

# IDE Research Bulletin

---

Research project summary based on papers for academic journals  
with the aim of contributing to the academic community

## **Globalization, Public Opinion, and Policymaking in Turkey**

Project Leader

**HAZAMA, Yasushi**

March 2019

**IDE-JETRO**

IDE Research Bulletin:  
Globalization, Public Opinion, and Policymaking in Turkey

Period: April 2017-March 2019

Members of the Research Project:

Organizer: HAZAMA, Yasushi (Area Studies Department)

Co-researcher: IMAI, Kohei (Area Studies Department)

Recently, economic globalization (trade liberalization and capital account liberalization) has affected not only the national economies of developing countries but also their political structures. Turkey shifted its development strategy during the 1980s from import substitution industrialization under a state-led economy to export-led industrialization under a market economy. The latter strategy was most strongly accelerated by the Justice and Development Party (AKP) government that came to power in 2002. The ratio of trade to GDP increased from 30% in the 1980s to 50% in the 2000s, while the ratio of foreign direct investment inflows to GDP grew from 25% to 180% during the same period.

How have the public and interest groups responded to globalization? In addition, since 2011 Turkey has experienced an influx of nearly four million Syrian refugees, which brings into focus the question of the societal response to global immigration. This research examined (1) individual- and country-level determinants of public support for free trade in developing countries, (2) who supports free trade in Turkey and their reasons why, (3) who supports the refugee policy in Turkey, and (4) the role of globalist business associations in foreign policy making. Four papers that addressed these questions are summarized below.

## [1] Public Support for Free Trade in Developing Countries: Bringing Capital Back In

Yasushi Hazama

Previous research on differences in preferences for free trade among developing countries employed models that focus excessively on exports and skilled versus unskilled labor. Here, we revisit the basics of the Heckscher-Ohlin and Stolper-Samuelson comparative-advantage model by bringing back capital and import perspectives. We hypothesize that public support for free trade is high in countries with a low capital/labor ratio, even though support is stronger among skilled workers than among unskilled workers. The capital/labor perspective thus enables us to reconcile the comparative-advantage and skill-premium models. Drawing on the literature on international trade, we measured relative capital/labor abundance based on labor productivity adjusted for human capital.

Using a two-level dataset for 32 developing countries, we first show that countries with low capital-labor ratios display stronger support than those with high capital/labor ratios. Second, the skill-premium model holds for most of the countries but the size of the skill-premium effect depends on two country-level variables: export competitiveness (measured by the balance of trade) and skilled labor abundance (measured by the percentage of university graduates) At the individual level, the skill-premium effect is weaker among people who approve of bribery than among those who do not. Third, support for free trade is reduced by strong social values and perceptions, such as familism (represented by the number of children), group identity (measured by ethnic fractionalization), and threat perception (concerning China's economic growth).

## [2] Who Supports Free Trade in Developing Countries and Why:

### Comparative Advantage vs the Skill Premium

Yasushi Hazama

Recent studies that examine developing countries have shown that skilled labor has a mostly positive, not negative, effect on free-trade preferences, contrary to expectations of the comparative advantage model. These puzzling results suggest that the skill-premium model offers a better explanation: trade openness bolsters demand for skilled labor, which is used to produce exports, and thus benefits workers with higher skills. The above

findings for developing countries, however, were drawn using quantitative measurements of labor skill, such as years of education or occupationally coded values. As a result, it is difficult to differentiate the effect of labor skill from that of occupational categories. This paper reconciles the two competing models by giving more clarity to operationalization using a probability sample of 1,770 respondents that represents the Turkish population.

First, we introduce detailed occupational categories to unravel two separate effects on free trade preferences: individual labor skill measured by education level and skilled/unskilled labor intensity associated with the occupation. As in other developing countries, self-employed and manual workers are the two largest groups in the unskilled occupational categories. Second, we use the multinomial dependent variable (support for free trade because of import, export, both, or non-support) to examine not only who favors free trade but also why. The results reveal that who supports free trade depends on the reasons why. Individuals who work in an unskilled occupation but who are better educated tend to favor free trade because of exports. The evidence suggests that both the comparative advantage and skill-premium models hold for a developing country such as Turkey.

### [3] Muslim Attitudes toward Muslim Refugees: Contact, Threat, and Religiosity

Yasushi Hazama

Past research has shown that a large outgroup size at the national or regional level increases antipathy through threat perception whereas a large outgroup size at the community level reduces it through personal contact. The above findings, however, stem from studies where there are salient religious/ethnic differences between the ethnic majority and minorities: attitudes toward Muslims in Europe, or white attitudes toward blacks in the United States. This paper tests the above theory in a case where outgroup antipathy is less likely to appear, thus adopting a least-likely case study method. We apply the threat-contact theory to attitudes toward policies for refugees who share religious and cultural values. Turkey now hosts more than three and a half million Syrian refugees who are religiously and traditionally close to the native population.

An analysis of nationwide survey data for Turkey shows that the threat effect still overrides the contact effect at the country level. We offer two reasons for this overall strong effect of outgroup size. First, large outgroup size above the community level

increases outgroup encounters that arouse threat perception; the larger the outgroup size, the more frequent one sees encounters than contacts. Second, perception about social situations more strongly affects human attitudes than perception of individual situations. Threat perception is society centered (sociotropic) whereas contact is individual centered (egotropic). We further provide supportive evidence for the related argument that perception about situations (social or individual) is a more important determinant of human attitudes than personality.

#### [4] Economic Diplomacy on Turkish foreign policy under AKP

Kohei Imai

Economic growth and distribution of wealth based on globalization is the Justice and Development Party (AKP)'s strength in domestic politics. The AKP has also used the economy as a foreign policy tool by developing the policies of previous governments based on free market economics and harmonizing with the EU. This article examines the mechanism of the economic aspects of Turkish foreign policy under the AKP. Business associations are key to understanding the AKP's economic diplomacy. This paper focuses on the Turkish Industrialists and Businessmen's Association (TÜSİAD), the Foreign Economic Relations Board (DEİK), and the Turkish International Cooperation Agency (TİKA) as the economic mechanism of Turkish foreign policy.

For the AKP, TÜSİAD has a dimension of economic diplomacy. In addition, the AKP has expanded its targets of economic diplomacy. Mainly through DEİK, the AKP has gained access to developing countries. In the 1990s, Turkish governments gained access to the South Caucasus, Central Asia, and the Balkans through Turkish nationalism. However, the AKP has attempted to achieve good economic relations all over the world. By the same token, the AKP has promoted Turkey as a donor country or a humanitarian state through its collaboration with TİKA. The relationship between the AKP and DEİK/TİKA are closer than that with TÜSİAD. Yet, for the AKP, TÜSİAD is a valuable tool for keeping and deepening relationships with Western countries, especially the EU.