parties and pressure groups. *Political Studies*, 6(3), 265-266. doi:10.1111/j.1467-9248.1958.tb01116.x
- Goodhart, C., & Bhansali, B. (1970). Political economy. *Political Studies*, 18(1), 43-106. doi:10.1111/j.1467-9248.1970.tb00659.x

- Gral, M. (2005). İstatistiklerin ağızı var dili yok! Büyme gerek mi? Hormonlu mu? *Mevzuat Dergisi*, 8(94), 12-15.
- Grcan, M. (2019). Operations Euphrates Shield and Olive Branch. *The Washington Institute for Near East Policy*, 59-73.
- Grcanlı, Z. (2017, January 03). *Sleyman Soylu: 2016 yılında 339 olay engellendi*. Retrieved from [www.sozcu.com.tr](http://www.sozcu.com.tr):  
<https://www.sozcu.com.tr/2017/gundem/suleyman-soyludan-tbmmde-aciklama-1601675/>
- Grsy, Y. (2013). From tutelary powers and interventions to civilian control: An overview of Turkish civil–military relations since the 1920s. In *Turkey's Democratization Process* (pp. 253-273). Taylor and Francis.  
doi:0.4324/9780203500460
- Hendrick, J. D. (2013). *Glen: The ambiguous politics of Market Islam in Turkey and the world*. New York: New York University Press.
- Hibbs, D. A. (1977). Political parties and macroeconomic policy. *American Political Science Review*, 71(4), 1467-1487. doi:10.1017/S0003055400269712
- İnsel, A. (2003). The AKP and normalizing democracy in Turkey. *South Atlantic Quarterly*, 290-298. doi:10.1215/00382876-102-2-3-293
- Jager, J. (2016). *Turkey's operation Euphrates Shield: An exemplar of joint combined arms maneuver*. Retrieved from Small Wars Journal:  
<https://smallwarsjournal.com/jrnl/art/turkey%E2%80%99s-operation-euphrates-shield-an-exemplar-of-joint-combined-arms-maneuver>
- Jerme, B., & Jerme-Speziari, V. (2000). The 1998 French regional elections: Why so much political instability? *Electoral Studies*, 19, 219-236. doi:10.1016/S0261-3794(99)00049-9
- Kalaycıoėlu, E., & Sarıbay, A. Y. (1986). *Trk siyasal hayatının geliřimi*. İstanbul: Beta Basım Yayın Daėıtım.
- Karacan, R. (2014). Geliřmekte olan lkeler ve Trkiye'de ekonomik krizler, sermaye hareketleri ve ABD doları arasındaki iliřki. *The Journal of International Social Research*, 7(33), 763-773.
- Karagl, E. T., & Bingl, A. S. (2013). *Trkiye - IMF iliřkilerinde yeni dnem*. İstanbul: SETA.

- Karahan, H. (2012). *Kalkınma yolunda yeni eşik: orta gelir tuzağı*. İstanbul: Müsiad.  
Retrieved from  
[http://www.musiad.org.tr/F/Root/Pdf/Ara%C5%9Ft%C4%B1rma%20Raporlar%C4%B1/T%C3%BCrkiye%20Ekonomisi%20Raporlar%C4%B1/Turkiye\\_Ekonomisi\\_Raporu\\_2012.pdf](http://www.musiad.org.tr/F/Root/Pdf/Ara%C5%9Ft%C4%B1rma%20Raporlar%C4%B1/T%C3%BCrkiye%20Ekonomisi%20Raporlar%C4%B1/Turkiye_Ekonomisi_Raporu_2012.pdf)
- Kayalar, T. (2005). *Cumhuriyetin 80. yılında ihracatımızda son gelişmeler*. Ankara: Başbakanlık Dış Ticaret Müsteşarlığı. Retrieved from  
<http://www.dtm.gov.tr/ead/DTDERGI/ozelsayiekim/mustesar.htm>
- Kazgan, G. (1991). *Tanzimat' tan XXI. yüzyıla Türkiye ekonomisi*. İstanbul: Altın Kitaplar Yayınevi.
- Keyder, Ç. (1993). *Ulusal kalkınmacılığın iflası*. Ankara: Metis Yay.
- Kinder, D. R., & Kiewiet, D. R. (1979). Economic discontent and political behavior: The role of personal grievances and collective economic judgments in congressional voting. *American Journal of Political Science*, 23(3), 495. doi:10.2307/2111027
- Kol, E. N., & Karaçor, Z. (2012). 2001 güçlü ekonomiye geçiş programı ve istihdam zerine etkileri. *Maliye Dergisi*, 379-395.
- Kramer, G. H. (1971). Short-term fluctuations in U.S. voting behavior, 1896–1964. *American Political Science Review*, 65(1), 131-143. doi:10.2307/1955049
- Kuru, A. T. (2012). The rise and fall of military tutelage in Turkey: Fears of islamism, kurdism, and communism. *Insight Turkey*, 14(2), 37-52.
- Lenze, P. E. (2011, May). Civil-military relations in “islamic democracies”: Military intervention & withdrawal in Algeria, Pakistan, & Turkey. *ProQuest Dissertations and Theses*, 335. Retrieved from  
<http://search.proquest.com/docview/877967544?accountid=13042>
- Levy, J. S. (1997). Prospect theory, rational choice, and international relations. *International Studies Quarterly*, 41(1), 87-112. doi:10.1111/0020-8833.00034
- Lewis-Beck, M. (1990). Economics and elections: Major western democracies. *University of Michigan Ann Arbor*, 5-17.
- Lewis-Beck, M. S. (1981). Economics and elections. the major western democracies. *University of Michigan Press*, 67-99.
- Lewis-Beck, M. S., & Paldam, M. (2000). Economic voting: an introduction. *Electoral Studies*, 19(2), 113-121.



- Lewis-Beck, M. S., & Stegmaier, M. (2009). American voter to economic voter: evolution of an idea. *Electoral Studies*, 28(4), 625-631. doi:10.1016/j.electstud.2009.05.023
- Lin, T. M. (1999). The historical significance of economic voting. *Social Science History*, 23(4), 561-591.
- Lipset, M. S. (1973). Political sociology, in sociology an introduction. *John Wiley and Sons*, 52-69.
- Lunati, M. T., Alesina, A., & Rosenthal, H. (1996). Partisan politics, divided government, and the economy. *The Economic Journal*, 106(439), 1787. doi:10.2307/2235222
- Manap, G. (2018). The reflection of 2015 - 2016 crisis on tourism in Turkey. *Suleyman Demirel University Visionary Journal*, 9(21), 27-38.
- Marvick, D., & Key, V. O. (1967). The responsible electorate: Rationality in presidential voting 1936-1960. *The Western Political Quarterly*, 20(1), 250. doi:10.2307/444858
- Mayhew, D. R., Butler, D., Penniman, H. R., & Ranney, A. (1982). Democracy at the polls: A comparative study of competitive national elections. *Political Science Quarterly*, 97(1), 179. doi:https://doi.org/10.2307/2149356
- Moody's. (2019). *Turkey annual credit analysis*. New York: Moody's Investor Service
- Mueller, J. E. (1970). Presidential popularity from Truman to Johnson. *American Political Science Review*, 64(1), 18-34. doi:10.2307/1955610
- Nannestad, P., & Paldam, M. (1994). The VP-function: A survey of the literature on vote and popularity functions after 25 years. *Public Choice*, 79(3-4), 213-245. doi:10.1007/BF01047771
- Nannestad, P., & Paldam, M. (1997). The grievance asymmetry revisited: A micro study of economic voting in Denmark, 1986-92. *European Journal of Political Economy*, 13(1), 81-99. doi:10.1016/S0176-2680(96)00034-1
- Nezi, R. (2012). Economic Voting Under the Economic Crisis: Evidence from Greece. *Electoral Studies*, 31(3), 498-505. doi:10.1016/j.electstud.2012.02.007
- Norpoth, H. (1996). Of time and candidates: A forecast for 1996. *American Politics Research*, 443-467. doi:10.1177/1532673X9602400404
- Norris, P. (1998). *Elections and voting behavior: New challenges, new perspectives*. London: Dartmouth Pub Co.

- Orhan, O. (2014). Suriye içsavaşı ve ortadoğu' da güvenlik. *ORSAM Ortadoğu Dergisi*, 6(63), 63-71.
- Orsam. (2014). *Suriye 'ye komşu ülkelerde suriyeli mültecilerin durumu: Bulgular ve sonuçlar*. Ankara: Ortadoğu Stratejik Araştırmalar Merkezi.
- Özbey, F. (2006). Türk sanayileşme sürecinde bütünleştirilmiş strateji. *İktisadi ve İdari Bilimler Fakültesi Dergisi*, 1-18. Retrieved from <http://hdl.handle.net/AKU/1329>
- Özlale, Ü., & Karakurt, A. (2012). Türkiye'de tasarruf açığının nedenleri ve kapatılması için politika önerileri. *Bankacılar Dergisi*, 1-33.
- Öztürk, S. (2018). Türkiye ekonomisinde 1980 sonrası yaşanan yapısal dönüşümlerin gsmh, dış ticaret ve dış borçlar bağlamında teorik bir değerlendirmesi. *Mevzuat Dergisi*, 8(94), 2-20. Retrieved from <https://www.mevzuatdergisi.com/2005/10a/01.htm>
- Paldam, M. (1981). A preliminary survey of the theories and findings on vote and popularity functions. *European Journal of Political Research*, 9(2), 181-199. doi:10.1111/j.1475-6765.1981.tb00598.x
- Palmer, H. D., & Whitten, G. D. (2011). Through thick and thin? The dynamics of government support across income groups during economic crises. *Electoral Studies*, 30(3), 427-437. doi:10.1016/j.electstud.2010.11.008
- Pierce, P. A., & Kiewiet, D. R. (1984). Macroeconomics and micropolitics: The electoral effects of economic issues. *Political Science Quarterly*, 99(2), 375. doi:10.2307/2150431
- Powell, G. B., & Whitten, G. D. (1993). A cross-national analysis of economic voting: Taking account of the political context. *American Journal of Political Science*, 37(2), 391-414. doi:10.2307/2111378
- Price, S. (1997). Political business cycles and macroeconomic credibility. *Public Choice*, 407-427.
- Rattinger, H. (1981). Unemployment and the 1976 election in Germany: Some findings at the aggregate and the individual level of analysis. *German Politics*, 15(4), 121-135. doi:10.1080/09644000601068110
- Sakallioğlu, Ü. C. (1997). The anatomy of the Turkish military's political autonomy. *Comparative Politics*, 151-166. doi:10.2307/422077
- Sanders, D. (1999). Conservative incompetence, labour responsibility and the feelgood factor: Why the economy failed to save the conservatives in 1997. *Electoral Studies*, 18(2), 251-270. doi:10.1016/S0261-3794(98)00053-5

- Sezgin, Ş. (2007). Türkiye'de politik konjonktürel dalgalanmalar: 1950-2003 dönemi. *Ankara Üniversitesi SBF Dergisi*, 2(62), 135-154. doi:10.1501/SBFder\_0000002022
- Speir, J. P., & Keech, W. R. (1996). Economic politics: The costs of democracy. *Southern Economic Journal*, 62(4), 1124. doi:10.2307/1060975
- Stepan, A. C. (1988). *Rethinking military politics: Brazil and the southern cone*. Princeton: Princeton University Press.
- Stevenson, R. T. (2001). The economy and policy mood: A fundamental dynamic of democratic politics? *American Journal of Political Science*, 45(3), 620-633. doi:10.2307/2669242
- Sungur, O. (2016). 2000 sonrası Türkiye ekonomisi: büyüme, enflasyon, işsizlik, borçlanma ve dış ticarete gelişmeler. *Toplum ve Demokrasi Dergisi*, 243-270.
- Taban, S. (2011). Küresel finans krizi öncesi ve sonrası dönemde Türkiye’de ekonomik büyümenin dinamikleri. *SETA Analiz Dergisi*, 1-33
- Taddicken, M. (2016). The people’s choice. How the voter makes up his mind in a presidential campaign. In *Schlüsselwerke der Medienwirkungsforschung* (pp. 25-36). Wiesbaden: Springer Fachmedien Wiesbaden.
- Telatar, F. (2004). *Politik iktisat politikası*. Ankara: İmaj Yayınevi.
- Tonak, A., & Akçay, A. (2018). Turkey’s economy since the 1980. *Springer International Publishing*, 45–50. doi:https://doi.org/10.1007/978-3-319-76705-5\_5
- TRMoI. (2019). *Syrian refugees in Turkey*. Ankara: Turkey Republic Ministry of Interior. Retrieved 6 23, 2019, from https://www.goc.gov.tr/icerik3/gecici-koruma\_363\_378\_4713
- Tuncel, G. &. (2012). Türkiye siyasetinde merkez çevrenin fönüşümü ve geleneksel merkezin konumlanma sorunu. *Gazi Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, 137 - 258.
- Tunç, A. Ş. (2015). Mülteci davranışı ve toplumsal etkileri: Türkiye'deki suriyelilere ilişkin bir değerlendirme. *Turkish Journal of TESAM Academy*, 29-63.
- Turan. (2005). Türkiye ekonomisinde Kasım 2000 – Şubat 2001 krizleri. *TÜHİS*, 1-18.
- Turan, Z. (2011). Dünyadaki ve Türkiye’deki krizlerin ortaya Çıkış nedenleri ve ekonomik kalkınmaya etkisi. *Niğde Üniversitesi İİBF Dergisi*, 56-80.

- Uygur, E. (2001). Krizden krize Türkiye: 2000 Kasım ve 2001 Şubat krizleri. *Türkiye Ekonomi Kurumu*, 1-13.
- World Bank, G. (2015). *New country classifications*. Washington D.C.: World Bank Group INC. Retrieved 06 16, 2019, from <http://blogs.worldbank.org/opendata/new-country-classifications>
- Yavuz, M. H., & Koç, R. (2004). Turkish islam and the secular state: The gülen movement. *Choice Reviews Online*, 41(10), 6173. doi:10.5860/choice.41-6173
- Yavuz, M. H., & Koç, R. (2016). The Turkish coup attempt: The gülen movement vs. the state. *Middle East Policy*, 23(4), 136-149. doi:10.1111/mepo.12239
- Yenal, O. (1999). İktisat siyaseti ve plan. *İktisat Siyasatı Üzerine İncelemeler*, 159-172.
- Yentürk, N. (2001). Türk ekonomisinin son 20 yılı. *Bağımsız Sosyal Bilimciler*, 4-24.
- Yılmaz, C., Aygören, O., & Özdemir, Ö. (2012). Türkiye’de siyasi kutuplaşmayı oluşturan unsurlar: Seçmen tercihlerinde ekonomik oy verme davranışından toplumsal travma kuramına kadar bir dizi etkenin görece etkileri. *İktisat İşletme ve Finans*, 09-39. doi:10.3848/iif.2012.311.3228
- Yülek, M. (1998). *Asya kaplanları; sanayi politikaları ve kalkınma*. İstanbul: Alfa Yayınları.